

VandenBerghe, Alissa (Consultant)

From: Smith, Helena Kennedy
Sent: Wednesday, December 17, 2008 2:30 PM
To: Arnis, Amy; Paananen, Ron
Cc: Stone, Craig; Baker, T Brent; Waters, Mia; Hopkins, David A.; White, John
Subject: Dave's direction/ I-5 and bored tunnel
Importance: High

Dave met with me, Brent, and Ron this morning to discuss his high-clip, financial feasibility request. The goal is to provide an order of magnitude look at how much tolling could provide to a bored tunnel (AWV) and also to I-5. Dave wants the legislature to direct us to spend 2009 developing an I-5 financial plan. However, he needs an initial response this week.

Dave and Brent developed the approach and scope bulleted below. If you want to discuss the details, give me a call.

We stressed that it's important to separate the quality/level of detail that we're doing for this effort from the level of effort we're making on 520. We do not want to oversell this data or undersell the worth of that effort. Dave agreed.

Revised deadline: noon Friday (12/19)

AWV Bored Tunnel analysis

- Scope
 - This will be a feasibility analysis, not a finance plan.
 - Go with \$2.5B cost/cashflow that we have in hand from Alec W.
 - Use rate structure we had picked out for Alec's scenario
 - Use the traffic info we have in hand
 - Gross to net reduction based on factors identified in 520. Do not be overly precise.
 - Use the new model for estimating financial contribution - extrapolate backwards from what you have.
 - Change: Assume tolling begins 1/1/2011 (fy 2011) on existing structure. Assume pre-completion is used for pay as you go financing.
 - Post-completion starts 7/1/2018 (fy 2019). We'll leverage the post-completion revenues by selling bonds up to 5 yrs prior to project completion. (This is rough solution.)
 - Determine approx contribution from tolling. Order of magnitude needed. Do not be overly precise.
- Deliverables
 - Numbers and bullets by Friday
 - A short memo documenting what we did. Due "later."

I-5 analysis

- Scope
 - Conceptual analysis - sketch planning only.
 - Part One: whole facility is tolled.
 - Assume tolling begins 1/1/2011 (fy 2011) on existing roadway.
 - Toll all GP lanes - Everett to Tacoma (logic being that it's a travel shed, there will be improvements needed outside the Seattle core, and just because some folks already got theirs,

- doesn't mean the corridor approach isn't valid)
- Rate structure will be per mile charge. (15c in peak, 7.5c in midday weekdays and Saturday/Sunday days, 5c nights.)
 - Estimate take down from gross to net based on percentage of gross. (We don't have greater detail at this time.)
 - Assume all net revenue would be used for pay-as-you-go funding for I-5 improvements. We will not do financial capacity analysis.
 - I-5 revenue would not be used to fill AWV funding gap.
- Part Two: HOT lane questions will be handled (at this moment) based on the info we provided re 2-lane HOT option for I-90.
- Namely, adding 2-lane HOT to a parallel facility added 17% more purchasing power to the 520-alone scenario, whereas tolling the parallel facility more than doubled the purchasing power of 520 alone.
 - PB does nothing on this task.
- Deliverables - same request as for AWV

Priorities

- Complete 520 work for tomorrow's Exec Mtg review (Powerpoint presentation materials describing 2008 findings)
- AWV
- I-5
- Then we talk about I-405

My responsibility is to pull together notes on previous studies in case people remember previous work.

Comments/ changes?