

Eastside Transportation Partnership (ETP)

October 14, 2011

Meeting Summary

ETP Members

Councilmember Kimberly Allen
Councilmember Sonny Putter
Councilmember Josh Schaer
Councilmember Joshua Freed
Councilmember Allen Van Ness
Mayor Don Gerend
Councilmember Kathy Lambert
Chris Arkills
Mayor Joan McBride
Councilmember Dave Asher
Deputy Mayor Tom Odell
Councilmember Bruce Bassett
Councilmember John Stilin
Councilmember Susan Boundy Sanders
Mayor Bernie Talmas
Councilmember Don Persson
Mayor George Martin
Councilmember Amy Ockerlander
Peter Camp
Councilmember Fred Butler
Brian Donnebrink
Dick Paylor
Mike Cummings
Charles Prestrud
Kathy Huckabay

Redmond (Chair)
Newcastle (Vice-Chair)
Issaquah
Bothell
Kenmore
Sammamish
King County
King County Executive (Alternate)
Kirkland
Kirkland
Sammamish
Mercer Island
Redmond
Woodinville
Woodinville
Renton
Clyde Hill (Small Cities)
Duvall (SVGA)
Snohomish County
Sound Transit
Community Transit
Eastside Transportation Association
PSRC (Alternate)
WSDOT (Alternate)
Transportation Choices Coalition

I. Public Comment

There was no public comment.

II. Approval of September 9, 2011 Meeting Summary

The September 9, 2011 meeting summary was approved.

III. I-1125

Chair Allen introduced the discussion of Initiative 1125, which, if passed, would prohibit motor vehicle fuel tax revenue and vehicle toll revenue from being used for non-transportation purposes and prohibit non-highway use of state highway lanes funded by gas taxes or vehicle tolls. It would also prohibit tolls from a particular road or bridge, including the Interstate 90 floating bridge, from being used to pay for another road or bridge. In addition, it would require the state legislature, instead of the transportation commission, to set toll rates.

Kemper Freeman spoke in support of Initiative 1125, and former Secretary of the State Department of Transportation Doug MacDonald and Deputy Executive Fred Jarrett spoke in opposition to Initiative 1125.

Mr. MacDonald indicated that he is concerned about the initiative because, if passed, it would significantly restrict how money from state road tolls could be collected and spent, with serious implications throughout the state, and especially in this region. Mr. Jarrett added that this initiative demonstrates the problem that often results from the initiative process – it says what we cannot do, but does not offer any path forward to address the problem of making needed transportation improvements. He continued by explaining that adopted plans and specific projects rely on tolls for completing projects. The restrictions that this initiative would place on the collection and use of tolls would severely limit the ability to move forward. As an example of the effects of reduced revenues, he explained that King County's Road Services strategic plan calls for making the best use of limited funds by prioritizing investments to maintain the most used facilities and, in some cases, letting the less used road return to gravel.

Mr. MacDonald also noted that, if passed, the initiative would limit the state's ability to sell toll-based bonds to finance projects because the higher rates would make the cost prohibitive to buyers. He asked that ETP and its members take a position on the initiative, noting that the Bellevue Chamber and other groups are opposing the measure.

Mr. Freeman explained that he had been involved in the initial organization of ETP, which had developed the first long range plan for transportation improvements for the Eastside. He expressed concern that current efforts in transportation are not meeting the customer's demand for mobility and are allowing costs to get out of control. He used the example of plans for SR 520, which he said have been underway for seventeen years and now call for a project where half of the cost is in non-transportation features, and the full cost of the project cannot be funded even with the highest tolls in the state. He also used the Alaskan Way Viaduct project as an example of not meeting mobility demands, by stating that the proposed plan would only move 62% of the current demand. In addition, he expressed his concern that the tolls would continue after completion of the project, arguing that the public does not support this.

Mr. Paylor argued that while it might be more expensive, analysis suggests that bonds could still be sold. Mayor Martin disagreed, noting that the initiative would result in such a high premium for issuing bonds would that their sale would not be feasible. Mr. Freeman commented that revenue bonds involve a premium compared to general obligation bonds, but the state is unwilling to use general obligation authority for these projects. Mr. MacDonald noted that the state has limited general obligation authority, and relying on user fees for transportation improvements allows the state to use the tax stream for other general obligation purposes.

Councilmember Schaer asked for clarification about the initiative's Section 3, which would prohibit the transfer or use of gas tax or toll-funded lanes for non-highway purposes. Mr.

Freeman explained that more than 2/3 of the states have a provision similar to Washington's 18th amendment and that there is case law on this issue. He indicated that there is a path to using the funds for non-highway purposes, but the facility first would have to be declared surplus. Mr. Jarrett provided additional explanation, noting that the East Link project does not rely on any funding from gas tax. Further, he argued that Sound Transit has more than repaid the state for its share of the gas tax funds used for the I-90 roadway project, noting that most of the funding was provided by the federal government. He added that the East Link project is replacing capacity, and that Sound Transit will pay rent for use of the lanes.

Mr. MacDonald explained that the Supreme Court has not ruled on the fundamental issue related to the lawsuit regarding Sound Transit's use of the I-90 right of way for light rail, but he suggested that Initiative 1125 adds a backstop in case the Supreme Court rules in favor of light rail in that right of way. The initiative would change the current definition so that tolls could only be used for pavement.

Mayor Gerend indicated that the current regional plan, adopted by the region's elected officials, relies on tolls for funding a number of needed facilities. He suggested that it is inconsistent to require the state legislature to take actions that would make it impossible to achieve those plans. Mr. Freeman expressed concern that elected officials who serve on the regional bodies are not directly elected to those positions, making it difficult for the public to hold them accountable. Making the legislature responsible for tolling decisions would allow the public to understand the actions and hold the legislators accountable.

Mr. Jarrett argued that variable tolling, prohibited by the initiative, would mimic the private sector by recognizing that use of the roadway is more valuable at certain times and high rates would be charged. This would be comparable to utility rates that are higher during peak times. In response to Mr. Freeman's statement that the government has a monopoly on the roadways, Mr. MacDonald pointed out that there is a roadway network that is provided, and while government-owned, there are numerous options for travel.

Councilmember Asher asked how the approved plans for 520 and East Link could be accomplished if the initiative passes. Mr. Freeman responded that the original ETP plan and the I-405 plan decided that rail was not the answer. He added that rail is twice as expensive as bus, takes longer to implement and moves fewer people. Mr. Jarrett countered that the public has voted for light rail a number of times. He also noted that the members of the Connecting Washington Task Force are not focused on adding much new capacity, but they recognize the need for tolls to build and maintain needed highway facilities.

In response to a question from Councilmember Stilin about how improvements could be funded if I-1125 is approved, Mr. Freeman stated that the current system, used for the Tacoma Narrows Bridge project, is still in place and can be used to impose tolls. He also indicated support for "light tolling" on I-405 to fund improvements.

Mayor McBride reported that Kirkland has taken a position to oppose I-1125. She indicated that variable pricing is a reasonable tool, and expressed concern that I-1125 is a “blunt instrument” which, if passed, will adversely affect transit and cause pain throughout the state. She asked others to take a stand in opposition to the initiative.

In response to a question from Mayor Talmas about plans to deal with highway funding if the initiative passes, Mr. Jarrett indicated that he is not aware of any plan to address this. He reminded members that construction of I-90 was completed with 90% federal funding. This is no longer available. Mr. MacDonald added that if the initiative passes, the plans for I-405 are unlikely to be implemented.

Councilmember Asher proposed that ETP take a position to oppose I-1125. This was seconded by Councilmember Boundy Sanders. Discussion included comments from several members indicating they could not vote on the issue because their cities had not taken positions. Councilmember Schaer indicated that the Issaquah council had not taken a position on the initiative, but noted that it is inconsistent with city policy and plans. Vice Chair Putter stated that it is important to get information to the public about the implications of this initiative. He made the following points:

- I-1125 would be a bad law, resulting in outcomes contrary to what the proponents want.
- Variable tolling has a proven track record of successfully managing traffic flow.
- Providing transit mitigates the costs of tolls and gives travelers options.
- Toll revenues could be used to mitigate impacts from diversion.
- Without toll revenue, gas tax increases would be greater.
- Requiring the legislature to set tolls would limit the ability to make adjustments quickly and this added risk would increase the cost of state bonds.
- Without using this opportunity to obtain revenues from tolling, there is no way to maintain and rehabilitate our 50-60 year old interstate system.

Vice Chair Putter added that he felt it was important for ETP to take a position on this issue.

ACTION: ETP voted to adopt a position in opposition to Initiative 1125.

Eight members voted in favor of the motion (to oppose the initiative), one voted against the motion, and nine members abstained. Several members expressed concern that with so many abstentions, the action was not representative of the majority of the body. Councilmember Freed expressed concern that ETP members were supposed to represent the views of their cities. Councilmember Ockerlander disagreed, indicating that the initiative has been available for many months, and it is reasonable for a body of elected officials like ETP to take a position. Councilmember Boundy Sanders agreed, indicating that she felt opposing the initiative is in the best interest of Eastside citizens.

Councilmember Van Ness suggested a motion that ETP not take a position, but the Chair ruled that the motion was out of order pursuant to Robert’s Rules of Order, which requires a motion to reconsider action that has been taken to be made by one who supported that action. In the absence of adopted rules of procedure for a body, the default is to Robert’s Rules. For the sake

of discussion and to clarify the position of the assembled members, Councilmember Stilin, who had voted with the original majority, made a motion to reconsider the original vote. His motion asked if the body would reconsider the action taken on the earlier vote opposing I-1125. When the question was called, that motion to reconsider failed by a vote of 9 against reconsidering the earlier action, to 6 in favor of reconsideration.

IV. Sound Transit Financial Update

Brian McCartan, Sound Transit financial officer, provided a brief update on Sound Transit's 2011 Financial Plan. He reported that the most recent financial forecast determined that total tax revenue is down \$85 million from previous forecasts for the 2009-2023 period due to the ongoing recession. Sales tax revenues are down, and grant funding assumptions have been reduced. For the East King subarea, \$26 million less in grant funding is anticipated. In addition, the cost of East Link has been increased by \$329 million because of the tunnel in Bellevue, and the early engineering for the last phase of R8A indicates a higher cost than previously estimated. Mr. McCartan explained that several changes in the new financial plan will help address these additional costs and lower than expected revenues: \$27.5 million from right of way sales, lower borrowing costs (5.75% rather than 6%), and a commitment of \$160 million from Bellevue toward the tunnel costs and \$25 million in scope savings. The revised financial plan also suggests a contribution of \$150 million from the North King subarea.

Councilmember Lambert asked that Sound Transit's maps clearly show that Overlake, not Redmond, is the ST2 terminus for East Link. In response to her question about when to expect light rail all the way to Redmond. Mr. McCartan indicated that additional resources and/or additional time will be needed to make this extension. Councilmember Lambert also thanked Sound Transit for participating in the "Safe Place" program, where all Sound Transit and Metro buses are safe places for children in trouble, ensuring that they receive the help they need.

Dick Paylor asked how Sound Transit can deliver the planned ST2 program on time. Mr. McCartan replied that the updated financial plan calls for a program realignment and service efficiencies, delayed and suspended projects, and lower contingencies, so that 90% of the project remains in tact. Because the allotted time for the meeting was approaching, Mr. McCartan agreed to return to another ETP meeting to provide more information.

V. Reports

Chair Allen indicated that ETP will be forming a legislative subcommittee and a nominating committee. She asked volunteers to contact her by email.

Mayor Martin suggested that ETP's rules on voting procedures be clarified.

Councilmember Lambert reported that she serves as a co-chair of the legislative steering committee for the Washington State Association of Counties, and she welcomed input from ETP members on issues for the committee to address.

Eastside Transportation Partnership Meeting Minutes

October 14, 2011

Page 6

Councilmember Stilin suggested that ETP begin soon to consider a 2012 work program. Chair Allen asked for discussion of this at the December ETP meeting.

Chris Arkills reported that the Governor's Connecting Washington Task Force met on October 4 to continue a discussion of investment principles. The next meeting will be November 15, when the task force is expected to begin a discussion of revenues. Another meeting is scheduled for November 29.

Dick Paylor drew members' attention to the paper from Jim McIsaac on subarea equity that had been distributed.

Chair Allen asked Doug Hodson to come back next month to give his report, since the allotted time for the meeting had been reached.

Other Attendees:

Monica Whitman, SCA	Terry Marpert, Redmond
Colleen Gants, PRR	Ron Posthuma, KCDOT
Sally Marks, KCDOT	Jack Whisner, KC Metro
Kim Henry, WSDOT	Doug Levy
Trinity Parker, Sound Transit	Dave Elliott, Bellevue
Seyed Safavian, Bothell	Denise Cieri, WSDOT
Brian McCartan, Sound Transit	Doug Hodson, King County
Don Samdahl, Fehr & Peers	Andrea Tull, Sound Transit
Will Knedlik, Eastside Rail Now	Dylan Ordonez, King County
Salima Nagji, HNTB	