

Tolling
Related

Seawall, Waterfront Utilities, Armory Way connector, Alaskan Way restoration, waterfront street car and waterfront urban design	\$600 million		
Escalation, Risk and Contingencies for above items	\$400 million		
		Waterfront LID	???
		Utility Rate Increase	???
		Corps of Engineers Seawall Funding	???

Decoupling seawall and waterfront reconstruction from the SR 99 bored tunnel construction could have financing advantages due to the flexibility it provides in the timing of projects and the timing of potential revenues.

Q: Why does the bored tunnel option take so long to construct? Could it be constructed faster?

9.5 yrs Time

A: While the overall project might take up to 9 ½ years, traffic would be operating in the new tunnel about 7 ½ years after the start of construction. Several factors could reduce that duration even further: using two boring machines instead of one- this could save 18 months; increased production rates- if the tunnel machines progress more quickly than our more conservative assumptions, additional time could be saved.

An important consideration is that while the overall duration is longer than the other options, construction and traffic impacts could be reduced dramatically if the viaduct were to remain open during tunnel construction.

Page 2 Cost Estimate Q + A Early December 2008

VandenBerghe, Alissa (Consultant)

From: Waters, Mia
Sent: Wednesday, December 10, 2008 5:23 PM
To: (LoAn@pbworld.com); Williamson, Alec; Helmann, Craig; Pope, David; Palmer, Brian
Cc: (Baker@pbworld.com); (Ladner@pbworld.com); Smith, Helena Kennedy
Subject: RE: Friday's AWW Meeting -- Prep
Follow Up Flag: Follow up
Flag Status: Red

Hi everyone,

I had a tickler on my desk about the agenda as well.

Here's a proposed first draft for Friday's agenda. Thoughts?

AWV Bored Tunnel Financial Feasibility Analysis Group
Friday, December 12, 2008 – 10 am to 11 am
Wells Fargo Building (Location? Alec?)
Call in number – xxx – xxx- xxxx

*← PDR = Results, Mtg Info **

1. Review agenda – any changes needed? – Alec, Tony, or Mia
2. Final traffic modeling results – Craig H.
3. Toll rate review - Brent
4. Review O&M Estimates, confirm/fatal flaws? – David Pope?
5. Project Capital Cost Distribution – Brent
6. Example financial model results w/Gordon's numbers – Brent
7. Report needs and reporting methods - ??
8. Next steps?

Thanks,
Mia
206/464-1209

From: Baker, T Brent [mailto:Baker@pbworld.com]
Sent: Wednesday, December 10, 2008 4:47 PM
To: Waters, Mia
Subject: FW: Friday's AWW Meeting -- Prep
Importance: High

FYI

— Brent

From: Baker, T Brent
Sent: Wednesday, December 10, 2008 3:03 PM
To: 'Helmann, Craig'; Lo, Anthony K.; Smith, Helena Kennedy; Ladner, Scott; Palmer, Brian
Cc: Beach, Tracy; 160067; Pope, David
Subject: Friday's AWW Meeting -- Prep
Importance: High

All --

PDR → We expect to have preliminary financial results for the AWW bored tunnel toll analysis this Friday for the meeting. This will include daily traffic data; a toll traffic and revenue table (annualized) with gross tolls, O&M costs and net tolls; a toll schedule chart showing the tolls in current and future dollars; information on the unfunded capital cost need, and a simple depiction of the toll funding contribution to the central waterfront tunnel, including toll dollar amount contributed.

* → **Tony**, please assemble an agenda and make sure that we have materials available at the meeting and distributed to anyone not attending in person (we've created a folder on the server for meeting materials in PDF). Also, please work with Scott to share our capital cost assumptions and check with Alec on any agenda items he may have.

Craig, can you please bring whatever summary level modeling results we should share with the group. Since it won't be new information, I'd suggest making it newly consolidated to just show the toll scenario we are analyzing. Suggest not showing daily

6/25/2009

revenue calcs -- we'll be showing our annual revenue amounts.

Scott / Brian, please share with David Pope our O&M estimates for his upfront review if he has not already seen these.

Helena, please let us know ASAP if you decide to change the current five year uniform capital needs assumption as we discussed this morning, and point us to who can provide those numbers if so.

Thanks!

Brent

T. Brent Baker

Principal Consultant

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6/25/2009

VandenBerghe, Alissa (Consultant)

From: Williamson, Alec
Sent: Saturday, December 13, 2008 11:28 AM
To: Waters, Mia
Cc: baker@pbworld.com; White, John; Preedy, Matt; Greco, Theresa
Subject: bored tunnel expenditure spread for tolling arw 12-13-08.xls
Attachments: bored tunnel expenditure spread for tolling arw 12-13-08.xls

Mia/Brent- Hopefully this sheet will suffice for the potential expenditure side of your quick tolling analysis study. If at all possible I would like to have a couple of bookends since the bored tunnel configuration and implementation is not determined yet and since the range in cost is substantial. I did not include any of the waterfront work, but in this scenario it would occur after bored tunnel construction (perhaps starting in 2020 or so.) I am not sure that tolling revenues would be used for that other work- I think it would be funded in other ways and the tolling revenue would be used for continued operations and maintenance. Of course there are myriad assumptions in all of this but I think this is a reasonable approach for now. Let me know if you have questions or need additional information.

Thanks,
Alec

Tunnel

Configuration	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Single Bore	98,200,000	106,700,000	97,200,000	285,000,000
Twin Bore	137,400,000	149,400,000	136,100,000	399,000,000

PE

Peliminary Geotech		7/1/2009	6/30/2010	12
Environmental Doc		7/1/2009	6/30/2011	24
Conceptual Design		7/1/2009	11/30/2009	5
Preliminary Design		12/1/2009	4/30/2010	5
Final Design				0
	30	5/3/2010	7/30/2010	3
	60	8/2/2010	11/30/2010	4
	90	12/1/2010	2/28/2011	3
	100	3/1/2011	4/29/2011	2
HQ PS&E Review		5/2/2011	7/1/2011	2
Bid & Award		7/5/2011	12/1/2011	5

ROW

	7/1/2009	6/30/2011	24
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Construction

Construction Management & Traffic/En	12/1/2011	2/28/2018	76
Demobilization	1/2/2018	2/28/2018	2

Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
308,000,000	363,900,000	134,300,000	129,900,000	183,700,000
431,200,000	509,400,000	188,000,000	181,900,000	257,200,000

Fiscal 2019 Total

150,000,000	1,856,900,000
150,000,000	2,539,700,000

Thanks!
Kristy

Kristy Van Ness (Laing)
Communications Manager
Alaskan Way Viaduct and Seawall Replacement Program
206.382.6361
cell: 206.300.4312
email: VanNesK@wsdot.wa.gov

From: Paananen, Ron
Sent: Sun 12/21/2008 9:44 AM
To: Grotefendt, Amy (Consultant)
Subject: FW: Preliminary Draft Toll Feasibility Results for the Bored Tunnel Concept

Here's one.

From: Baker, T Brent [mailto:]
Sent: Fri 12/19/2008 5:20 PM
To: Dye, Dave; Stone, Craig; Paananen, Ron; Smith, Helena Kennedy; Arnis, Amy; Williamson, Alec
Cc: Rigsby, Mike; Lo, Anthony K.; Ladner, Scott; Beach, Tracy; Palmer, Brian; Wellander, Chris; Dehghani, Youssef; Helmann, Craig; Clark, Gordon T.; 160067@pbworld.com; Waters, Mia
Subject: RE: Preliminary Draft Toll Feasibility Results for the Bored Tunnel Concept

Oops, the original email was missing the daily traffic PDF attachment; both are included here.

Request

From: Baker, T Brent
Sent: Fri 12/19/2008 5:15 PM
To: dyed@wsdot.wa.gov; stonec@wsdot.wa.gov; 'Paananen, Ron'; Helena Kennedy Smith (smithh@wsdot.wa.gov); Amy Arnis (ArnisA@WSDOT.WA.GOV); Williamson, Alec
Cc: Rigsby, Mike; Lo, Anthony K.; Ladner, Scott; Beach, Tracy; Palmer, Brian; Wellander, Chris A.; Dehghani, Youssef; Craig Helman (HelmanC@wsdot.wa.gov); Clark, Gordon T.; 160067@pbworld.com; Mia Waters (watersy@wsdot.wa.gov)
Subject: Preliminary Draft Toll Feasibility Results for the Bored Tunnel Concept

- CFO WSDOT

Dave, Helena --

We are pleased to attach is a brief memo documenting our findings and assumptions for the initial, preliminary toll analysis of the SR 99 Bored Tunnel Concept.

Also attached is a PDF file summarizing the modeled daily traffic results that Craig Helmann prepared (thanks go to Craig for the quick modeling, working with us to evaluate several toll scenarios before arriving at the schedule documented herein).

Unlike past AWV tolling analyses, this effort has undertaken more of a revenue emphasis in the determination of toll rates used in the modeling of this 4 lane tunnel. Earlier work focused more on the minimum tolls required to manage traffic out of congestion on a 6 lane facility.

The preliminary toll funding estimate is \$410 million, or \$650 million with the addition of tolling during construction. As noted in the memorandum, this work is preliminary, and thus, subject to change with improved tools, assumptions and other input information.

We look forward to your comments and suggestions. Give us a call if you have any questions.

Happy Holidays,
Brent

T. Brent Baker
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7/14/2009

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From: White, John
Sent: Wednesday, January 07, 2009 9:55 AM
To: Bandy, Mark; Parsons, Jim (Consultant)
Subject: FW: Draft Bored Tunnel Briefing Paper

Not sure if Randy forwarded his comments to yourselves, otherwise FYI.

From: Randy McCourt [mailto:rsm@dkspdx.com]
Sent: Monday, January 05, 2009 7:51 PM
To: White, John
Subject: RE: Draft Bored Tunnel Briefing Paper

Second bullet on page 2 – you may want to mention that part of why the future is faster is the removal of the Elliott/Western ramps and the removal of the 1st Ave/Seneca weave which slow peak traffic today.

Page 3 – 2030 crops up a few times – I am sure you all used resources from other works for this.

Page 3 - . Therefore if those investments are not made there is expected to be little effect on the transportation performance of the bored tunnel.

I think you need to be careful here – the TDM investments do help reduce travel and the I-5 helps operation – which would make the bored tunnel even more productive – but the way this is worded sounds like they don't do anything.

Page 4 – top paragraph – be careful with your language for NEPA (dropping). Remember there are also the prior EIS options of 6 lane tunnels and others scenarios which were not part of the scenarios (to avoid redundant analysis) but are not necessarily being pursued either.

Page 5 – I know the costs are being work – just remember that tunnel risks are such that someone will likely need to be willing to accept the cost risk of uncertainty and that should not be lost in the decision to proceed process. Don't need folks saying they did not know.

Page 5 – last paragraph – a real estate transfer fee/tax should be considered for properties in the waterfront that would benefit from the removal of AWW – this would work as follows. Current assessed value - \$5M, AWW goes away, property owner sells property for \$10M in five years. At 5% property value increase per year (not recently!) in five years the value should have increased about 28% or to about \$6.4 M. The increment between the sale value and the normal annual increase in property value (10 – 6.4 = 3.6M) would be taxed at 20/30/40% on presumption that the public investment generated the private property value gain and the public should be proportionally reimbursed for its share of the value gain. The 5% and the 20/30/40% would be subject to research to determine the appropriate values in reality. But in the end – a one time transfer fee would be paid if the rate of property value gain was disproportionate to the rest of the market. In that case the public would recover its share of the cost to improve the waterfront.

Page 6 – NEPA SEPA – seems like an important decision to make given its schedule and cost implications.

Randy

Ransford S. McCourt, PE, PTOE
DKS Associates
1400 SW Fifth Avenue, Suite 500
Portland, OR 97201
503/243-3500
FAX 503/243-1934
rsm@dksassociates.com

From: White, John [mailto:WhiteJH@wsdot.wa.gov]
Sent: Monday, January 05, 2009 6:07 PM
To: Parsons, Jim (Consultant); McCourt, Randy (Consultant); Parsons, Jim; Bandy, Mark
Subject: FW: Draft Bored Tunnel Briefing Paper

Jim, Randy, Mark.

Attached is a draft bored tunnel briefing paper we had been working on last week. We would like your thoughts related to the transportation performance piece of this, which we pieced together from existing materials with some additional opinion added from Chris Wellander. Please ignore the other portions, since the cost estimate and financing information has been superseded and is out of date now. We want to make sure we capture all relevant thoughts related to bored tunnel transportation performance, with key focal points being how it works for through-city and regional trips, along with the travel time differences for those making the Ballard/Interbay/Magnolia to SODO (and other places SW) trips.

There is going to be a Gov's briefing paper that captures some of this that is due on Wed, so quick response is appreciated.

John

From: White, John
Sent: Monday, December 29, 2008 4:51 PM
To: Dye, Dave; Paananen, Ron
Cc: Grotefendt, Amy (Consultant); Reilly, John; Stone, Craig; Greco, Theresa; Preedy, Matt
Subject: Draft Bored Tunnel Briefing Paper

Dave & Ron,

Here is a draft paper that we hope addresses the request to provide thoughts on a mostly stand-alone bored tunnel option, based on the transportation benefits achieved by the bored tunnel. As I am sure you will understand, much of what is presented is based on the opinions of the project team, and will require further assessment in order to confirm and validate those opinions.

There are a couple of things to mention in particular:

- The cost estimate numbers and ranges are a bit generalized, and assume that with further assessment, we will find consensus in making reductions to some of the mark-ups that have come into question. I believe we may be discussing an early January workshop to address these questions. That said, the numbers here are solely based on professional opinion within the team, so care should be taken in how they are used. As stated before, the upper end of the range is our previously presented 'probable' cost, with the lower end of the range being the team opinion pari.
- There is a variety of opinion and debate regarding how the environmental planning process would proceed, though it is clear that based on the work we have done to date, there is very strong opinion (within UCO, AGO and FHWA) as to the need to retain multiple options within the next draft or supplemental draft EIS. Based on continued analysis, one or more of the other options may not be warranted to continue on beyond the next draft document for reasons stated in the paper.
- We have presented some professional opinion related to 2030 transportation operation that will take further work to validate.

Hope this is along the lines of what you were hoping for. Some sections may have more detail than is desired at this point, please inform if there are any areas you think a more summarized or generalized discussion is appropriate. See you tomorrow.

John

6/19/2009

John H. White, P.E.
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WSDOT Urban Corridors Office
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TOLLING
ORIG OPERATIONS

VandenBerghe, Alissa (Consultant)

From: Baker, T Brent [Baker@pbworld.com]
Sent: Wednesday, February 11, 2009 5:10 PM
To: Van Ness, Kristy (Consultant)
Cc: Rigsby, Mike (Consultant); Arnis, Amy; Smith, Helena Kennedy; Paananen, Ron; 160067
Subject: RE: Preliminary Draft Toll Feasibility Results for the Bored Tunnel Concept
Importance: High
Attachments: AWW Toll Feasibility Initial Memo 12-22-08 DRAFT v3.2.pdf

Kristy, attached is the AWW tolling memo with revised draft labeling as requested.

— Brent

From: Van Ness, Kristy (Consultant) [mailto:VanNesK@consultant.wsdot.wa.gov]
Sent: Wednesday, February 11, 2009 4:31 PM
To: Baker, T Brent
Cc: Rigsby, Mike (Consultant); Arnis, Amy; Smith, Helena Kennedy; Paananen, Ron
Subject: RE: Preliminary Draft Toll Feasibility Results for the Bored Tunnel Concept

Could you please replace the "Preliminary Draft for Internal Discussion" text with "Preliminary Draft - for Discussion Purposes" in bold, large type, red letters, per Ron's request?

Thank you,
Kristy

From: Baker, T Brent [mailto:Baker@pbworld.com]
Sent: Wednesday, February 11, 2009 2:42 PM
To: Van Ness, Kristy (Consultant)
Cc: Rigsby, Mike (Consultant); Arnis, Amy; Smith, Helena Kennedy; Paananen, Ron
Subject: RE: Preliminary Draft Toll Feasibility Results for the Bored Tunnel Concept
Importance: High

Kristy --

Here is the requested memo regarding the toll funding potential for the SR 99 AWW tunnel (same content as the 12/19/08 memo Ron provided except this one fixes a few typos and was redated 12/22/08).

Note that this is labeled "Preliminary Draft for Internal Discussion" -- I don't know if this was prepared in its current iteration for wide distribution (there is no language that sets the context, describes what "Scenario F" is, etc.) and we have not received any comments or further direction on this since December.

Let us know if we need to modify this in any way before you send it to the Cascadia Group.

Regards,
Brent

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206.382.5284 | cell: 206.310.3291 | fax: 206.382.5222 | baker@pbworld.com

From: Van Ness, Kristy (Consultant) [mailto:VanNesK@consultant.wsdot.wa.gov]
Sent: Wednesday, February 11, 2009 12:55 PM
To: Baker, T Brent
Cc: Rigsby, Mike (Consultant)
Subject: FW: Preliminary Draft Toll Feasibility Results for the Bored Tunnel Concept
Importance: High

Was this finalized? If there is a final, or an updated version, can I get a copy of it? Ron asked me to send it to Cascadia, based on a request I received yesterday.

need
Jan 7
Re Real
Estate
Tax Plan

7/14/2009

From: Dye, Dave
Sent: Friday, April 17, 2009 12:48 PM
To: Parker, Christie
Subject: RE: Viaduct Amendment

Christie - as I read the amendment, it would allow us to proceed with the south end contract work planned to be advertised this fall (the big job) - which is the critical path - and then require us to update the legislature on the total project cost and the cost of the bored tunnel section (including a review of the tunnel estimate by independent experts) in the 2010 leg session - and then the leg effectively has to give us the final "green light" - if that happens, we'll be fine for our overall schedule - we would issue an RFP for the tunnel right after the 2010 session -- it all works...as long as my interpretation is right...

-dave

From: Parker, Christie [mailto:Parker.Christie@leg.wa.gov]
Sent: Friday, April 17, 2009 11:50 AM
To: Dye, Dave
Subject: Viaduct Amendment
Importance: High

Hi, there is an amendment in play on the viaduct bill that I need to ask you about (language is below). Does the department plan to enter into the contract for construction of the bored tunnel before next year? Does the requirement for "updated cost estimates" pose any problems or concerns for the department, and do you have any thoughts about the convening of experts to review the estimates?

We are struggling to figure out the critical path for this project to make sure that the legislators are aware of any language changes that could cause a project delay. If you have any scheduling information to share about the project, now would be a great time to send it. I recognize the department has not issued a formal project schedule; I'm suggesting that information be provided, if possible, for informational and illustrative purposes only.

Thanks,
Christie

(3) The department shall provide updated cost estimates for construction of the bored tunnel and also for the full Alaskan Way viaduct replacement project to the legislature and governor by January 1, 2010. The department must also consult with independent tunnel engineering experts to review the estimates and risk assumptions. The department shall not enter into a design-build contract for construction of the bored tunnel until the report in this section has been submitted.

Strategy
RAISE
ISSUES