

WASHINGTON STATE TRANSPORTATION COMMISSION

Meeting Summary October 16 & 17, 2012

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on Tuesday, October 16, 2012, in Room 1D2 of the Transportation Building in Olympia, Washington.

Chairman Dan O'Neal opened the meeting.

COMMISSION BUSINESS

Approval of Minutes

Commissioner Haley moved approval of the summary of the Pasco and Pendleton Meetings. Commissioner Litt seconded the motion, which the Commission adopted unanimously.

2013 Meeting Schedule

Staff presented a proposed schedule for 2013 monthly meetings. Staff also noted filing dates for toll and ferry fare rulemaking. Commissioners indicated a strong desire to act earlier on fare setting and have more engagement with the FAC-T and the public for input into fares. The Chairman will write to David Moseley suggesting ways to adopt ferry fares earlier and seeking to explore coordinated public outreach on fare setting.

To facilitate the fare-setting process, the Commissioners chose to meet in Pt. Townsend (rather than Pt. Angeles) in May. The Commission also will meet in Walla Walla, Colville and Bothell during 2013.

Action/Follow-up:

Commissioner Ford moved the adoption of the 2013 Meeting Schedule. Commissioner Parker seconded the motion, which was adopted unanimously.

Annual Report

The Commission agreed with the outline presented by staff for the 2012 Annual Report and suggested emphasis on the following:

- Prioritize new revenue for maintenance and preservation;
- Emphasize local communities taking action;
- Emphasize holistic nature of the system; and
- Many local paths, one state goal.

Ferry Naming Update

Seven ferry name proposals were submitted to the Commission: Cowlitz, Hoquiam, Ivar Haglund, Muckleshoot, Samish, Sammamish and Tokitae.

The Naming Team has determined that all the proposals meet the minimum requirements, but it is concerned about the two names – Ivar Haglund and Muckleshoot -- that have commercial overtones. Now, the Ferry Advisory Committees and WSF will have the opportunity to comment on the seven proposals; also the Commission will seek input from the general public through its survey.

The survey process also should include some education of the naming guidelines as we solicit public opinion. It was noted that sometimes disfavor for a name is as important as support.

Action/Follow-Up:

Because the Commission must submit names to WSF by early December, the Commission plans to select two names at its November 13 meeting in Tacoma.

GRAY NOTEBOOK

DeWayne Nelson briefed the Commission on the Bridge Assessment Annual Report. Secretary Hammond said that, if necessary, WSDOT will shortchange investment in roadways in order to prevent structurally at-risk bridges and make sure that bridges remain safe.

The target for bridge structural condition, set by the Governor, is 97% of WSDOT and locally-owned bridges in good or fair condition. Today, only 95% meet that standard, down from meeting the target in 2007-10.

Christina Martinez and Scott Williams, Environmental Services Division, WSDOT reported on how programmatic permits save agency resources and programmatic agreements protect cultural resources. A programmatic permit saves time and resources; typically a programmatic permit requires notification to allow for agency inspection and enforcement, and annual reporting on activities. There are programmatic agreements with DAHP and FHWA for Section 106 Compliance with the National Historic Preservation Act and DAHP, FHWA, and the USFS for state projects on Forest Service land. WSDOT also has a Memorandum of Understanding with the Corps of Engineers that has streamlined permitting by months.

WSDOT now has 12 archeology staff in-house and approaches projects very differently from how it did 10 years ago.

Commissioners noted that these are examples of where system improvements have worked while protecting the environment. USDOT is using the USFS as a national model.

[Bridge Assessment Annual Report](#)
[Gray Notebook Evolution](#)

Action/Follow-Up: None

SECRETARY'S REPORT

WSDOT Secretary Paula Hammond noted that the Gray Notebook has caught the attention of Washington, DC. Performance measurement in decision-making is now incorporated in MAP-21. Paula Hammond is vice-chair of the AASHTO Performance Measurement Subcommittee.

Data informs Washington safety efforts and improvements. As a result of Target Zero, vehicle fatality levels in our state are now where they were in 1959. Commissioners suggested that alcohol access and policy may be another area for focus.

Secretary Hammond thanked the Commission for its work with the Oregon Commission on joint toll-setting for the Columbia River Crossing. She noted that the bridge construction serves as the local match for the federal investment in the light rail extension to Vancouver.

The State-Tribal Conference earlier in October successfully built understanding and relationships between WSDOT and the state's tribal governments. This conference grew out of the Pt. Angeles graving dock experience. A state-tribal policy group now meets quarterly.

The recent and ongoing high-speed rail investment and the Passenger Rail Investment and Improvement Act (PRIIA) together promise both new investment and require an additional state role to pay for passenger service. Washington and Oregon are collaborating on new purchases and system operations to increase efficiencies. Oregon has bought two Talgo train sets assembled in Wisconsin. All new investment must be made in America.

Finally, Secretary Hammond expressed appreciation for the JTC Ferry Tour and the opportunity to showcase the hard work of WSF employees and the challenges they face.

Action/Follow-Up: None

OVERVIEW OF SPECIAL NEEDS TRANSPORTATION

Geri Beardsley, Executive Director, Washington Transit Association introduced the panel briefing the Commission on special needs transportation.

Don Chartock, WSDOT Special Needs Coordinator, explained that the shorthand definition of special needs includes people who, because of age, disability, or income, cannot provide transportation on their own. Special needs providers are:

- Transits
- Nonprofits
- Schools
- Transportation Brokers
- Private
 - Taxis
 - Cabulances
 - Intercity Bus

Categories/Types of Special Needs Transportation:

- ADA
- Medicaid
 - Washington State has traditionally been expansive in the types of trips it would allow
 - Feds are limiting access to bus passes by requiring
 - Average cost per trip is \$25
- School Bus
 - Basic program \$163 million a biennium
 - Special program \$89 million a biennium
 - Capital \$49 million/yr
- Veterans

Eighty federal programs fund transportation. We don't know how much is being spent. Only 28 measure expenditures.

Coordinated planning has been done for years and is increasing.

- Advisory Committee on Coordinated Transportation
- Human Service Transportation Plans
- Statewide HST Plan underway
- Federal Opportunities Workgroup – focus on transit and Medicaid
 - Developed a cost and ride sharing model
 - Federal Medicaid program will not talk to state
- Doing a study to look at origin and destination data for cost-sharing and efficiency
 - Option to create a social service rate – implemented in Dallas

Jeff Hamm, Executive Director/CEO of C-Tran talked about the role of public transit providing special needs transportation. The Americans with Disabilities Act (ADA) drives the system. The WA Law Against Discrimination may require additional coverage.

- Fixed route service must be accessible:
 - Wheelchair lifts
 - Waiting areas
 - Announced stops
- Complementary paratransit services:
 - Curb-to-curb lift equipped service on a reservation basis
 - Federal law applies ¾ mile of fixed routes and service hours
 - Van lifts have an 800-lb limit and bus lifts have a 600-lb limit
 - Cannot charge more than 2x adult base fare. Washington State case is interpreted to prohibit more than 1x adult base fare
- Key Issues in ADA Compliance:
 - For C-Tran, \$37.61 cost per paratransit trip vs. \$4.33 cost per transit trip
 - C-Van is 23% of system operating cost, after efficiencies
 - Stopped selling monthly passes
 - Evaluates clients for need
 - Aging population
 - Client dumping; social service agencies cutting transportation and putting burden on transit agencies to provide transportation
 - Medicaid and CMS

Lynne Griffith, CEO of Pierce Transit, spoke about Non-emergency Medicaid Transportation (NEMT).

- State pays the Medicaid broker \$15-\$25 outside of the Pierce Transit benefit area
- Average one-way cost of a 2010 Pierce Transit paratransit trip is \$36.23
- Pierce Transit provided 167,623 paratransit trips, costing about \$6.07 million

Potential Legislative Solutions:

- Cost sharing
- Require lowest actual cost

Reducing NEMT costs is a high priority for Pierce Transit. With the growth in the aging population, this will be a burden for all systems.

Why are there brokers involved? The advantage is they can get private providers to compete for contracts at lower costs. 70% of trips are provided by private operators. When DSHS decided to not pay for adult care day trips, the clients came to Pierce Transit.

Mr. Hamm said that some transit systems are providing used vehicles to volunteer organizations to lower their costs and keep the clients from using paratransit.

Why are paratransit cost ratios so different, ranging from 17:1 to 50:1 for revenue recovery?

- Pierce Transit doesn't even charge base fare for paratransit. It charges ½ of base fare.
- C-Tran covers 25% of operating costs for fixed-route buses and 4% for paratransit.

Mr. Hamm suggests that the state think differently about the state interest in ensuring mobility.

Would transit agencies support a law change to allow a higher fare share? Only two transit agencies interpret the Supreme Court decision differently and charge the fares allowed by ADA.

[Overview of Special Needs Transportation](#)
[Non-Emergency Medicaid Transportation](#)
[Public Transit and Special Needs Transportation](#)

Action/Follow-Up: None

SEPTEMBER REVENUE FORECAST

Lizbeth Martin-Mahar, Assistant Director, Economic Analysis, Budget & Financial Analysis, Strategic Planning & Finance Division, WSDOT shared that the revenue difference from the June forecast to the September forecast is minimal. Key economic variables are more optimistic but some show no change. The models are more sensitive to employment levels than to gas prices. Fuel price forecasts impact WSDOT costs (ferry fuel, asphalt) more than revenue.

Forecasted toll revenue for the current biennium is \$202 million.

[September Revenue Forecast](#)

Action/Follow-Up: None

ROAD USAGE CHARGE ASSESSMENT

Jeff Doyle, RUC Project Manager explained that at the first Road Usage Charge (RUC) Steering Committee meeting in September, the transportation revenue picture was presented as background. One of the key questions to be decided by January is “feasibility,” as opposed to desirability. We know, from experience elsewhere, what is possible.

There are a variety of approaches to road usage charging and different ways that it has been implemented in other nations. The primary objective for Washington's RUC study is revenue generation. The two basic forms of road usage charging are time-based or distance-based.

Most of the Agenda was spent on efforts domestically and internationally. New Zealand, operational since 1977, applies distance charges to diesel and alternate fuel vehicles.

Four questions have been posed to the Steering Committee members.

1. What do you propose as the potential purpose for the road usage charge?
2. What should our feasibility criteria be to make a decision by January 2013?
3. What do we want to know after January 2013?
4. Are there issues specific to Washington that we should consider?

Road Usage Assessment

Action/Follow-Up:

At October 30 meeting, they will discuss feasibility criteria and a conceptual RUC system. In December, the Steering Committee will develop a preliminary workplan and budget to recommend to the Commission. At its December meeting, the Commission will review that and provide feedback to the Steering Committee.

STATE DEBT AND FUTURE BORROWING

Ellen Evans, Deputy State Treasurer, Office of the State Treasurer explained that the transportation based debt burden is growing much faster than Variable Purpose General Obligation (VPGO) debt. The state has \$18.5 billion of debt today, of that \$6.85 billion is transportation-based (MVFT/GO), and \$11.2 billion is VPGO. The remaining \$500 million is triple-pledged.

Based on 2011 data, Washington is ranked 7th nationally for tax-supported debt per capita. As a percent of personal income, our debt is ranked 10th nationally. Nevertheless, Washington is rated positively because we have good fiscal management; we are not AAA because of our concentrated revenue streams and our initiative/referendum process.

From 2009-2012, our reputation and market access helped to save \$1.4 billion dollars in debt service obligation from refunding and refinancing.

The State Constitution limits VPGO to 9% of general state revenue with a three-year moving average and excluding state property tax from base. SJR 8221 proposes an 8% limit, with a six-year moving average and adding state property tax to the base.

Looking forward:

- State has begun to issue revenue bonds, not backed by full faith and credit
 - Triple-pledge bonds as a transition to revenue bonds
 - GARVEE bonds
 - 2014 toll revenue bonds

Wolfgang Opitz, Assistant State Treasurer, noted that “Everything touches everything.”

State Debt and Future Borrowing

Action/Follow-Up: None

PUBLIC COMMENT

Paul W. Locke testified about the danger of increasing debt. He urged the Commission to spend within the limits of existing cash flow.

Wednesday, October 17, 2012

CITY OF SEATTLE PROJECTS AND TRAFFIC FLOW

Bob Chandler, Assistant Director for Strategic Projects, Seattle Department of Transportation talked about the Seattle Waterfront improvements and how those improvements, coupled with the tunnel, will impact traffic flow. The transportation infrastructure and pedestrian promenade will cost \$415 million and the seawall will cost \$300 million. Another \$300 million is projected for parks, piers and improvements to the Pike Place Market and the Aquarium. Funding will come from public and private sources, including an LID and philanthropy.

The City expects traffic to Ballard and Magnolia to use the Waterfront corridor, rather than the tunnel.

There is not consensus in the bike community or in the freight community on how to move bikes through the waterfront corridor. There are close to 2,000 bike commuters today, and after project completion, there will be more recreational bicycling.

[City of Seattle Projects and Traffic Flow](#)

Action/Follow-Up: None

TOLLING WORK AND UPDATES

AWV/Tunnel and ACTT

Linea Laird, SR 99 Project Administrator, WSDOT led discussion on the latest round of work by the Advisory Committee on Tolling and Traffic Management (ACTT). She, Mark Bandy, Traffic Engineer, WSDOT and Craig Stone, Director, Toll Division, WSDOT shared with the Commission the overview of information about tolling generally and tolling scenarios provided to ACTT.

Commissioners asked why toll rates are being modeled that don't raise the revenue target set by the Legislature. Ms. Laird explained that the ACTT is not bound by WSDOT and WSTC constraints and is exploring alternatives that may not raise adequate revenue. She added that the ACTT is supportive of tolling, but is actively questioning how it will work and how much diversion to downtown streets will occur. Ms. Laird emphasized that the policy decision – whether to change the financial strategy – is not up to WSDOT to decide, but the Legislature and State Treasurer.

Commissioners asked whether a longer corridor is under discussion and suggested that other tolling scenarios – such as an Express Toll Lane using dynamic tolling – should be explored.

Mr. Stone pointed out that the ACTT asked that the freight toll be modeled using a 1.25 multiplier, rather than an escalating per axle rate. This is one of many potential policy questions:

- What does toll revenue pay for and at what funding level?
- Could toll rates escalate over time to match inflation and cover costs?
- How should toll collection costs be allocated?
- What should the rate structure look like: single-point or multi-point, shoulder rates, freight toll rates?
- Is there a segment or system-wide approach?

- Could incentive programs be created?

Preliminary revenue results based on the first scenario run indicate potential project funding from \$210-250 million using the high toll benchmark and \$170-210 million using Scenario 1. Neither Scenario 2 nor Scenario 3 generates the minimum target of \$200 million.

Commissioner Parker commented that the Value of Time (VOT) was based on the SR 520 project rather than an independent assessment for the SR99 Tunnel Project. Given that the VOT is a critical assumption in estimating revenue commission staff asked if the ACTT has requested any sensitivity analysis surrounding the assumptions made on the Value of Time. WSDOT commented that the ACTT has not requested any such analysis. Commission staff asked and recommended that there be sensitivity analysis applied to the VOT assumptions. If VOT is overstated, revenues could be overstated, and thus potential project funding could be overstated.

Commission staff asked additional questions about the financial information being presented. The Commission asked that the ACTT be presented the financial information on a fiscal year basis rather than a roll up of 30 year activity. Commissioner Haley commented that rolled up 30 year activity doesn't tell you anything about the cash flows of the tunnel nor does it speak to how and when this revenue stream could be leveraged and bonded against.

Commission staff asked about the coverage requirements being assumed in this financial analysis. It was pointed out that this analysis is assuming a lower coverage factor than is being planned and expected for the SR 520 Toll Revenue Bonds. WSDOT acknowledged that a higher coverage factor is more conservative and if it were assumed would change the potential project funding picture.

Commission staff asked about the allocation of expenses and the percentages being shown. It was clarified that the charts only represented the WSDOT oversight portion of annual expenses and did not represent all costs of operating the facility.

[Alaskan Way Viaduct SR 99 Tunnel](#)
[Seattle Basemap](#)

Action/Follow-Up:

Next meetings:

- November 1
- November 14

A Mitigation Subgroup will begin meeting from November-March. ACTT Recommendations are anticipated in March-April.

Tacoma Narrows Bridge

FY 2012 TNB traffic and revenue (\$185,000) are slightly lower than the final forecast, but ahead of the June 2011 forecast. Revenue remains adequate to pay debt service and operating costs.

Since the July 1 rate increase, WSDOT has observed a 1.75% reduction in average daily transactions for July and August when compared to 2011.

Comparing Jan-Jun 2012 to Jul-Aug 2012:

–Slight increase in daily average *Good To Go!* use (about 0.1%)

–Large increase in daily average cash payments and Photo Tolling use (about 24.5% and about 34.8%)

In FY 2013 CDM Smith is contracted to:

- Monitor and update monthly traffic and revenue data
- Prepare baseline forecast to estimate future traffic and revenue
- Evaluate toll rate scenarios, develop baseline scenarios
- Develop alternative forecasts assuming:
 - “no change” in TNB traffic levels
 - “decline” in traffic following recent experience

It is estimated that the FY2013 costs for CDM Smith will rise by approximately \$30k when compared to FY2012.

[Tacoma Narrows Bridge](#)
[TNB Projected & Reported TR](#)
[TNB Bridge Account](#)

Action/Follow-Up:

At the request of the Transportation Commission CDM Smith proposed to:

- Conduct
 - Origin-Destination Survey (last survey in 1996)
 - Stated-Preference Survey (last survey in 2000)
 - Independent Economic Assessment
 - Refine travel demand model
 - Prepare technical memorandum

This additional work is estimated at \$340,000.

SR 520 Tolling Update

Traffic and revenue are on track. In the first 6 months of operation, revenue is \$2 million (about 8%) over forecast.

Average weekday daily traffic exceeded forecast by **+12%**

- Average weekend daily traffic exceeded forecast by **+36%**
- Overall, average daily traffic was **+18%** above forecast
- Approximately **81%** of average daily trips were prepaid (*Good To Go!*) transactions

Traffic patterns reflect a more traditional peak/off-peak pattern compared to before tolling where the midday sustained near peak levels. The overall Urban Partnership performance measure of 45 mph, 90% of the time, dipped to 88% in September, with a compliance rate of 97% for the AM peak, and 80% for the PM peak.

Current traffic and revenue:

- August 2012 traffic and gross revenue projections are about 2 percent lower than projected in August 2011.
- Operating and maintenance expenditures plus other revenue adjustments are lower than projected in September 2011.
- September 2012 net revenue projections are about 1 percent higher than projected in September 2011.

Other observations:

- Higher participation in *Good to Go!* program earlier than expected.
- Less shifting of traffic from higher to lower toll periods.
- Weekend usage higher than projected.
- Lower employment assumptions result in slightly lower long-term revenue forecast; down by 2.2% over 44 years.
- Projected net revenue over 44 years is estimated to be 1.1% higher.

Ellen Evans, Office of the State Treasurer, emphasized that toll revenue pays for 40% of the floating bridge, eastside and west approach bridge.

[SR 520](#)

[SR 520 Projected & Reported TR](#)

[SR 520 Bridge Account](#)

[SR 520 Civil Penalty Account](#)

Action/Follow-Up:

Tolling Decision Schedule:

1. TNB – WSDOT will present a financial plan to Commission in November.
2. File CR-101 for TNB (and possibly SR 520).
3. CAC identify scenarios to run in January.
4. SR 520 – WSDOT will ask whether Commission wants to deviate from 2.5% increase.
5. Possibly identify/run SR 520 scenarios in January.
6. Schedule anticipates public input meetings in April; rule adoption in May.

SR 167 HOT Lane Pilot

The pilot is nearing its end. Travel time has increased for the GP lanes and there are significant travel savings for single occupant vehicles buying into the HOT Lanes.

WSDOT is seeking legislation to make permanent the SR 167 HOT Lane. WSDOT has applied – and received – a USDOT grant to look at restriping the HOT Lanes to facilitate ingress and egress.

[SR 167](#)

[HOT Lanes Operations Account](#)

Action/Follow-Up: None

VOICE OF WASHINGTON SURVEY (VOWS) STATEWIDE SURVEY

Bill Young, VOWS Project Manager reported that despite great media exposure, sign up for VOWS Forums has not been strong. The VOWS Panel is now 11,000-12,000.

The first of three quick polls to a portion of the panel – seeking opinion on adding a sales tax to gasoline – is complete. The second – assessing support for a toll on Snoqualmie Pass -- will be sent to a portion of the VOWS panel next. The third quick poll will seek input on the proposed ferry names.

Andrew Thibault, EMC Research, led a discussion of the shape and content of the Statewide Survey.

First, the Survey will ask how people rate the transportation system overall, and then in their local area. Then, it will ask what can be done to improve the transportation system.

Second, there will be questions about transportation funding, funding fairness, and willingness to invest in the transportation system.

Then, EMC is considering a set of transportation budget exercises:

- How voters would allocate new revenue across budget categories
 - Existing needs scenario
 - Transportation improvements scenario
- Support for different types of revenue sources

A basic understanding to reach: what will people pay for, if anything, beyond maintenance?

EMC wants to know:

- What is preservation number?
- What are the 5 or 6 expenditure categories for new investment?
- What is the menu of short-term revenue sources?

Spokane Regional Transportation Commission did an exercise like this two years ago.

[VOWS Update](#)

Action/Follow-Up: None

The Commission adjourned at 4:45 pm.

PUBLIC COMMENT

None present for comment.

TRANSPORTATION COMMISSION

DAN O'NEAL, Chairman

TOM COWAN, Vice-Chairman

DICK FORD, Member

PHILIP PARKER, Member

JERRY LITT, Member

ANNE HALEY, Member

JOE TORTORELLI, Member

ATTEST:

REEMA GRIFFITH, Executive Director

DATE OF APPROVAL