



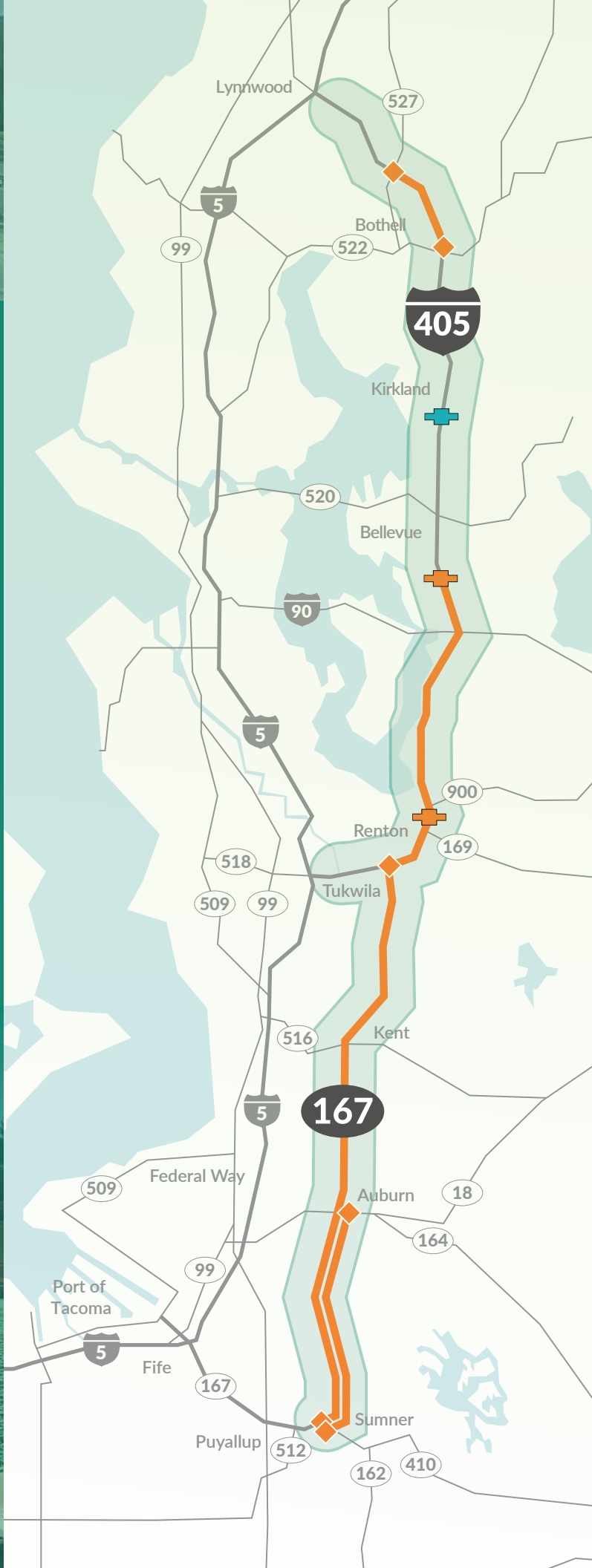
I-405/SR 167 Corridor

# INTERIM Financial Plan REPORT

Addressing  
Legislative Provisos

Section 306  
Section 209

September 2021





I-405/SR 167 Corridor

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## Opening letter

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Dear members of the Washington State Legislature House and Senate Transportation Committees,

The Washington State Department of Transportation (WSDOT) is pleased to submit the interim I-405/SR 167 Corridor Financial Plan Report, required by Substitute Senate Bill 5165 of the 2021-23 transportation budget, Sections 209 (8) and 306 (9)(b). This report presents recent financial analysis and options for funding and phasing the next set of legislatively appropriated projects for the I-405/SR 167 corridor.

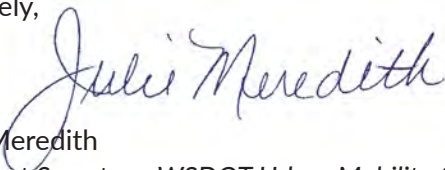
This report responds to the current law 2021-23 transportation budget, which delays delivery of key I-405/SR 167 corridor projects, previously authorized through Engrossed Substitute Senate Bill (ESSB) 5825, because of projected gaps in revenue due largely to declining toll revenue impacted by the COVID-19 pandemic. That decrease in revenue and the accompanying increasing risks, increases in repair and replacement costs, and increased legislative expectations for the number of projects to be delivered in the corridor with toll resources, also require changes in financing assumptions.

This report is designed to respond to the two budget provisos by informing policymakers on the funding needed to complete the next phase of I-405/SR 167 program delivery and potential funding options for consideration by the Governor and Legislature. After conducting a thorough funding and phasing analysis and consulting with stakeholders on key regional priorities, WSDOT and Office of the State Treasurer (OST) have determined a funding gap of approximately \$175 million to \$450 million remains to complete key I-405/SR 167 corridor projects. At the request of the Legislature, WSDOT reviewed options for filling the funding gap for the projects described in this report. Similar to other state projects, a mix of strategies will likely be needed to address the projected shortfall on the I-405/SR 167 corridor.

The report also includes recommendations for next steps by the I-405/SR 167 Executive Advisory Group, composed of local and state elected officials, regional transit agencies, and federal transportation agencies that provide input to WSDOT on corridor priorities and needs. The Governor and Legislature will ultimately direct WSDOT on how to address the projected funding gaps and determine the schedule for delivering the projects discussed in this report. This interim report is intended to provide initial information to continue the ongoing conversation about funding options, and we can provide further analysis and information as needed prior to submitting the final report in January 2022.

We thank the Legislature and Governor for their continued support and collaboration to advance the multimodal I-405/SR 167 program. We all share an interest in prioritizing projects with system benefits and synergies that complement Sound Transit's planned I-405 Bus Rapid Transit and the 50-mile system of I-405/SR 167 express toll lanes, which have already proven their ability to provide travelers with a faster, more reliable trip. We look forward to continuing to work with the Governor, Legislature and OST on next steps for delivering the next priority projects for the I-405/SR 167 corridor.

Sincerely,



Julie Meredith  
*Assistant Secretary, WSDOT Urban Mobility & Access and Megaprograms*



## I-405/SR 167 Corridor Interim Financial Plan Report Addressing Legislative Provisos Section 306 and Section 209

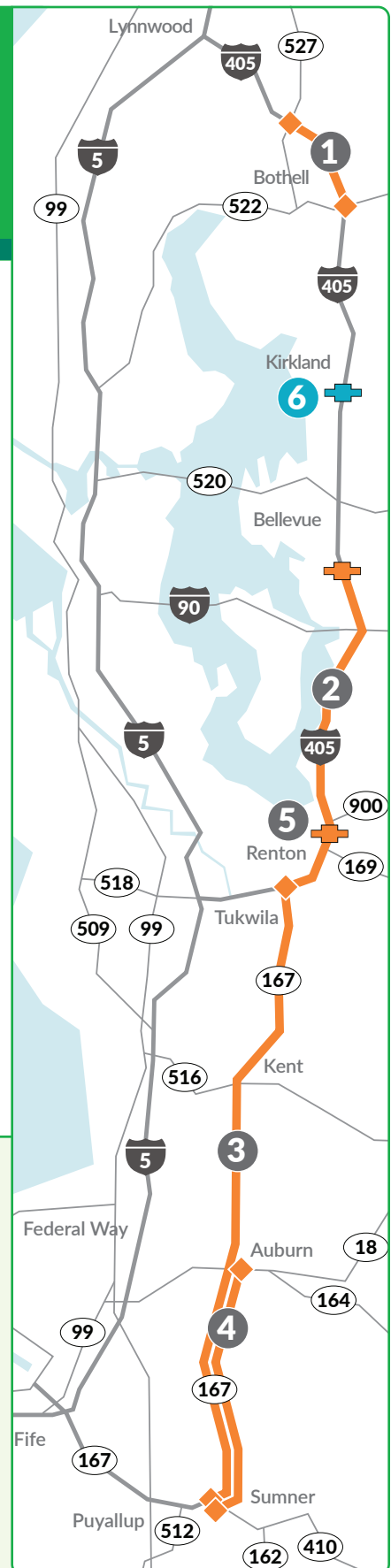
# Executive Summary

September 2021

This report assesses the financial gaps on the next set of legislatively appropriated projects for the I-405/SR 167 corridor resulting from traffic and revenue reductions due to the pandemic, and explores options the Governor and Legislature could consider to address the shortfall. The analysis, required by Substitute Senate Bill 5165 of the 2021-23 transportation budget, considers all toll-funded I-405/SR 167 corridor projects identified in the 2021-23 transportation budget because these projects are critical for providing systemwide multimodal transportation benefits to the traveling public. As part of the analysis, WSDOT undertook the following activities:

- Evaluated a phased approach to delivering the I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement Project to align with delivery of Sound Transit's I-405 Bus Rapid Transit (BRT) system.
- Reviewed options to minimize the funding gap to deliver the 2021-23 transportation budget, including providing information about alternative funding sources for consideration.
- Consulted with the I-405/SR 167 Executive Advisory Group (EAG) and Interagency Working Group (IWG) throughout development of funding and phasing scenarios.
- Coordinated with the Office of the State Treasurer (OST) and provided regular updates to the Legislature throughout the report development.

- 1** I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement Project (design completion and construction)
- 2** I-405, Renton to Bellevue Widening and Express Toll Lanes Project (construction of Phase 3)
- 3** SR 167 Master Plan Update (planning)
- 4** Northbound and Southbound SR 167 Stage 6 Extension Project (design and construction)
- 5** I-405/North 8th Street Direct Access Ramp Project in Renton (design and construction)
- 6** NE 85th Street toll equipment through the I-405, NE 85th Street Interchange and Inline Bus Rapid Transit Station Project (toll infrastructure construction)



Key messages that emerged from this ongoing engagement included:

- Prioritize funding and delivery of projects with system benefits/synergies that complement I-405 BRT and all express toll lane (ETL) projects from Lynnwood to Burien, including those currently under construction.
- Corridor faces a funding challenge, not a phasing challenge.
  - Explore a wide variety of alternative funding options, be creative and report on all options, and identify the legislative authorization requirements.
  - Revenue-generating projects help to advance delivery of the program and overall system benefits.
  - Look for partnering opportunities and funding solutions, including grants.
  - Consider increased costs when delaying projects.
- Expedite delivery without negatively impacting delivery timing of other projects.

## What are the major challenges for project funding and schedules as a result of the pandemic?

- Decline in expected near-term and long-term toll revenue to support project financing.
- Increased legislative expectations for the number of projects to be delivered in the corridor with toll resources, resulting in an increase of the funding need to \$1.178 billion.
- Timing of bonding due to the ongoing uncertainty in travel patterns from the pandemic.
- More conservative financing assumptions to better reflect the financing risks given the observed sensitivity of express toll revenue to changing traffic patterns and users' value of time in the corridor.
- Increases in repair and replacement (R&R) costs.
- Uncertainty about future toll policies on the facilities, which have not yet been set, that affect potential revenue.

## What is the funding gap for delivering the next set of I-405/SR 167 projects?

After conducting a thorough funding and phasing analysis and consulting with stakeholders on key regional priorities, WSDOT and OST have determined a funding gap of approximately \$175 million to \$450 million remains to complete key I-405/SR 167 corridor projects. To determine the potential range of funding gaps, OST performed a financial analysis on higher gap (Current Law) and lower gap (Modified Delivery) scenarios. The Modified Delivery scenario adjusts the delivery schedule of the projects, prioritizing projects based on the expected toll revenue contribution and system benefits. The Legislature would need to provide funding certainty by January 2022 to meet the Modified Delivery schedule. Exhibit ES-1 summarizes the delivery timelines for these scenarios, and Section 4 of this report provides more detailed information about all scenarios developed.

*Exhibit ES-1. Summary of Project Delivery with Higher and Lower Funding Gaps*

| # | Project                                | Higher Gap (Current Law) +/- \$450M | Lower Gap (Modified Delivery) +/- \$175M |
|---|--|-------------------------------------|--|
| 1 | SR 522 to SR 527 Project               | 2027                                | 2026                                     |
| 2 | <i>Renton to Bellevue (Contract 3)</i> |                                     |  |
|   | • SR 167 Toll Up. & SB Aux             | 2029                                | 2024                                     |
|   | • Interchange Improvements             | 2029                                | 2039                                     |
| 3 | SR 167 Master Plan Study               | 2023                                | 2023                                     |
| 4 | <i>SR 167 Congestion Management</i>    |                                     |  |
|   | • SR 167 NB ETL Extension              | 2029                                | 2024                                     |
|   | • SR 167 SB ETL Extension              | 2028                                | 2030                                     |
| 5 | N 8th St Direct Access                 | 2029                                | 2039                                     |
| 6 | NE 85th St Toll Points Only            | 2025*                               | 2026*                                    |

\*Coordination with ST realignment

WSDOT focused on providing book ends that illustrate for policymakers how the funding gap would increase or decrease with different project delivery timelines. WSDOT used this approach because of the extensive time and resources required to assess traffic and revenue impacts and perform financial analysis for numerous scenarios.

However, to help inform stakeholders' discussions of delivery and funding trade-offs, WSDOT also performed preliminary evaluations of other scenarios, as described in Section 4. One of these evaluations found that if no additional funding is provided, program delivery delays of approximately 30 years would result. Additional traffic and revenue modeling and financial analysis by OST would be required for further consideration of these scenarios.

## What are financial options to help fill the gap?

At the request of the Legislature, WSDOT reviewed options for filling the funding gap for the projects described in this report. The Legislature has used these options in the past to support toll projects in the state. Similar to those other state projects, a mix of strategies will likely be needed to address the projected shortfall on the I-405/SR 167 corridor. However, unless additional new revenue is identified, many of these options would result in funding gaps for WSDOT and/or other state programs or projects. Additionally, most of these options would require legislative approval. Alternative funding sources explored include:

- The **Transportation Infrastructure Finance and Innovation Act (TIFIA)**, a federal program that provides loans for qualified projects. In this case, a TIFIA loan could be repaid from the same triple-pledge structure authorized by the Legislature through Engrossed Substitute Senate Bill 5825. The TIFIA program generally provides more favorable interest rates and terms than might be available through the bond market, which, based on current law and other assumptions, produces roughly \$30 million to \$40 million of benefit. While TIFIA is expected to be beneficial, such a loan requires federal agency approval through an expensive and lengthy process, may result in certain onerous financial terms and conditions, and is also limited in amount to typically no more than 33 percent of the project's cost. The SR 520 project used this approach.
- **Deferring state and local sales tax**, which reduces the initial cost of project delivery by deferring sales tax payment until a later date. Approximately \$40 million to \$70 million of sales tax could be deferred on the toll-funded projects. Sales taxes were deferred on the SR 520 and Tacoma Narrows Bridge projects. This approach would require legislative action.
- **Transportation Budget Loans from the Motor Vehicle Fund**, which have been made to support other toll facilities. Loans would generate up-front capital for the project but could also reduce funds for other transportation activities and are dependent upon account balances. When prior loans have been directed by the Legislature, they have also set the terms of repayment. Legislative action would be required to provide these loans.
- **New state, local or federal revenue** to fund project costs, R&R costs, or other needs. This approach would reduce the funding shortfall dollar for dollar. An example is the \$32.9 million in American Rescue Plan Act funding that the Legislature provided to the I-405/SR 167 account in the 2021-23 biennial budget.
- **GARVEE**, a tax-exempt debt financing instrument that pledges expected future federal transportation aid to the payment of debt service. Like other non-toll reliant sources, GARVEE bonds could provide up-front capital in the projects' critical early years. However, currently all projected future federal transportation aid are committed for transportation activities, primarily for preservation. Accordingly, committing future planned federal transportation aid to repayment of new GARVEE bonds would require a reduction in funding for other transportation programs. GARVEE bonds were used for the SR 520 project, as described in more detail in Section 4. Legislative action is required to issue GARVEE bonds and to make any associated budget appropriation adjustments.

The Governor and the Legislature will ultimately direct WSDOT on how to address the projected funding gaps and determine the schedule for delivering the projects discussed in this report.

# Section 1 Overview

## What is the purpose of this report?

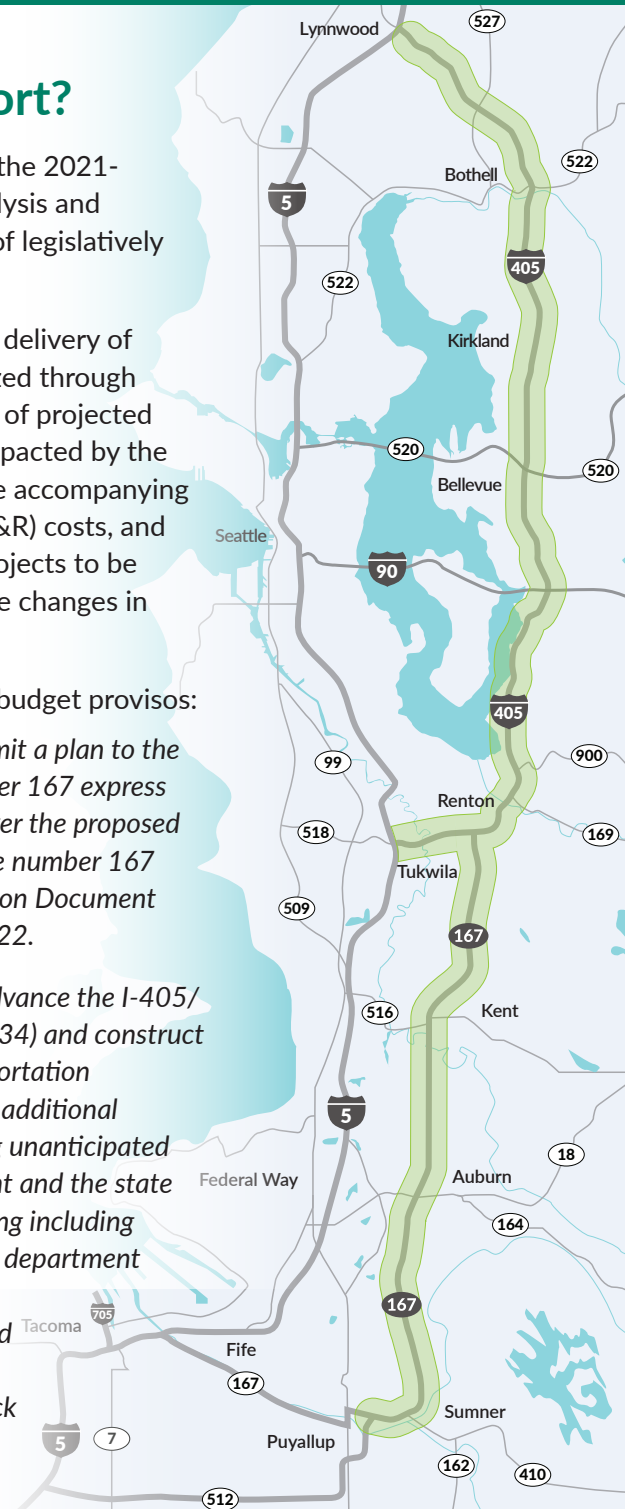
This report, required by Substitute Senate Bill 5165 of the 2021-23 transportation budget, includes recent financial analysis and presents options for funding and phasing the next set of legislatively appropriated projects for the I-405/SR 167 corridor.

The current law 2021-23 transportation budget delays delivery of key I-405/SR 167 corridor projects, previously authorized through Engrossed Substitute Senate Bill (ESSB) 5825, because of projected gaps in revenue due largely to declining toll revenue impacted by the COVID-19 pandemic. That decrease in revenue and the accompanying increasing risks, increases in repair and replacement (R&R) costs, and increased legislative expectations for the number of projects to be delivered in the corridor with toll resources, also require changes in financing assumptions.

During the 2021 session, the Legislature included two budget provisos:

**SSB 5165 Section 209 (8):** *The department shall submit a plan to the legislature for the Interstate 405 and state route number 167 express toll lanes account detailing how bond proceeds can cover the proposed construction plan on the Interstate 405 and state route number 167 express toll lane corridor outlined on LEAP Transportation Document 2021-1 as developed April 23, 2021, by January 1, 2022.*

**SSB 5165 Section 306 (9)(b):** *The department may advance the I-405/SR 522 to I-5 Capacity Improvements project (L2000234) and construct the project earlier than is scheduled in the LEAP transportation document referenced in subsection (2) of this section if additional funding is identified and submitted through the existing unanticipated receipts process by September 1, 2021. The department and the state treasurer shall pursue alternatives to toll revenue funding including but not limited to federal loan and grant programs. The department shall explore phasing and modifying the project to attempt to align project completion with the anticipated deployment of bus rapid transit on the corridor in the 2023-2025 biennium. The department shall report back to the transportation committees of the legislature on this work by September 15, 2021.*





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## How is WSDOT responding to legislative direction?

This interim report includes WSDOT's initial responses to both budget provisos. This report identifies the significant financial gaps resulting from traffic and revenue reductions due to the pandemic and explores options that the Governor and Legislature could consider to address the shortfall. WSDOT's analysis considers all toll-funded corridor projects identified in the 2021-23 transportation budget because these projects are critical for providing systemwide multimodal transportation benefits to the traveling public on I-405 and SR 167. By combining all requested information into a single interim plan delivered by the first legislative deadline, WSDOT is providing the information potentially needed by policymakers for any funding opportunities that may arise. Additionally, if follow-on analysis is needed, the interim report can be amended prior to submittal of the final report due January 1, 2022.

As part of the analysis, WSDOT undertook the following activities:

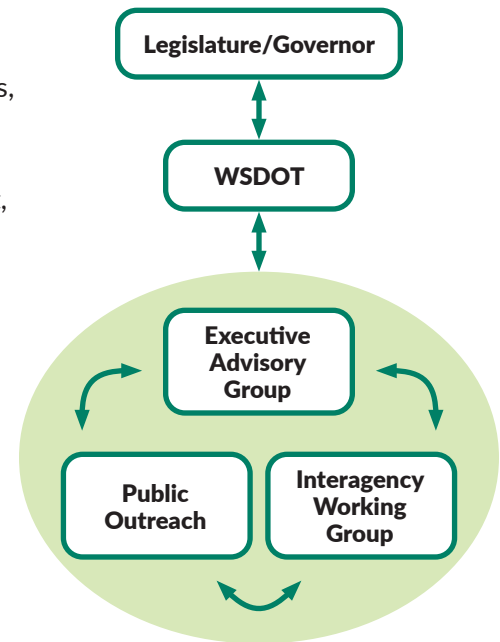
- Evaluated a phased approach to delivering the I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement (SR 522 to SR 527) Project to align with delivery of Sound Transit's I-405 Bus Rapid Transit (BRT) system.
- Reviewed options to minimize the funding gap to deliver the 2021-23 transportation budget, including providing information about alternative funding sources for consideration.
- Continued to prepare the SR 522 to SR 527 Project for the start of construction earlier than current law if additional funding was identified by Sept. 1, 2021.
- Consulted with the I-405/SR 167 Executive Advisory Group (EAG) and Interagency Working Group (IWG) throughout development of funding and phasing scenarios.
- Coordinated with the Office of the State Treasurer (OST) and provided updates to the Legislature throughout the report development.

## Whom did WSDOT consult to develop this report?

While preparing this report, WSDOT has continued our decades-long engagement with the I-405/SR 167 EAG, created to guide WSDOT in the prioritization and implementation of corridor-wide project delivery, including tolling. Composed of local and state elected officials, regional transit agencies, and federal transportation agencies, the EAG is a key partner for advancing multimodal corridor improvement projects. Throughout development of these proviso responses, WSDOT consulted with partners, provided information about the corridor challenges facing WSDOT, and presented technical analyses on the options discussed within this report, while EAG members provided input on the assumptions, policy choices and next steps. Appendix B provides meeting summaries and participant rosters.

WSDOT held EAG meetings on June 8 and August 24, 2021, which yielded several key messages from EAG members:

- Prioritize funding and delivery of projects with system benefits/synergies that complement I-405 BRT and all express toll lane (ETL) projects from Lynnwood to Burien, including those currently under construction.
- Corridor faces a funding challenge, not a phasing challenge.
  - Explore a wide variety of alternative funding options, be creative and report on all options, and identify the legislative authorization requirements.
  - Revenue-generating projects help to advance delivery of the program and overall system benefits.
  - Look for partnering opportunities and funding solutions, including grants.
  - Consider increased costs where delaying projects.
- Expedite delivery without negatively impacting delivery timing of other projects.



### Working with Partners

Additionally, WSDOT worked closely with the IWG, composed of multiagency staff who support EAG members, throughout the development of the proviso responses. IWG members helped to inform the report, review findings, and address frequently asked questions. This group delved into the details of the phasing options and scenarios described in this report, the financial assumptions and options, and the interplay of possible scenarios with corridor partners.

## Sound Transit coordination

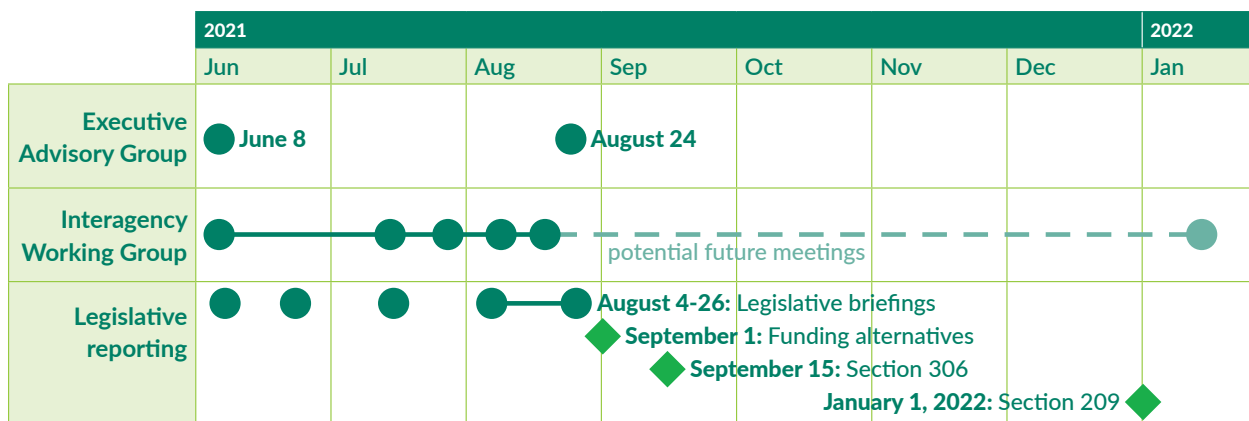
Together, improvements to WSDOT’s I-405/SR 167 corridor and the implementation of Sound Transit’s I-405 Stride BRT system are critical to the region’s transportation network, readiness for growth, and quality of life. The two agencies have worked closely together for decades and collaborated most recently to help determine a path forward for the I-405 ETL and BRT.

With the I-405 Corridor Master Plan and Sound Transit 3 (ST3) Plan as the compass, an integrated Sound Transit-WSDOT team reviewed the north and south segments of the I-405 BRT/ETL system to provide information to policymakers as they consider how to address revenue shortfalls. The team analyzed different schedule, operational, and phasing options, noting trade-offs to provide a menu of choices for policymakers when requested.

## Internal coordination

In addition to WSDOT’s coordination with Sound Transit, the EAG, IWG, Washington State Transportation Commission (WSTC), and OST, the agency collaborated with several WSDOT departments on this proviso report:

- WSDOT Government Relations
- WSDOT Megaprograms
- WSDOT Toll Division
- WSDOT Finance Administrative Services

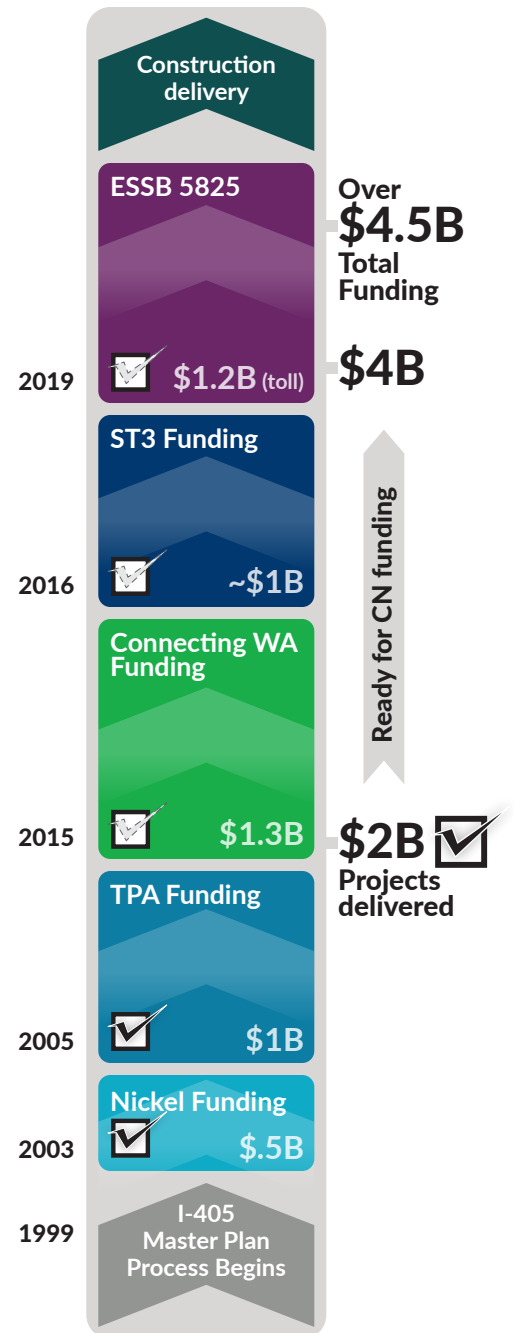


## How does this report fit with the I-405/SR 167 Corridor vision?

For more than 20 years, the Legislature has been investing in multimodal improvements for the 50-mile I-405/SR 167 corridor, guided by the corridor vision and the stakeholder endorsement of the program priorities. To date, WSDOT has delivered more than \$2 billion in corridor improvements to the traveling public on time and on budget, starting with the Nickel Transportation Investment Package in 2003, the Transportation Partnership Program in 2005, and eventually leading to the most recent Connecting Washington Package in 2016.

With direction to use toll revenue for I-405 and SR 167 corridor projects per ESSB 5825 in 2019, WSDOT is now working toward the delivery of the next set of priority projects. Together with Sound Transit's investments for I-405 corridor BRT, nearly \$5 billion has been dedicated to implementing the I-405/SR 167 multimodal corridor vision.

A central part of the I-405/SR 167 corridor vision, as supported by corridor partners and directed by the Legislature, is building a 50-mile ETL system from Puyallup to Lynnwood and supporting a high-capacity transit system, which has been identified as BRT. WSDOT was one of the first agencies in the nation to implement managed lanes with the SR 167 High Occupancy Toll (HOT) Lanes Pilot Project in 2008. The 2015 opening of the I-405 Bellevue to Lynnwood ETLs implemented a more sophisticated, destination-priced managed lane system. Currently, WSDOT is extending the existing I-405 ETLs between Renton and Bellevue to connect these two corridors into one system and has plans for ETL expansion in both the north and south ends of the corridor, as described in this report. With implementation of these ETL extension projects, the 50-mile ETL corridor envisioned for the corridor will be nearly complete.

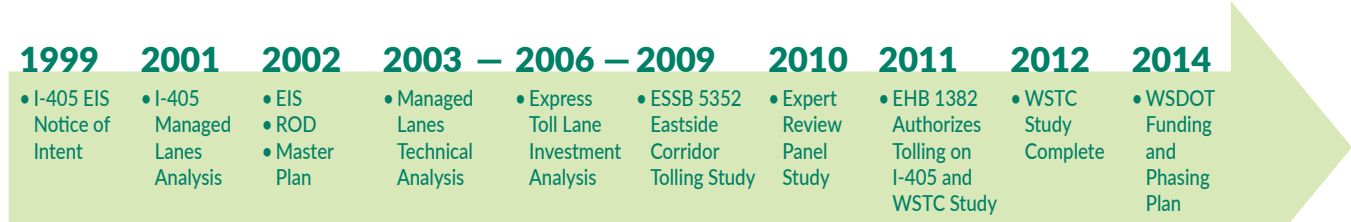


The I-405/SR 167 ETLs have demonstrated the ability to move more people across all lanes and provide ETL users with a faster, more reliable trip when needed, providing systemwide transportation benefits. ETLs also generate toll revenue to invest back into the corridor to offset the cost of transportation improvements that benefit all users.

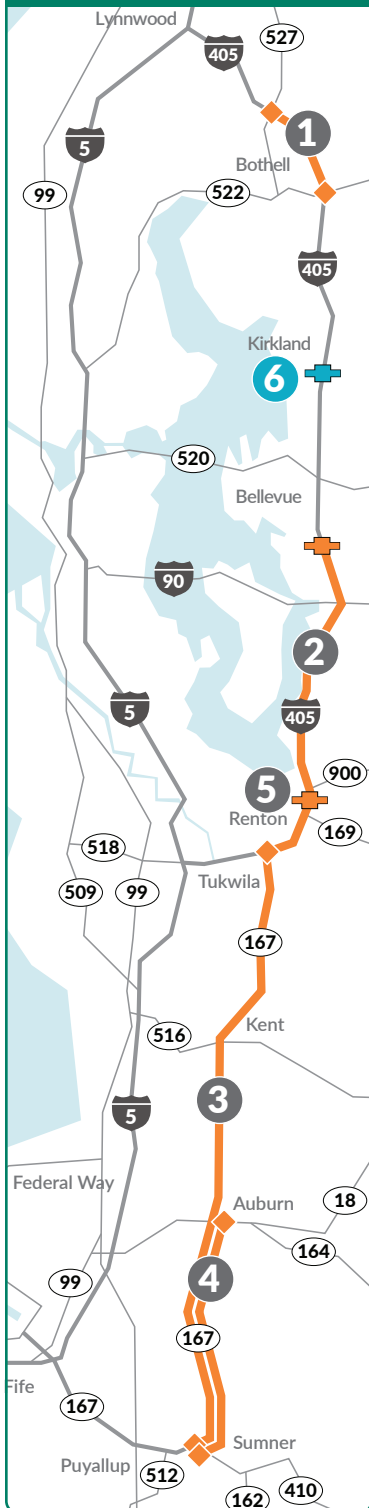
ETLs provide the infrastructure needed to provide fast, frequent I-405 BRT service as envisioned in the I-405 Master Plan and Sound Transit’s voter-approved ST3 Plan. Sound Transit’s proposed I-405 BRT system would connect communities along the I-405 and SR 518 corridors from Lynnwood to Burien and support regional light rail and bus connections.

The work in this report is consistent with technical analyses and collaboration with partners throughout the corridor dating back to 1999. This report is designed to inform policymakers on the funding needed to complete the next phase of program delivery and potential funding options for consideration as requested in the provisos.

*Previous I-405/SR 167 Corridor Implementation Plans and Financial Analyses*



# Section 2 Appropriated Projects, Challenges and Considerations



## What projects are the focus of this report?

This report focuses on funding and phasing options for five projects as addressed in ESSB 5825 and funded through the 2021 current law budget. Additionally, through the budget process, the Legislature funded the toll infrastructure for the Sound Transit-funded NE 85th Street Interchange and Inline Bus Rapid Transit Station Project, resulting in a total funding need of \$1.178 billion. The projects requiring financing through toll revenues are shown in Exhibit 2-1.

*Exhibit 2-1. I-405/SR 167 Projects Requiring Financing through Toll Revenues*

- |   |   |
|---|---|
| <p><b>1</b> I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement Project (design completion and construction)</p>  | <ul style="list-style-type: none"> <li>• Adds one new express toll lane in each direction on I-405 between SR 522 and SR 527 to create a dual express toll lane system.</li> <li>• Constructs new direct access ramps to the ETLs at SR 522 and near SR 527.</li> <li>• Critical for I-405 BRT operations.</li> </ul> |
| <p><b>2</b> I-405, Renton to Bellevue Widening and Express Toll Lanes Project (construction of Phase 3)</p>   | <ul style="list-style-type: none"> <li>• Includes SR 167 Toll Upgrade for consistency with I-405 toll operations and SR 167 Auxiliary Lane.</li> <li>• Interchange Improvements, such as NE 6th Street extension and Coal Creek Parkway.</li> </ul>   |
| <p><b>3</b> SR 167 Master Plan Update (planning)</p>  | <ul style="list-style-type: none"> <li>• Provides recommendations for short and long-term multimodal projects along the SR 167 corridor.</li> </ul>   |
| <p><b>4</b> Northbound and Southbound SR 167 Stage 6 Extension Project (design and construction)</p>  | <ul style="list-style-type: none"> <li>• Extends the express toll lanes south to SR 410 and SR 512 interchange.</li> </ul>  |
| <p><b>5</b> I-405/North 8th Street Direct Access Ramp Project (design and construction)</p>   | <ul style="list-style-type: none"> <li>• New ETL direct access ramp (not currently planned for I-405 BRT in the ST3 Plan).</li> </ul>   |
| <p><b>6</b> NE 85th Street toll equipment through the I-405, NE 85th Street Interchange and Inline Bus Rapid Transit Station Project (toll infrastructure construction)</p> | <ul style="list-style-type: none"> <li>• The Legislature funded \$10M through the 2021 budget process for WSDOT to add toll infrastructure for drivers to access ETLs as part of Sound Transit's BRT investments at NE 85th Street.</li> </ul>  |

## What were the previous project schedules and legislative direction?

In 2019 through ESSB 5825, the Legislature authorized \$1.16 billion to fund I-405/SR 167 corridor projects with toll revenue bonding. The OST financial analysis of ESSB 5825 delivery originally indicated that toll revenue could support \$938 million of I-405/SR 167 corridor projects. WSDOT assumed that the difference between \$938 million and \$1.16 billion was funding for the construction of the I-405/North 8th Street Direct Access Ramp Project. ESSB 5825 included language stating: “Up to twenty million dollars to design the Interstate 405/North 8th Street Direct Access Ramp project in the city of Renton. It is the intent of the legislature to provide construction funding for this project at a later date.” Exhibit 2-2 compares funding from ESSB 5825 in 2019 and SSB 5165 in 2021.

*Exhibit 2-2. Comparison of 2019 and 2021 I-405/SR 167 Project Funding*

| Project Name  | 2019 Funding (ESSB 5825) | 2021 Funding (SSB 5165)                            |
|---|--------------------------|--|
| I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement Project*                                  | \$600M                   | \$600M   |
| I-405, Renton to Bellevue Widening and Express Toll Lanes Project (Phase 3)                               | \$215M                   | \$215M   |
| SR 167 Master Plan Update   | \$3M                     | \$3M   |
| Northbound and Southbound SR 167 Stage 6 Extension Project  | \$100M                   | \$100M   |
| I-405/North 8th Street Direct Access Ramp Project   | \$20M (design)           | \$20M (design)<br>\$230M (design/<br>construction) |
| I-405, NE 85th Street Interchange and Inline Bus Rapid Transit Station Project – Toll infrastructure only | Not included             | \$10M  |
| <b>Total</b>  | <b>\$938M-\$1.16B</b>    | <b>\$1.178B</b>                                    |

\*\$35M funding shortfall is a result of a previous funding change by the Legislature for the project. See Section 4 for more details.

Prior to the start of the COVID-19 pandemic in March 2020, WSDOT was working to deliver these projects according to the schedule shown in Exhibit 2-3 (yellow stars indicate previously anticipated project opening year). The pre-pandemic schedule included opening the SR 167 Toll Upgrade and Auxiliary Lane projects prior to the opening of the Renton to Bellevue ETLs in 2024. This schedule also included opening the SR 522 to SR 527 project in 2025 based on an assumption that the first bond proceeds would be available by early 2022. The expected delivery dates for some projects have changed under current law, as shown in Exhibit 2-3 (green stars indicate current law opening year). WSDOT continues to prepare these projects for when construction funding is available.

Exhibit 2-3. Pre-Covid and Current Law Delivery Schedules

| #             | Project  | Year:   | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030      | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040+ |  |
|---------------|--|---|------|------|------|------|------|------|------|------|------|-----------|------|------|------|------|------|------|------|------|------|-------|--|
| 1             | SR 522 to SR 527 Project                                   |   |      |      |      |      | ★    | →    | ★    |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
| 2             | Renton to Bellevue (Contract 2)<br>(Connecting Washington) |   |      |      |      | ★    |      |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
|               | Renton to Bellevue (Contract 3) (Toll Revenue Funded)      |   |      |      |      |      |      |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
|               | • SR 167 Toll Up. & SB Aux                                 |   |      |      |      | ★    | →    |      |      |      | ★    |           |      |      |      |      |      |      |      |      |      |       |  |
|               | • Interchange Improvements                                 |   |      |      |      |      |      |      |      |      | ★    | No Change |      |      |      |      |      |      |      |      |      |       |  |
| 3             | SR 167 Master Plan Study                                   |   | ★    | →    | ★    |      |      |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
| 4             | SR 167 Congestion Management                               |   |      |      |      |      |      |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
|               | • SR 167 NB ETL Extension                                  |   |      |      |      | ★    | →    |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
|               | • SR 167 SB ETL Extension                                  |   |      |      |      |      |      |      |      |      | ★    | No Change |      |      |      |      |      |      |      |      |      |       |  |
| 5             | N 8th St Direct Access                                     |   |      |      | ★*   | →    | ★*   |      |      |      | ★    |           |      |      |      |      |      |      |      |      |      |       |  |
| 6             | NE 85th St Toll Points Only                                |   |      |      |      |      | ★**  |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
|               |  | Contingent upon ST Realignment Process  |      |      |      |      |      |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |
| <b>Legend</b> |  | <span style="display: inline-block; vertical-align: middle;">★</span> Current Law opening <span style="display: inline-block; vertical-align: middle;">★</span> Pre-COVID/ESSB 5825 opening <span style="display: inline-block; vertical-align: middle;">★</span> Renton to Bellevue ETL opens<br><span style="display: inline-block; vertical-align: middle;">↔</span> Delivery change from current law                      * Design only                      ** Not originally funded in 5825 |      |      |      |      |      |      |      |      |      |           |      |      |      |      |      |      |      |      |      |       |  |

## What are the major challenges for project funding and schedules as a result of the pandemic?

The pandemic has had a significant impact on project funding. OST estimates that toll revenue would currently support about two-thirds of pre-pandemic levels. While this amount still represents substantial funding toward program delivery, the Legislature currently faces many challenges to financing the I-405/SR 167 program as originally envisioned, including:

- Declines in expected near-term and long-term toll revenue available to support the project.
- Increased legislative expectations for the number of projects to be delivered in the corridor with toll resources, resulting in an increase of the funding need to \$1.178 billion.
- Timing of bonding due to significantly reduced revenue and the ongoing uncertainty in travel patterns related to the pandemic.
- More conservative financing assumptions to better reflect the financing risks given the observed sensitivity of ETL revenue to changing traffic patterns and users' value of time in the corridor.
- Increases in repair and replacement (R&R) costs.
- Uncertainty about future toll policies on the facilities, which have not yet been set, that affect potential revenue, such as high occupancy vehicle (HOV) policies, hours of operation, and minimum and maximum toll rates.



## Declines in Expected Toll Revenue

WSDOT's toll facilities, including the I-405 ETLs and SR 167 HOT lanes, experienced a reduction in toll revenue in 2020 and 2021 because of decreased traffic during the unprecedented COVID-19 pandemic. Because of anticipated longer-term changes in driver behavior, such as expectations that remote work will increase, the anticipated growth in forecasted toll revenues is also lower over the longer term.

When offices and businesses closed or moved to remote operation during the pandemic, traffic decreased immediately and significantly. Fiscal Year (FY) 2021 toll revenues on I-405 were 76 percent lower than the pre-pandemic November 2019 forecast. The decline in revenues on SR 167 was slightly lower compared to the I-405 ETLs, decreasing 53 percent compared to the November 2019 forecast. For frame of reference, the toll system collected approximately \$3 million per month prior to the pandemic. After the onset of the pandemic, that amount declined to less than \$1 million per month. Toll revenue has slowly been increasing as traffic levels have begun to increase in the corridor, with collections reaching around \$1.5 million per month in the summer of 2021.

ETL traffic decreased more than traffic on other state toll facilities during the pandemic because adjacent general purpose lanes provide an accessible alternative for travelers. Typical congestion that occurred in those general purpose lanes prior to the pandemic was significantly reduced or non-existent, as was the incentive to use the ETLs for a faster trip. Because toll rates in the ETLs are set dynamically based on traffic levels and congestion, toll rates were lower as well, resulting in higher decreases in revenues than on other state toll facilities.

Looking forward, traffic and revenue forecasters have expressed continuing uncertainty about future conditions, such as when a widespread return to offices may occur and to what level remote work will persist. Because of these unknowns, current longer-term forecasts predict that traffic levels will not return to their pre-pandemic trajectory for many years.

However, it is important to note that traffic and revenue levels between March and June 2021 have been higher than June 2021 post-pandemic forecasts. WSDOT is performing forecasts quarterly, and the next forecast will occur in September 2021. Additionally, the longer-term forecast includes increases in toll revenues generated as new projects are delivered. Therefore, if these planned toll projects are delayed, the resulting revenue increases will not be realized.

## Increased Expectations

The 2019 OST analysis was based on a total estimated cost of \$938 million, whereas the 2021 work was based on a total estimated cost of \$1.178 billion. This is a result of the increased legislative expectations for delivery of the N 8th Street and NE 85th Street projects, as shown in Exhibit 2-2. Adding \$240 million to the project cost affected the outcome of the financial analysis.

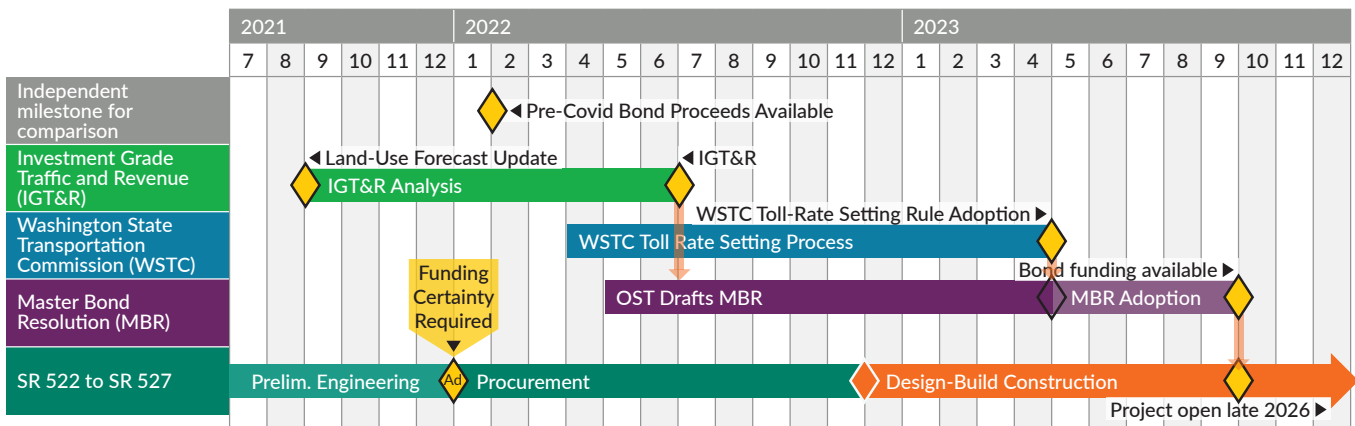
## Delays in Bonding Timeline

Before any bond issuance, the OST requires an investment grade traffic and revenue (IGT&R) forecast from an independent national traffic and revenue (T&R) consultant. Stantec is WSDOT’s statewide T&R consultant.

Stantec will include an independent land use analysis in the draft IGT&R, which is planned to be complete by mid-2022. An IGT&R forecast must be complete prior to any bond sale and is also required to inform the WSTC’s toll rate-setting process before opening the I-405 Renton to Bellevue ETL facility in 2024. This work will all be part of the bonding process.

Because of declines in the toll revenue due to the pandemic and the uncertainties in forecasting future revenues, the bonding process can no longer be completed by early 2022 as originally planned to meet the 2025 opening of the SR 522 to SR 527 project. It is now assumed that toll-backed bonds could not be issued until mid- to late-2023. Exhibit 2-4 provides an updated draft timeline for the bonding process.

Exhibit 2-4. Updated Draft Bonding Timeline



WSDOT would be prepared to deliver the SR 522 to SR 527 project by 2026 if the Legislature provides funding certainty in January 2022 to start the procurement process, and if funding is made available by fall 2022 to award the design-build construction contract. However, because the earliest bonding timeline would be mid- to late-2023, additional funding will not only be needed to make up for declining toll revenues to support program financing but will also be needed to bridge the gap in available funding before bonding begins.

The updated financial model shows that the early years (2021-2030) will be the most challenging for project delivery because of the large number of concurrent projects and lower amounts of revenue available from tolling to support those projects. As more tolling projects are implemented and traffic and revenues increase, the later years will have more funds available, but those revenues do not align well with current project delivery timelines.

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## Changes in Financial Assumptions

Early estimates of the investment levels that could be supported by existing and projected toll revenues were created in 2019 when traffic and revenue on the north end of the I-405 corridor had seen sustained or increasing levels since the Bellevue to Lynnwood ETLs opened in 2015. The pandemic has had a significant and lingering impact on ETL revenue. In 2021, OST re-evaluated the 2019 financial assumptions used for the I-405/SR 167 analyses and is applying more conservative financing assumptions to better reflect the risks given the observed sensitivity of ETL revenue to changing traffic patterns and users' value of time and reliability in the corridor.

These assumption changes include a higher debt service coverage ratio (2.5x compared to the initial coverage ratio of 1.3x) than what was used in the initial analysis and the establishment of a revenue stabilization account (RSA) equal to approximately 50 percent of the highest projected revenue collected, or approximately \$65 million. The RSA is funded in the early years, 2022-25, when toll revenue is limited and construction funding needs are high. These changes provide a larger pool of funds available to use in emergencies, and recent experience on the SR 520 facility confirms their necessity and importance. However, establishing a sufficient RSA will reduce the amount of funds available for project delivery. Ultimately, the State Finance Committee and OST will determine the final financing requirements needed to issue debt.

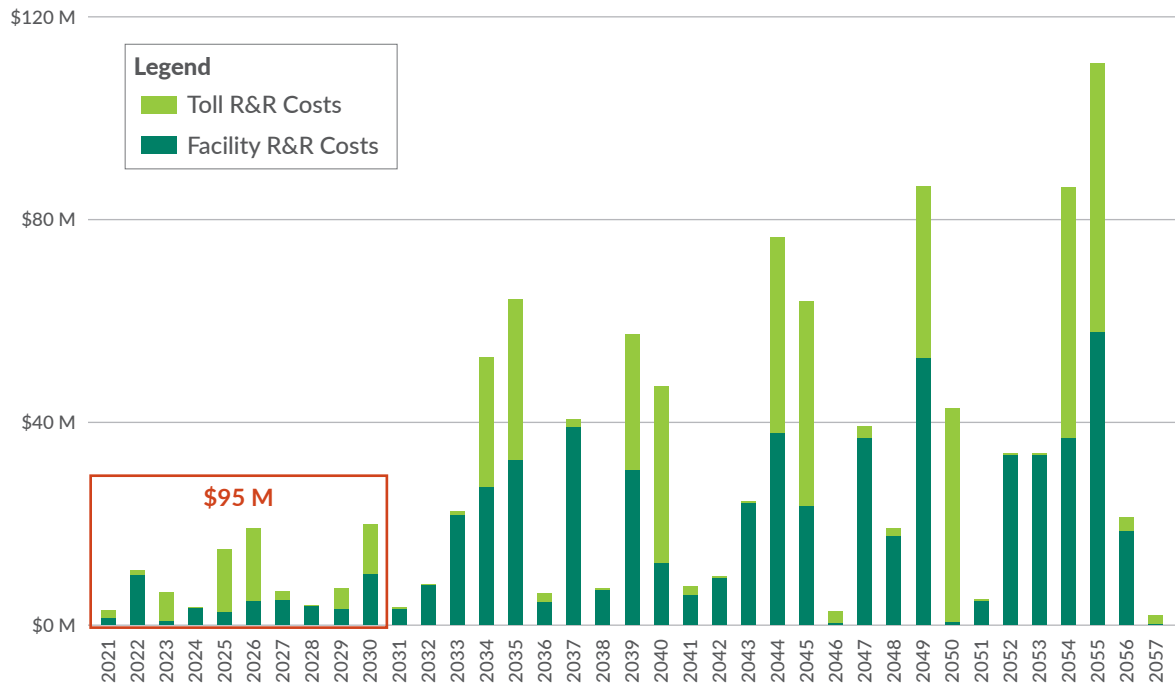
## Repair and Replacement Costs

State law requires that tolls be set at a level sufficient to cover periodic R&R costs on toll facilities. Tolls collected on the I-405/SR 167 corridor pay for 100 percent of toll-related R&R costs, and approximately one-third of roadway facility R&R costs (equivalent to the ratio of ETL lane miles to the total number of lane miles on the highway). R&R costs differ from annual maintenance costs because they generally cover the periodic replacement of tolling equipment or major reconstruction of assets that have reached the end of their recommended service life.

Because the I-405/SR 167 toll system is 50 miles in length with 75 toll points to maintain, the R&R costs are significantly higher than a single toll point facility such as the SR 520 Bridge and SR 99 Tunnel. Additionally, R&R costs increased from the 2019 bonding analysis to the 2021 analysis due to inflation assumption changes and annual reviews of preservation and maintenance needs. Bonding covenants will require a payment mechanism for R&R to ensure the life of the asset to assure their loans will be repaid and, if structured like previous toll-supported projects, may also require an outside validation of projected costs. This validation is typically reviewed on an annual basis, and the Legislature appropriates the budget required, which is assumed to come from toll revenues collected from the facility.

Exhibit 2-5 shows how the R&R expenditures are currently planned. During the critical early years (2021-2030) when bonded toll revenue is needed to construct projects, the R&R costs are approximately \$95 million. The revenue spent on R&R in the early years results in less funding for construction of the projects. Although current policy assumes tolls will fund R&R costs, the Legislature through the budget process could appropriate these funds from other sources.

Exhibit 2-5. Projected Costs of Toll and Facility Repair and Replacement (R&R)



## What policy considerations affect project funding?

The WSTC is responsible for setting toll operations parameters such as ETL occupancy requirements, hours of operation, and minimum and maximum toll rates, all of which can influence the amount of toll revenue collected. In addition to maximum and minimum rates and carpool policy, the WSTC will also consider what policies will be put in place to enable a consistent set of rules for the entire I-405/SR 167 ETL corridor.

The WSTC process has not yet proceeded because of delays in the IGT&R forecast and the uncertainty about project timelines and scope. Because these policies have not yet been set for the full corridor, this analysis has used assumptions based mostly on current toll policies in the north part of the I-405 corridor, as described further in Section 4. The analysis also assumes that the toll rate-setting process on SR 167 would result in changes to how that facility operates compared to today's policies, such that the carpool requirement for a free trip in the ETLs is increased to HOV 3+ during peak hours, and the minimum toll, hours of operation and photo tolling policies are consistent across the entire I-405/SR 167 system. The WSTC toll rate setting process will include public and stakeholder outreach and input before adoption of final policy changes.

Increasing toll rates to meet bond repayment requirements is challenging on ETL systems because actual toll rates are set dynamically to manage congestion, not maximize revenue. The carpool definition, minimum toll rate, maximum toll rate, definition of peak periods, hours of operation, and Pay By Mail surcharge are factors determined by the WSTC that can affect the level of revenues in the forecast.

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Two other policy considerations that could affect toll revenue levels include:

**Two-person carpool policy for first year of Renton to Bellevue ETL operations:** Under RCW 47.56.880 (f)(i), two-person carpools are required to be toll exempt in the I-405 Renton to Bellevue facility during at least the first year of operation unless the traffic and revenue analysis shows that financial obligations (including debt service) cannot be met and a report is made to the WSTC and legislative transportation committees. Due to the impacts on toll revenue from the pandemic, the financial obligations as outlined in ESSB 5825 cannot be met.

Current toll revenue can only support about two-thirds of pre-pandemic funding levels with the HOV 3+ exemption assumption. A HOV 2+ carpool exemption would result in even larger funding needs identified in this report.

**Low-Income Toll Study:** The Legislature directed the WSTC to prepare a Low-Income Toll Study to assess potential low-income toll discount programs for express toll lanes and make recommendations. The study was completed August 27, 2021. For the purposes of the financial assessment, the study assumed that the I-405 and SR 167 toll systems operated with the same rules as the current north end of I-405 including HOV 3+ toll-free travel during peak periods as a baseline. The two options considered to offset tolling on the corridor would provide qualifying low-income users free trips or toll credits that would be made available each month.

The WSTC has made recommendations on next steps, including conducting further analysis and research to fine-tune the design of a potential low-income toll program and better estimate costs and revenue impacts. Depending on how the Legislature chooses to move forward with this policy, funding low-income program discounts could potentially add to existing financial requirements for toll revenue, reducing the net revenue assumptions in this report. The study estimated a preliminary range of potential reductions to net revenue of between \$0.5 million and \$9.5 million annually, depending primarily on the level of participation by eligible customers, as well as which discount program option is implemented.

# Section 3

## Funding and Phasing

Per legislative direction in Section 306 (9), WSDOT explored a wide range of phasing options for the I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement Project (SR 522 to SR 527 Project). The phasing options considered were as follows:

### **Option 1: Separate local improvements at SR 527 interchange**

The first phase would complete the northbound and southbound ETLs between SR 522 and SR 527, the direct access ramp and inline transit station at SR 522, and an inline transit station only at SR 527. The second phase would complete the direct access ramp connection to SR 527 and the local project improvements.

### **Option 2: Geographic phasing (north and south)**

The first phase would complete the SR 522 direct access ramp and inline transit station, deliver the ETLs from SR 522 to the south, and complete the transit hub at SR 522, allowing connections between the SR 522 and I-405 transit systems. The second phase would complete the ETLs between SR 522 and SR 527 and build the SR 527 direct access ramp and inline transit station.

### **Option 3: Directional phasing (northbound and southbound)**

The first phase would complete the southbound ETL from SR 527 to SR 522, the SR 522 direct access and inline transit station, and the northbound ETL to the SR 522 interchange. It also would complete the transit hub allowing connection between the SR 522 and I-405 transit systems. The second phase would construct the SR 527 direct access ramp including local project improvements and inline station and complete the northbound ETL from the SR 522 interchange to the SR 527 direct access ramp.

### **Option 4: Advance fish passage**

The first phase would complete the project's five fish barrier corrections that are required as part of WSDOT's continuing compliance with the federal permanent Injunction (United States et al. vs. Washington et al., No. C70-9213, Subproceeding No. 01-1, dated March 29, 2013). The second phase would complete all of the proposed transportation elements of the project.

Exhibit 3-1 summarizes the benefits, challenges, and toll revenue considerations of each option, as reviewed with the IWG in summer 2021.

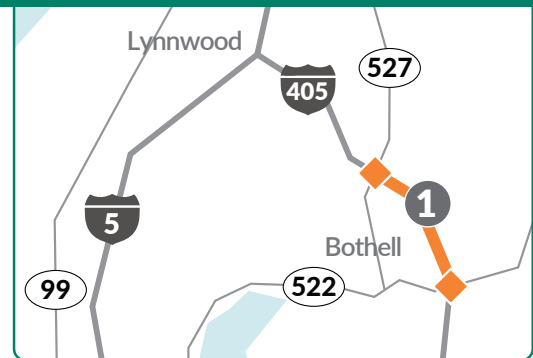


Exhibit 3-1. SR 522 to SR 527 Project Phasing Considerations

| Phasing Option  | Benefits   | Challenges   | Toll Revenue Considerations   |
|---|--|--|---|
| <b>Option 1:</b><br>Separate local improvements at SR 527 interchange | <ul style="list-style-type: none"> <li>Delivers full BRT infrastructure</li> </ul>   | <ul style="list-style-type: none"> <li>Creates northbound bottleneck at SR 527</li> <li>Provides minimal financial benefit from phasing</li> <li>Delayed ETL connection at Canyon Park regional growth center</li> </ul>   | Indeterminate effect on revenue because of the complexity of the northbound traffic operations                  |
| <b>Option 2:</b><br>Geographic phasing (north and south)              | <ul style="list-style-type: none"> <li>Delivers BRT infrastructure from SR 522 to the south</li> </ul>   | <ul style="list-style-type: none"> <li>Delayed ETL benefits north of SR 522 interchange</li> <li>Increased BRT travel times until Phase 2 completed</li> <li>Delayed ETL and inline BRT station at Canyon Park regional growth center</li> <li>Increased costs due to inefficiency and escalation</li> <li>Does not deliver all fish injunction barriers within required timeline</li> </ul> | Minimal/no revenue increase compared to the existing system   |
| <b>Option 3:</b><br>Directional phasing (northbound and southbound)   | <ul style="list-style-type: none"> <li>Achieves ~60% of the user travel time savings in Phase 1</li> <li>Delivers I-405 BRT infrastructure from SR 522 to the south</li> </ul> | <ul style="list-style-type: none"> <li>Increased BRT travel times until Phase 2 completed</li> <li>Delayed ETL and inline BRT station at Canyon Park regional growth center</li> <li>Increased costs due to inefficiency and escalation</li> <li>Does not deliver all fish injunction barriers within required timeline</li> </ul>   | Increased revenue compared to existing system but less than the full project because there is no northbound ETL |
| <b>Option 4:</b><br>Advance fish passage                              | <ul style="list-style-type: none"> <li>Delivers fish barrier corrections within Injunction required timeline</li> </ul>  | <ul style="list-style-type: none"> <li>No system-wide benefits</li> <li>Delays I-405 improvements, including ETL and BRT infrastructure until after fish passage constructed</li> <li>Increased costs due to inefficiency and escalation</li> <li>Restricts innovation on future phase due to staggered delivery</li> </ul>  | No revenue increase compared to the existing system   |

The IWG indicated an understanding that Option 3, the directional phasing, provided the most benefit and should be carried into the financial analysis.

# Section 4

## Financial Analysis

WSDOT developed a broad range of scenarios for OST to analyze. These scenarios are designed to help policymakers better understand the magnitude of additional funding that may be needed to close gaps in toll revenue or bonding. WSDOT in coordination with OST also provided policymakers with options for funding potential gaps.

### What assumptions were used in development of the scenarios?

In developing traffic and revenue forecasts for this report, WSDOT made a number of assumptions about toll policies that would be in place at the time financing was pursued, as shown in Exhibit 4-1. As discussed in Section 2, many of these policies will ultimately be determined by the WSTC. Any changes to these policies could affect the analysis presented in this report. Generally, the analysis assumed that future toll systems would operate with parameters similar to the existing I-405 Bellevue to Lynnwood ETL system.

*Exhibit 4-1. Toll Policy Assumptions in Forecasts*

| Policy               | Assumption  |
|----------------------|---|
| <b>Toll-Free HOV</b> | 3+ during peak hours, 2+ during off-peak hours  |
| <b>Toll Hours</b>    | 5 a.m. to 7 p.m., Monday to Friday  |
| <b>Minimum Toll</b>  | \$0.50 SR 167 and \$0.75 on I-405 until 50 miles combined, then \$0.75 on both facilities |
| <b>Maximum Toll</b>  | \$9 on SR 167 and \$10 on I-405 until 50 miles combined, then \$10 on both facilities     |



## What are considerations factored into development of the scenarios?

WSDOT's objective is to provide transportation system benefits that move more people through the I-405/SR 167 corridor. Without sufficient revenue to support all program financing needs in the planned timeline, key considerations to balance include:

- **Systemwide benefits and synergy:** In optimizing schedules for project delivery, it is important to recognize that certain projects provide systemwide benefits and synergies, such as a consistent travel experience and improved reliability for BRT. These factors are more difficult to capture in a financial analysis but important to consider when developing timelines. For example, the SR 522 to SR 527 project is an element that supports Sound Transit's I-405 BRT system on the north end of I-405, and the SR 167 Toll Upgrade and Auxiliary Lane projects provide additional transportation benefits and a consistent customer experience for users not only of the SR 167 HOT lanes but also of the future Renton to Bellevue ETLs.
- **Revenue:** The financing of the projects in the current law 2021-23 budget is predicated on delivery of revenue-producing projects, and any delays in project delivery would negatively impact revenue projections for the entire model. If higher toll-revenue generating projects are advanced to completion earlier, then these projects can help to lower the funding gap and finance delivery of other subsequent projects that generate less toll revenue. Similarly, if higher-cost construction projects that generate toll revenue are delayed, escalation costs will increase, and future projects will be delayed.

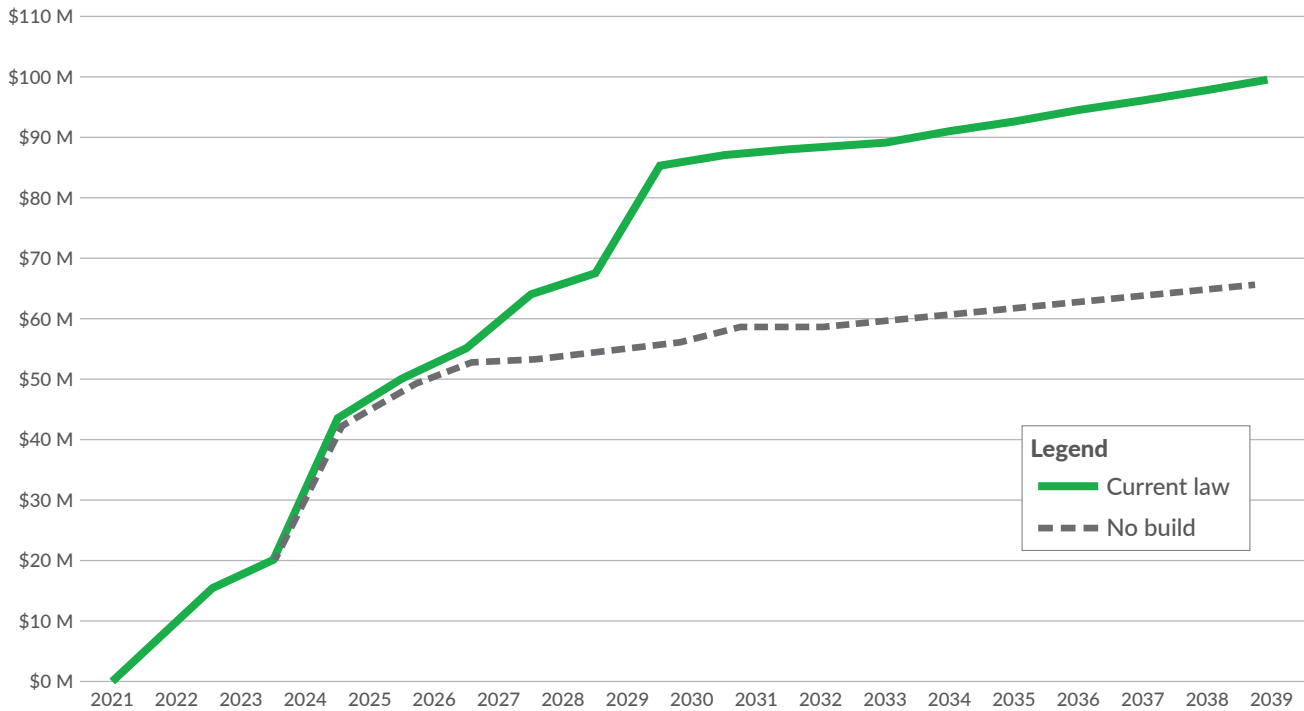
Exhibit 4-2 summarizes the qualitative system benefits and toll revenue for each project, which were discussed with the IWG and EAG.

*Exhibit 4-2. Program Benefits and Toll Revenue*

| # | Project  | System Benefits  | Toll Revenue  |
|---|--|--|---|
| 1 | SR 522 to SR 527 Project   | <ul style="list-style-type: none"> <li>• Extends dual ETL system ~4 miles</li> <li>• Adds 2 ETL direct access ramps</li> <li>• Allows BRT to utilize additional 7+ miles of ETLs</li> <li>• Substantial travel time savings</li> </ul> | <ul style="list-style-type: none"> <li>• Increases forecasted toll revenue</li> </ul>           |
| 2 | <i>Renton to Bellevue (Contract 3)</i>   |  |   |
|   | <ul style="list-style-type: none"> <li>• SR 167 Toll Upgrade &amp; SB Aux. Lane</li> </ul> | <ul style="list-style-type: none"> <li>• Provides consistent customer experience and ETL operations along 50-mile corridor</li> <li>• Adds strategic general purpose capacity for shifting bottlenecks (lesson learned)</li> </ul>     | <ul style="list-style-type: none"> <li>• Increases forecasted toll revenue</li> </ul>           |
|   | <ul style="list-style-type: none"> <li>• Interchange Improvements</li> </ul>               | <ul style="list-style-type: none"> <li>• Local system improvements</li> </ul>  | <ul style="list-style-type: none"> <li>• Minimal addition to forecasted toll revenue</li> </ul> |
| 3 | SR 167 Master Plan Study   | <ul style="list-style-type: none"> <li>• Determined through planning process</li> </ul>  | <ul style="list-style-type: none"> <li>• Determined through planning process</li> </ul>         |
| 4 | <i>SR 167 Congestion Management</i>  |  |   |
|   | <ul style="list-style-type: none"> <li>• SR 167 NB ETL Extension</li> </ul>                | <ul style="list-style-type: none"> <li>• Adds ~7 miles of ETL system</li> <li>• Provides consistent toll operations along corridor (to be delivered with Toll Upgrade project) including Gateway program improvements</li> </ul>       | <ul style="list-style-type: none"> <li>• Increases forecasted toll revenue</li> </ul>           |
|   | <ul style="list-style-type: none"> <li>• SR 167 SB ETL Extension</li> </ul>                | <ul style="list-style-type: none"> <li>• Adds ~5 miles of ETL system</li> <li>• Complements Gateway program improvements</li> <li>• Substantial travel time savings</li> </ul>   | <ul style="list-style-type: none"> <li>• Increases forecasted toll revenue</li> </ul>           |
| 5 | N 8th St Direct Access   | <ul style="list-style-type: none"> <li>• Improved ETL access</li> </ul>  | <ul style="list-style-type: none"> <li>• Minimal addition to forecasted toll revenue</li> </ul> |
| 6 | NE 85th St Inline Station Toll Infrastructure  | <ul style="list-style-type: none"> <li>• BRT inline station</li> <li>• Improved ETL access</li> </ul>  | <ul style="list-style-type: none"> <li>• Minimal addition to forecasted toll revenue</li> </ul> |

Additionally, WSDOT developed future projected net revenue without the projects as compared to with the completed or funded system to better understand the projects' revenue potential in financing the program. Exhibit 4-3 shows that there would be a substantial difference in revenue (as much as \$35 million annually) starting in 2027 if current law projects are not built. Each increase in the solid green line represents the effects of opening additional ETLs in the system.

**Exhibit 4-3. Projected Net Toll Revenue**



## What scenarios did WSDOT develop for financial analysis?

WSDOT developed a range of delivery scenarios for financial analysis by OST to inform the Governor and Legislature on delivery and financing of the program. Because of the extensive time and resources required to assess traffic and revenue impacts and perform financial analysis for numerous scenarios, WSDOT focused on providing book ends that illustrate for policymakers how the funding gap would increase or decrease with different project delivery timelines.

The primary scenarios fell into two categories: those with a **higher financial gap in funding** and those with a **lower financial gap**, as described in the next subsections. However, to help inform stakeholders' discussions of delivery and funding tradeoffs, WSDOT also performed preliminary supplementary evaluations of other scenarios. These scenarios would require additional traffic and revenue modeling and OST financial analysis for further consideration, as discussed in the "Other Scenarios" section below.

The funding gaps described in the scenarios do not include the American Recovery Plan Act (ARPA) funding appropriated by the Legislature that would reduce the gap by \$32.9 million. During the 2020 legislative session, the Legislature was able to appropriate federal ARPA funding to backfill toll revenue losses for FY 2021. The funding gaps also do not account for the shortfall on the SR 522 to SR 527 project requested through the last two budget cycles, which would increase the gap by \$35 million.

### *Higher Gap Scenarios*

The **higher gap scenarios** included the Current Law delivery and the Phased North End delivery:

The **Current Law** scenario delays early projects to allow more time for bonding and collection of toll proceeds but also includes full funding of up to \$1.178 billion. This scenario aligns with the enacted budget and includes toll revenue updated to the March 2021 forecast. The OST financial analysis showed a funding gap of approximately \$450 million. However, the enacted budget did not take escalation into account, which would increase the funding gap by approximately \$30 million.

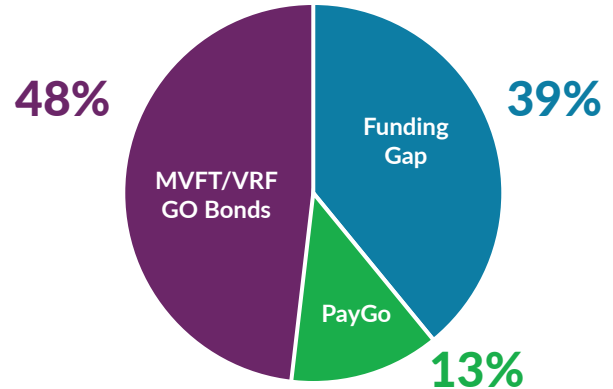
The **Phased North End** scenario delays a portion of the SR 522 to SR 527 project by five years in an attempt to better align project expenditures with available revenue and still receive some of the transportation benefits in the near term. It assumes the remaining projects are delivered in the Current Law timeframe. However, the project costs increase due to escalation and delay a portion of the toll revenue the project produced. This scenario reduces the funding gap from the Current Law scenario slightly to approximately \$430 million.

The following pages give additional detail on project schedules and funding needs for each scenario. Appendix A provides additional financial data from OST.

# Current Law

## Summary of Financing Results

|                           |   |
|---------------------------|---|
| Security                  | MVFT/VRF GO   |
| Coverage Constraint       | 2.5x DSC incl. RSA Activity<br>(Based on Net Toll Revs) |
| R&R Assumption            | Prefunded   |
| Bond Term                 | 30 Years  |
| Bond Sale #1 - 2023       | \$100,000,000   |
| Bond Sale #2 - 2025       | 194,160,000   |
| Bond Sale #3 - 2027       | 93,605,000  |
| Bond Sale #4 - 2028       | 186,600,000   |
| <b>Total Bonds Issued</b> | <b>\$574,365,000</b>                                    |



| Fiscal Year  | Project Funds Requested | Bond Proceeds Delivered | PayGo Funding        | Funding Gap            | % of Project Funds Delivered |
|--------------|-------------------------|-------------------------|----------------------|------------------------|------------------------------|
| 2021         | \$21,042,897            | \$0                     | \$21,042,897         | \$0                    | 100%                         |
| 2022         | 23,300,000              | 0                       | 15,200,000           | (8,100,000)            | 65%                          |
| 2023         | 9,700,000               | 7,335,000               | 0                    | (2,365,000)            | 76%                          |
| 2024         | 156,000,000             | 87,800,000              | 0                    | (68,200,000)           | 56%                          |
| 2025         | 190,000,000             | 107,500,000             | 0                    | (82,500,000)           | 57%                          |
| 2026         | 175,000,000             | 85,200,000              | 11,000,000           | (78,800,000)           | 55%                          |
| 2027         | 202,000,000             | 92,900,000              | 29,950,000           | (79,150,000)           | 61%                          |
| 2028         | 296,000,000             | 141,200,000             | 36,550,000           | (118,250,000)          | 60%                          |
| 2029         | 89,000,000              | 40,050,000              | 32,400,000           | (16,550,000)           | 81%                          |
| 2030         | 0                       | 0                       | 0                    | 0                      | 0%                           |
| 2031         | 0                       | 0                       | 0                    | 0                      | 0%                           |
| <b>Total</b> | <b>\$1,162,042,897</b>  | <b>\$561,985,000</b>    | <b>\$146,142,897</b> | <b>(\$453,915,000)</b> | <b>61%</b>                   |

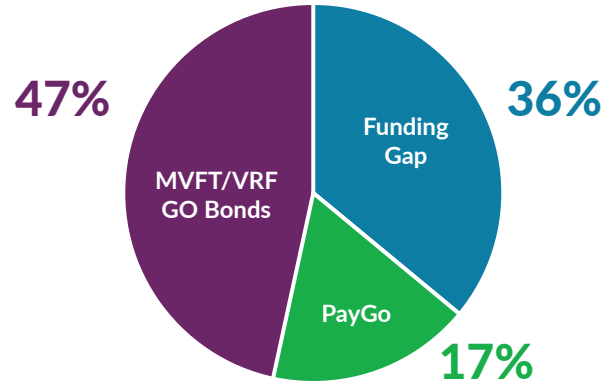
| # | Project                         | Year: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040+ |
|---|---------------------------------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| 1 | SR 522 to SR 527 Project        |       |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |      |      |       |
| 2 | Renton to Bellevue (Contract 3) |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 Toll Up. & SB Aux      |       |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |       |
|   | • Interchange Improvements      |       |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |       |
| 3 | SR 167 Master Plan Study        |       |      | ★    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
| 4 | SR 167 Congestion Management    |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 NB ETL Extension       |       |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 SB ETL Extension       |       |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |      |       |
| 5 | N 8th St Direct Access          |       |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |       |
| 6 | NE 85th St Toll Points Only     |       |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |      |      |      |       |

|        |                       |
|--------|-----------------------|
| Legend | ★ Current Law opening |
|--------|-----------------------|

# Phase North End

## Summary of Financing Results

|                           |   |
|---------------------------|---|
| Security                  | MVFT/VRF GO   |
| Coverage Constraint       | 2.5x DSC incl. RSA Activity<br>(Based on Net Toll Revs) |
| R&R Assumption            | Prefunded   |
| Bond Term                 | 30 Years  |
| Bond Sale #1 - 2023       | \$184,090,000   |
| Bond Sale #2 - 2025       | 65,995,000  |
| Bond Sale #3 - 2027       | 167,255,000   |
| Bond Sale #4 - 2029       | 162,220,000   |
| <b>Total Bonds Issued</b> | <b>\$579,560,000</b>                                    |



| Fiscal Year  | Project Funds Requested | Bond Proceeds Delivered | PayGo Funding        | Funding Gap            | % of Project Funds Delivered |
|--------------|-------------------------|-------------------------|----------------------|------------------------|------------------------------|
| 2021         | \$21,042,897            | \$0                     | \$21,042,897         | \$0                    | 100%                         |
| 2022         | 38,300,000              | 0                       | 15,200,000           | (23,100,000)           | 40%                          |
| 2023         | 119,700,000             | 77,805,000              | 0                    | (41,895,000)           | 65%                          |
| 2024         | 146,000,000             | 94,900,000              | 0                    | (51,100,000)           | 65%                          |
| 2025         | 86,000,000              | 55,500,000              | 0                    | (30,500,000)           | 65%                          |
| 2026         | 45,000,000              | 10,000,000              | 15,200,000           | (19,800,000)           | 56%                          |
| 2027         | 70,000,000              | 34,300,000              | 34,150,000           | (1,550,000)            | 98%                          |
| 2028         | 262,000,000             | 131,700,000             | 31,400,000           | (98,900,000)           | 62%                          |
| 2029         | 294,000,000             | 145,000,000             | 30,750,000           | (118,250,000)          | 60%                          |
| 2030         | 90,000,000              | 16,000,000              | 28,050,000           | (45,950,000)           | 49%                          |
| 2031         | 30,000,000              | 0                       | 30,000,000           | 0                      | 100%                         |
| <b>Total</b> | <b>\$1,202,042,897</b>  | <b>\$565,205,000</b>    | <b>\$205,792,897</b> | <b>(\$431,045,000)</b> | <b>64%</b>                   |

| # | Project                         | Year: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040+ |
|---|---------------------------------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| 1 | SR 522 to SR 527 Project        |       |      |      |      |      | ★    | ★    | ★    |      |      | ★    |      |      |      |      |      |      |      |      |      |       |
|   |                                 |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
| 2 | Renton to Bellevue (Contract 3) |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 Toll Up. & SB Aux      |       |      |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |       |
|   | • Interchange Improvements      |       |      |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |       |
| 3 | SR 167 Master Plan Study        |       |      | ★    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
| 4 | SR 167 Congestion Management    |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 NB ETL Extension       |       |      |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 SB ETL Extension       |       |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |       |
| 5 | N 8th St Direct Access          |       |      |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |       |
| 6 | NE 85th St Toll Points Only     |       |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |

**Legend**

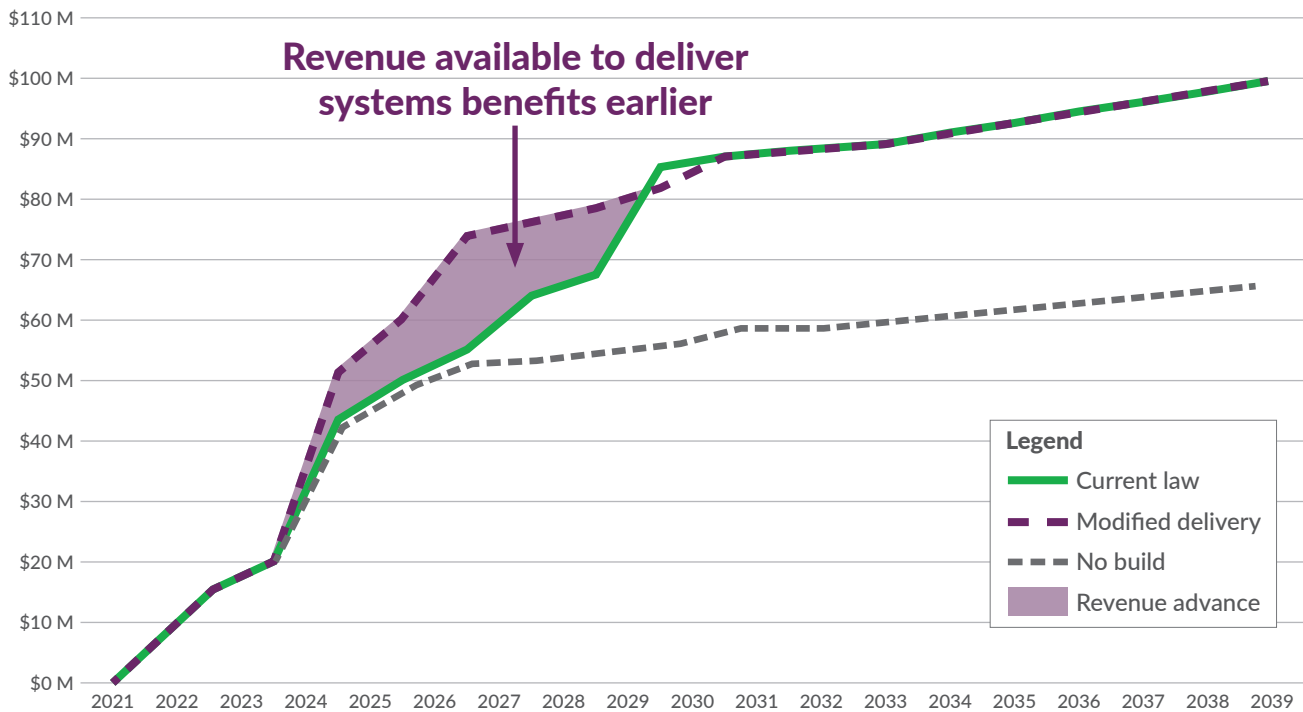
- ★ Project opening in scenario
- ★ Current law opening (if different)
- ↔ Delivery change from current law

## Lower Gap Scenario

The lower gap scenario was the **Modified Delivery** scenario which adjusts the delivery schedule of the projects, prioritizing projects based on the expected toll revenue contribution and system benefits. This approach reduces the funding gap to \$175 million. This scenario changes the delivery schedule as compared to the Current Law scenario, advancing the SR 522 to 527 and the SR 167 Toll Upgrade projects and delaying the N 8th Street and Renton to Bellevue interchange projects by 10 years. This 10-year shift in delivery increases those projects' costs due to escalation and delays the associated transportation system and economic benefits. However, by frontloading toll-revenue generating projects, this approach would enable delivery of the projects without increasing the funding gap.

The Modified Delivery scenario would increase forecasted net toll revenue in the early years of project delivery as compared to both the Current Law delivery and if no projects were built, as shown in Exhibit 4-4. This increased revenue allows projects to be funded and delivered earlier and is anticipated to help reduce the funding gap.

Exhibit 4-4. Projected Net Toll Revenue with Modified Delivery



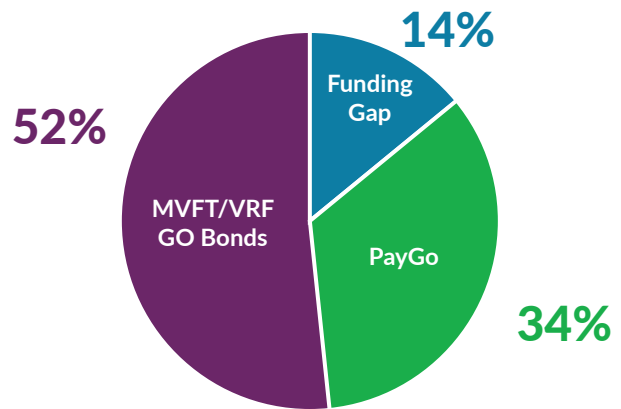
The following page gives additional detail on project schedules and funding needs for the Modified Delivery scenario. Appendix A provides additional financial data from OST.

# Modified Delivery

## Summary of Financing Results

Security **MVFT/VRF GO**  
 Coverage Constraint **2.5x DSC incl. RSA Activity (Based on Net Toll Revs)**  
 R&R Assumption **Prefunded**  
 Bond Term **30 Years**

|                           |                      |
|---------------------------|----------------------|
| Bond Sale #1 - 2023       | \$319,035,000        |
| Bond Sale #2 - 2025       | 161,520,000          |
| Bond Sale #3 - 2027       | 0                    |
| Bond Sale #4 - 2038       | 182,370,000          |
| <b>Total Bonds Issued</b> | <b>\$662,925,000</b> |



| Fiscal Year  | Project Funds Requested | Bond Proceeds Delivered | PayGo Funding        | Funding Gap            | % of Project Funds Delivered |
|--------------|-------------------------|-------------------------|----------------------|------------------------|------------------------------|
| 2021         | \$21,042,897            | \$0                     | \$21,042,897         | \$0                    | 100%                         |
| 2022         | 23,300,000              | 0                       | 21,000,000           | (2,300,000)            | 90%                          |
| 2023         | 176,700,000             | 132,525,000             | 0                    | (44,175,000)           | 75%                          |
| 2024         | 225,000,000             | 168,750,000             | 0                    | (56,250,000)           | 75%                          |
| 2025         | 138,000,000             | 97,000,000              | 0                    | (41,000,000)           | 70%                          |
| 2026         | 106,000,000             | 61,000,000              | 14,500,000           | (30,500,000)           | 71%                          |
| 2027         | 24,000,000              | 0                       | 24,000,000           | 0                      | 100%                         |
| 2028         | 30,000,000              | 0                       | 30,000,000           | 0                      | 100%                         |
| 2029         | 30,000,000              | 0                       | 30,000,000           | 0                      | 100%                         |
| 2030         | 15,000,000              | 0                       | 15,000,000           | 0                      | 100%                         |
| 2031         | 0                       | 0                       | 0                    | 0                      | 0%                           |
| 2032         | 0                       | 0                       | 0                    | 0                      | 0%                           |
| 2033         | 0                       | 0                       | 0                    | 0                      | 0%                           |
| 2034         | 0                       | 0                       | 0                    | 0                      | 0%                           |
| 2035         | 0                       | 0                       | 0                    | 0                      | 0%                           |
| 2036         | 10,000,000              | 0                       | 10,000,000           | 0                      | 100%                         |
| 2037         | 40,000,000              | 0                       | 40,000,000           | 0                      | 100%                         |
| 2038         | 203,500,000             | 91,000,000              | 112,500,000          | 0                      | 100%                         |
| 2039         | 199,500,000             | 90,000,000              | 109,500,000          | 0                      | 100%                         |
| <b>Total</b> | <b>\$1,242,042,897</b>  | <b>\$640,275,000</b>    | <b>\$427,542,897</b> | <b>(\$174,225,000)</b> | <b>86%</b>                   |

| # | Project                         | Year: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040+ |
|---|---------------------------------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| 1 | SR 522 to SR 527 Project        |       |      |      |      |      |      | ★    | ★    |      |      |      |      |      |      |      |      |      |      |      |      |       |
| 2 | Renton to Bellevue (Contract 3) |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 Toll Up. & SB Aux      |       |      |      |      | ★    |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |       |
|   | • Interchange Improvements      |       |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      | ★     |
| 3 | SR 167 Master Plan Study        |       |      | ★    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
| 4 | SR 167 Congestion Management    |       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 NB ETL Extension       |       |      |      |      | ★    |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      |       |
|   | • SR 167 SB ETL Extension       |       |      |      |      |      |      |      |      | ★    |      | ★    |      |      |      |      |      |      |      |      |      |       |
| 5 | N 8th St Direct Access          |       |      |      |      |      |      |      |      |      | ★    |      |      |      |      |      |      |      |      |      |      | ★     |
| 6 | NE 85th St Toll Points Only     |       |      |      |      |      |      | ★    | ★    |      |      |      |      |      |      |      |      |      |      |      |      |       |

**Legend**

- ★ Project opening in scenario
- ★ Current law opening (if different)
- ↔ Delivery change from current law



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## Other Scenarios

WSDOT performed supplementary initial evaluations of other scenarios to help inform delivery and funding trade-off discussions. If any of these scenarios are considered to move forward, additional traffic and revenue modeling by Stantec and financial analysis by OST would be required.

The scenarios that received preliminary evaluation included:

- ***Deleting all program projects except the SR 522 to SR 527 project***  
Results in a similar funding gap to the Modified Delivery scenario but removes all other benefits that would be realized by the other projects.
- ***Delaying all projects uniformly 10 years from Current Law***  
Reduces funding gap from the Current Law scenario but still results in a sizable gap of several hundred million dollars.
- ***Adjusting the Modified Delivery scenario***  
Constructing the SR 522 to SR 527 (2026) and the SR 167 Toll Upgrade (2024) early and then delivering the remaining program elements in the Current Law timeframes (SR 167 southbound extension by 2028, N 8th Street and Renton to Bellevue Contract 3 by 2029):  
Results in a shortfall similar to the Current Law scenario of approximately \$450 million.
- ***Providing no additional funding for the projects***  
Results in program delivery delays of approximately 30 years.

## How do the delivery schedules compare under the different scenarios?

Project schedules for the lower gap (Modified Delivery) scenario would differ from the higher gap (Current Law) scenario, with some projects delivered earlier than under Current Law and others delivered substantially later due to the overall reduction in toll revenue, as shown in Exhibit 4-5.

*Exhibit 4-5. Summary of Project Delivery with Higher and Lower Funding Gap*

| # | Project                                | Higher Gap (Current Law) +/- \$450M | Lower Gap (Modified Delivery) +/- \$175M |
|---|--|-------------------------------------|--|
| 1 | SR 522 to SR 527 Project               | 2027                                | 2026                                     |
| 2 | <i>Renton to Bellevue (Contract 3)</i> |                                     |  |
|   | • SR 167 Toll Up. & SB Aux             | 2029                                | 2024                                     |
|   | • Interchange Improvements             | 2029                                | 2039                                     |
| 3 | SR 167 Master Plan Study               | 2023                                | 2023                                     |
| 4 | <i>SR 167 Congestion Management</i>    |                                     |  |
|   | • SR 167 NB ETL Extension              | 2029                                | 2024                                     |
|   | • SR 167 SB ETL Extension              | 2028                                | 2030                                     |
| 5 | N 8th St Direct Access                 | 2029                                | 2039                                     |
| 6 | NE 85th St Toll Points Only            | 2025*                               | 2026*                                    |

\*Coordination with ST realignment

## What are financial options to help fill the gap?

At the request of the Legislature, WSDOT reviewed options for filling funding gaps for the projects described in this report. The following options have been used by the Legislature in the past to support other toll projects in the state and could be considered to help fill the shortfall for the I-405/SR 167 corridor program. There would be benefits from using non-toll revenue options in the earlier years of project delivery, as doing so may increase overall future financing capacity. Similar to those other state projects, a mix of strategies (funding and phasing) will likely be needed to address the projected shortfall on the I-405/SR 167 corridor.

### *Transportation Infrastructure Finance and Innovation Act Loan*

The Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan is a federal program that provides loans for qualified projects. In this case, a TIFIA loan could be repaid from the same triple-pledge structure authorized by the Legislature through ESSB 5825. The TIFIA program allows borrowers to customize their loan terms (up to 35 years) and amortization, and interest is not accrued until proceeds are drawn. The TIFIA program generally provides more favorable interest rates and terms than might be available through the bond market. Based on current law, current interest rates, and other assumptions, the TIFIA program would generate roughly \$30 million to \$40 million of benefit.

While TIFIA is expected to be beneficial, such a loan requires federal agency approval through an expensive and lengthy process, may result in certain onerous financial terms and conditions, and is also limited in amount to typically no more than 33 percent of the project's cost.

Considerations with a TIFIA loan include:

- A TIFIA loan could provide some benefit in borrowing terms (for example, likely a lower interest rate and different repayment terms). However, because the TIFIA loan is limited to typically no more than 33 percent of the total project cost and the loan would be repaid from toll revenues, its benefit is limited.
- The application and finalization process for a TIFIA loan is very lengthy and can be quite complicated. Furthermore, there is a high workload for the administration of the loan, which may include annual reporting requirements, credit ratings, etc. A TIFIA loan used for the SR 520 project started with a \$100,000 application fee and took two years to go through the application and finalization process. It is WSDOT's understanding that a more recent TIFIA loan (City of Bellevue) took around one year. Although some of the initial terms of previous loans were beneficial, the state did lose some flexibility to refinance the borrowing done through TIFIA on the SR 520 facility.
- Legislative action would be required to issue a stand-alone toll revenue backed TIFIA loan, as opposed to a triple-pledge TIFIA loan. Such an authorization would allow for the issuance of bonds with a 35-year final maturity, which would further reduce annual debt service costs.
- A local jurisdiction could issue a TIFIA loan to help construct the project using their own revenues.

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## **Deferred Taxes**

Deferring state and local sales tax helps reduce the cost of delivering the project, making limited funding go further. Instead of paying sales tax at the time of construction, those tax payments would be made at a later date, after project completion, when increased revenues are expected. Deferring sales tax would reduce the initial cost of project delivery but would also reduce funds available to the state's general fund until paid at the later "deferred" date. While this option would delay sales tax receipts to state and localities, delays in project timelines would have a similar effect. Sales taxes were deferred on SR 520 and Tacoma Narrows Bridge.

Assuming state and local sales tax are deferred on the construction of the toll-funded projects, initial construction costs could be reduced by approximately \$40 million to \$70 million. Legislative action is required to defer sales tax, and the Legislature would determine the application of this option and set the terms of the repayment.

## **Transportation Budget Loans**

Transportation Budget Loans have been made from the Motor Vehicle Fund to support other toll facilities. Loans would generate up-front capital for the project but could also reduce funds for other transportation activities and are dependent upon account balances. When prior loans have been directed by the Legislature, they have also set the terms of repayment. Legislative action is required to provide these loans.

## **New Funding Sources**

Additional funds that may become available for transportation purposes would help fill funding gaps, particularly during the earlier pinch point years when there are high revenue needs to fund multiple projects under construction at the same time (through FY 2030). These sources include local or business contributions, grants, federal funds, and state funds including new revenue.

If additional funds are provided for delivery of the I-405/SR 167 projects or state funds are used to backfill non-project costs (R&R, RSA deposit, etc.) during the pinch point years, this approach would directly reduce the funding gap. One recent example is the \$32.9 million in American Rescue Plan Act funding that the Legislature provided in the 2021-23 biennial budget. As another example, local jurisdictions have or are expected to contribute funds to the Puget Sound Gateway and the SR 99 projects.

## GARVEE Bonds

A GARVEE is a tax-exempt debt financing instrument that pledges expected future federal transportation aid to the payment of debt service. Like other non-toll reliant sources, GARVEE bonds could provide up-front capital in the projects' critical early years. WSDOT received \$923 million in GARVEE bond proceeds to use for SR 520 project construction. The debt service was structured to be repaid over 13 years, with total debt service payments of \$1.085 billion. Most of the annual debt service payments for the SR 520 GARVEE bonds are approximately \$100 million, with the last payment scheduled for September 2024.

Currently all projected federal transportation aid funds are committed for transportation activities, primarily for preservation. Exhibit 4-6 shows where federal funds are committed to preservation projects through 2031, as well as the remaining payments for the SR 520 GARVEE bond debt service. Committing future planned federal transportation aid funds to the repayment of new GARVEE bonds would require a reduction in funding for other transportation programs. However, if Washington receives new or additional federal funding, it will increase the availability of funds that could be used for GARVEE bonds. Ultimately the Governor and Legislature will decide how or if to issue GARVEE bonds, how to make any associated budget adjustments, and how federal dollars might be appropriated.

*Exhibit 4-6. Debt Service and Planned Preservation*

| Committed Federal Funds <sup>1</sup>  | Biennium             |                      |                      |                      |                      |                      |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                       | 2019-21              | 2021-23              | 2023-25 <sup>3</sup> | 2025-27              | 2027-29              | 2029-31              |
| Program P (Preservation) <sup>2</sup> | \$438,272,000        | \$434,803,000        | \$673,841,000        | \$711,171,000        | \$700,291,000        | \$735,717,000        |
| SR 520 GARVEE Debt Service            | \$199,521,875        | \$199,128,563        | \$198,704,375        |                      |                      |                      |
| <b>Total</b>                          | <b>\$637,793,875</b> | <b>\$633,931,563</b> | <b>\$872,545,375</b> | <b>\$711,171,000</b> | <b>\$700,291,000</b> | <b>\$735,717,000</b> |

1. Actual/planned federal funds committed to preservation (non-dedicated portion) and SR 520 GARVEE debt service only.
2. Based on the 2021 Legislative Project List (21LEGFIN)
3. The simultaneous increase in preservation funding levels and the continued GARVEE debt service in 2023-25 reflect timing differences between when funds are obligated and the preferred timing for when the appropriation is available for programming expenditures.

## Alternative Funding Summary

Exhibit 4-7 summarizes potential alternative funding sources for consideration by the Legislature. Because TIFIA loans and GARVEE bonds are borrowing instruments, their use would work in concert with the already authorized triple-pledge bonds. While amounts for these options would need to be identified by the Legislature, their availability is dependent on the underlying revenue stream supporting repayment (toll revenue in the case of TIFIA, federal funds in the case of GARVEE). The total amount for all these options would fall under the existing bond authorization for the I-405/SR 167 toll corridor, unless that policy or legislation is changed. Bond proceeds generated from these financing options would be treated as project funds.

Other options such as deferred sales tax, loans from another account, or another source paying for R&R would provide a dollar-for-dollar substitution from one fund source to another, thereby freeing up the same amount in project funds. Although these options differ in the source of substitution funds, what the funds would cover, and how repayment would be structured, they all function in a similar way. These options can be used in concert with themselves, as well as with the borrowing instruments described previously.

Legislative action would be needed to implement any of these funding alternatives. TIFIA would require federal approvals. Given the COVID-19 pandemic's severe impact on traffic and revenue, it will likely take a combination of new funding sources and strategies to bridge the funding gap. If authorizations and budget direction are provided during the 2022 legislative session, as described in Section 2, projects in the Modified Delivery scenario could proceed to construction contracting.

### Summary

After conducting a thorough funding and phasing analysis and consulting with stakeholders on key regional priorities, WSDOT and the Treasurer's office have determined a funding gap of approximately \$175 million to \$450 million remains to complete key I-405/SR 167 corridor projects. State financial experts have presented information on a range of funding options requiring legislative approval and direction for how to fill the funding gap.

Exhibit 4-7. Alternative Funding Summary

| Alternative Funding Source  | Potential Contribution to Solution   | Trade-offs  | Other Considerations/ Timing  |
|---|--|---|---|
| TIFIA<br><i>A loan negotiated with the federal government.</i>  | Results depend on negotiated agreement and market, but current estimate as much as \$30 to \$40 million. | Lower interest rates with greater administrative costs and lack of flexibility/control. Pledges the same toll revenue currently assumed, so any savings are from improved financing terms. SR 520 took two years.   | Using existing triple-pledge bond authorization will limit debt to 30 years.                                |
| GARVEE<br><i>Debt issued by Washington state that is repaid with federal transportation funds.</i>              | Generates up-front capital. Legislature will determine size and budget impacts.                          | Legislative project list for 21-23 biennial budget assumes federal funds currently dedicated to repaying SR 520 GARVEE bonds would support future statewide highway preservation investments once repaid. If existing federal funds are used for new GARVEE debt, the Legislature will need to make budget trade-off decisions and adjust future funding. | Market credit ratings are lower for GARVEE, so length is often shortened to achieve a better interest rate. |
| Deferred Sales Tax<br><i>State and local sales tax on project construction deferred until after completion.</i> | Potential \$40 million to \$70 million reduction in initial project costs.                               | Delay in tax receipts to General Fund (but no sales tax receipts in a no-build scenario).   | Legislature determines repayment terms.   |
| Motor Vehicle Fund Loans<br><i>Fund transfer from one state account to another.</i>                             | Generates up-front capital. Legislature will determine size and budget impacts.                          | The Legislature will determine capacity for loans based on other budget decisions and funding levels.   | Legislature determines repayment terms.   |

# Section 5

## EAG Recommendations and Next Steps

### How did WSDOT engage with corridor partners?

WSDOT engaged with the EAG and the IWG throughout the process of developing this report and the financial scenarios, including two EAG meetings in June and August 2021 and four IWG meetings between the EAG meetings. With each group, WSDOT reviewed the challenges and the funding and delivery trade-offs that needed to be considered. OST performed financial analysis on a full range of scenarios to provide estimated funding needs. WSDOT developed potential alternative funding options for policymakers' consideration based on those that have been used on prior state projects.

### What principles did the EAG develop?

Based on the information presented by WSDOT and OST, the EAG were united in developing the following principles to guide decisionmakers on the I-405/SR 167 corridor:

- Prioritize funding and delivery of projects with system benefits/synergies that complement I-405 BRT and all ETL projects from Lynnwood to Burien, including those currently under construction.
- Corridor faces a funding challenge, not a phasing challenge.
  - Explore a wide variety of alternative funding options, be creative and report on all options, and identify the legislative authorization requirements.
  - Revenue-generating projects help to advance delivery of the program and overall system benefits.
  - Look for partnering opportunities and funding solutions, including grants.
  - Consider increased cost when delaying projects.
- Expedite delivery without negatively impacting delivery timing of other projects.

### What recommendations and next steps did the EAG propose?

- Move forward on the delivery of early projects to align with Sound Transit's I-405 BRT delivery schedule and the opening of the I-405 Renton to Bellevue ETLs to allow for a consistent user experience. Deliver the remaining projects in the current law 2021-23 transportation budget timeframe.
- Continue to work with the Governor, Legislature and OST on potential combinations of funding scenarios to help fill the shortfall.



### ***Title VI Notice to Public***

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# INTERIM

- 1** I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement Project (design completion and construction)
- 2** I-405, Renton to Bellevue Widening and Express Toll Lanes Project (construction of Phase 3)
- 3** SR 167 Master Plan Update (planning)
- 4** Northbound and Southbound SR 167 Stage 6 Extension Project (design and construction)
- 5** I-405/North 8th Street Direct Access Ramp Project in Renton (design and construction)
- 6** NE 85th Street toll equipment through the I-405, NE 85th Street Interchange and Inline Bus Rapid Transit Station Project (toll infrastructure construction)

For more information:  
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I-405/SR 167 Program Administrator  
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425-456-8543



September 2021





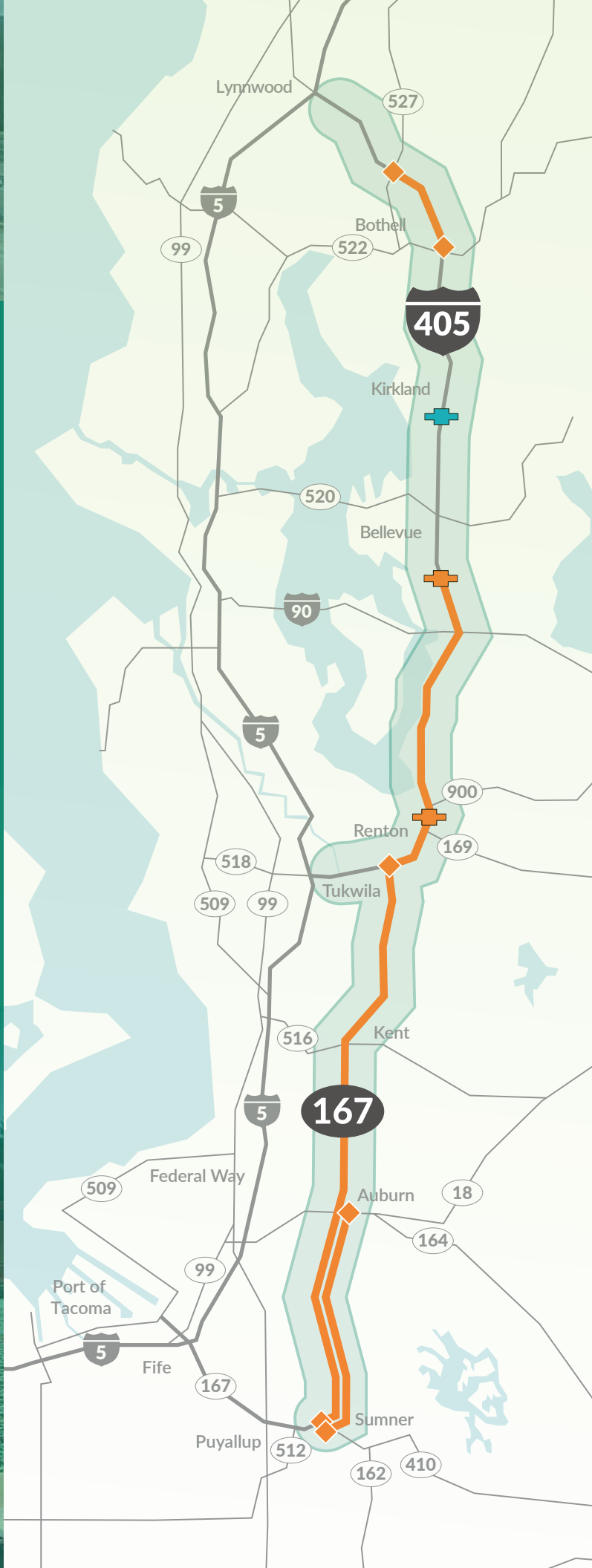
I-405/SR 167 Corridor

# INTERIM Financial Plan REPORT

Addressing  
Legislative Provisos

Section 306  
Section 209

September 2021



# Appendices

|                                       |      |
|---------------------------------------|------|
| A: Financial Data (OST reports) ..... | A-1  |
| B: Stakeholder Engagement .....       | A-32 |

## INTERIM

### Appendix A Financial Data (OST reports)



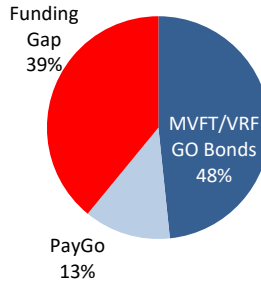
**State of Washington**  
**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Rev. Governor’s Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Caps  
**Current Law Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.162 Billion Goal for Project Funding from Tolls)**  
 30-Jul-21

**Summary of Financing Results\***

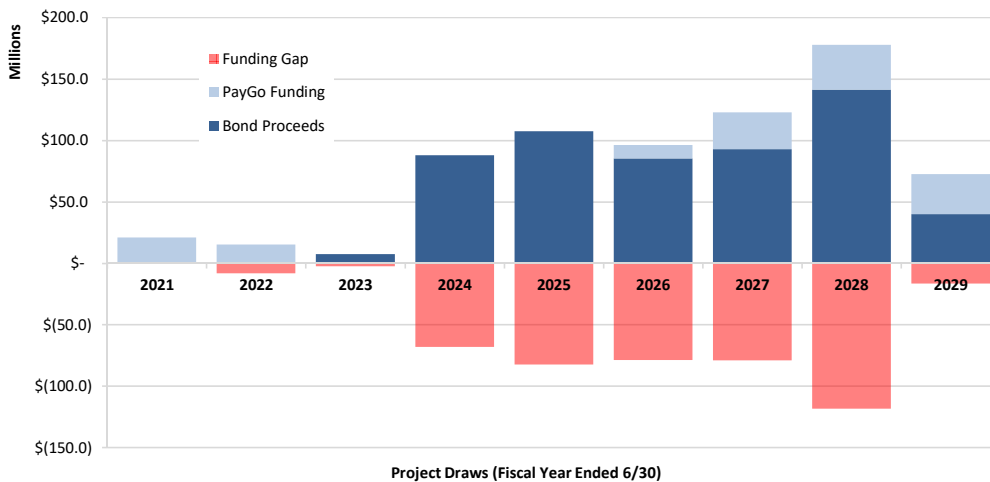
Security **MVFT/VRF GO**  
 Coverage Constraint **2.5x DSC incl. RSA Activity (Based on Net Toll Revs)**  
 R&R Assumption **Prefunded**  
 Bond Term **30 Years**

|                           |                      |
|---------------------------|----------------------|
| Bond Sale #1 - 2023       | \$100,000,000        |
| Bond Sale #2 - 2025       | 194,160,000          |
| Bond Sale #3 - 2027       | 93,605,000           |
| Bond Sale #4 - 2028       | 186,600,000          |
| <b>Total Bonds Issued</b> | <b>\$574,365,000</b> |



| Fiscal Year  | Project Funds Requested** | Bond Proceeds Delivered | PayGo Funding        | Funding Gap            | % of Project Funds Delivered |
|--------------|---------------------------|-------------------------|----------------------|------------------------|------------------------------|
| 2021         | \$21,042,897              | \$0                     | \$21,042,897         | \$0                    | 100%                         |
| 2022         | 23,300,000                | 0                       | 15,200,000           | (8,100,000)            | 65%                          |
| 2023         | 9,700,000                 | 7,335,000               | 0                    | (2,365,000)            | 76%                          |
| 2024         | 156,000,000               | 87,800,000              | 0                    | (68,200,000)           | 56%                          |
| 2025         | 190,000,000               | 107,500,000             | 0                    | (82,500,000)           | 57%                          |
| 2026         | 175,000,000               | 85,200,000              | 11,000,000           | (78,800,000)           | 55%                          |
| 2027         | 202,000,000               | 92,900,000              | 29,950,000           | (79,150,000)           | 61%                          |
| 2028         | 296,000,000               | 141,200,000             | 36,550,000           | (118,250,000)          | 60%                          |
| 2029         | 89,000,000                | 40,050,000              | 32,400,000           | (16,550,000)           | 81%                          |
| 2030         | 0                         | 0                       | 0                    | 0                      | 0%                           |
| 2031         | 0                         | 0                       | 0                    | 0                      | 0%                           |
| <b>Total</b> | <b>\$1,162,042,897</b>    | <b>\$561,985,000</b>    | <b>\$146,142,897</b> | <b>(\$453,915,000)</b> | <b>61%</b>                   |

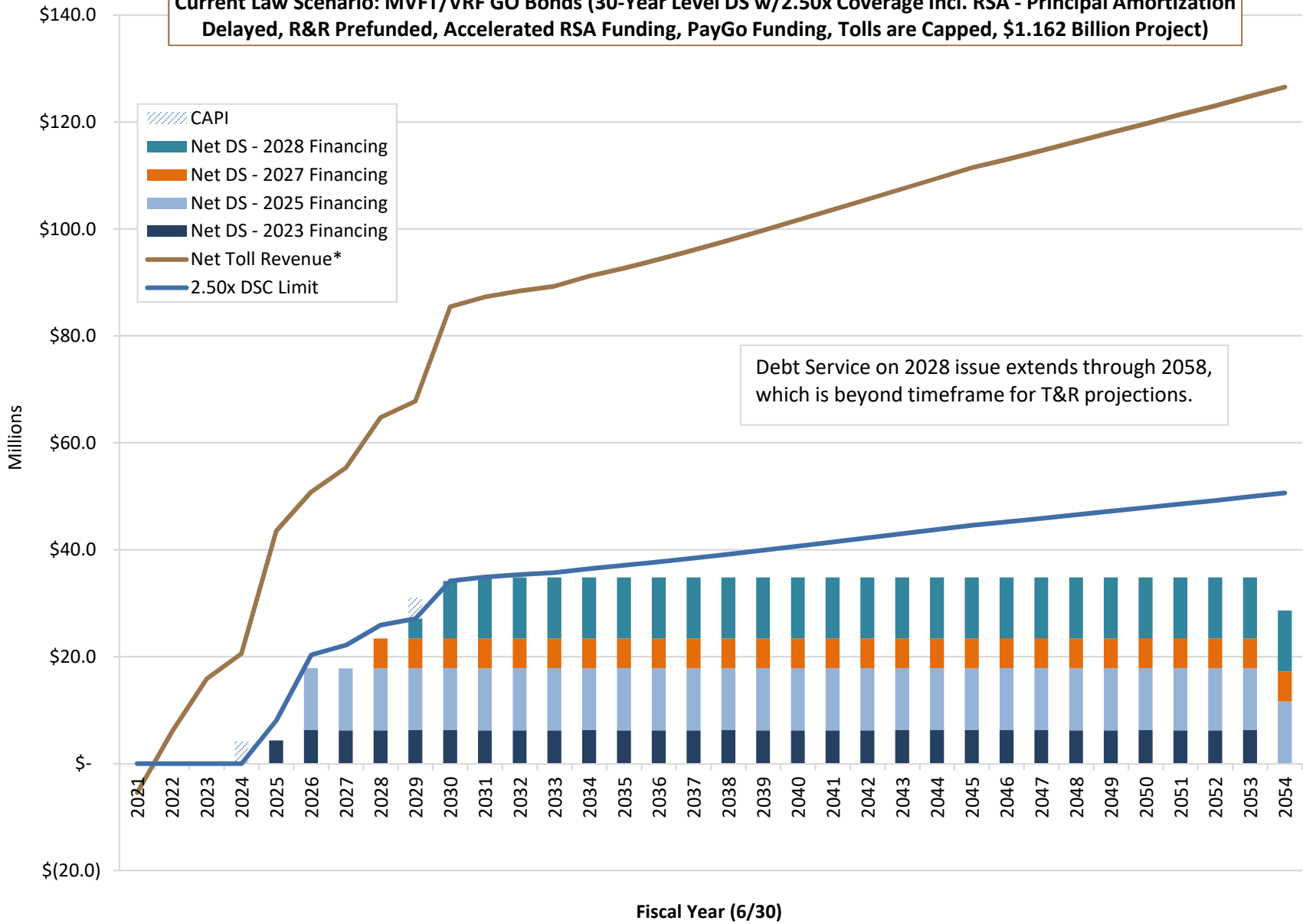
**Annual Project Draws and Funding Source**



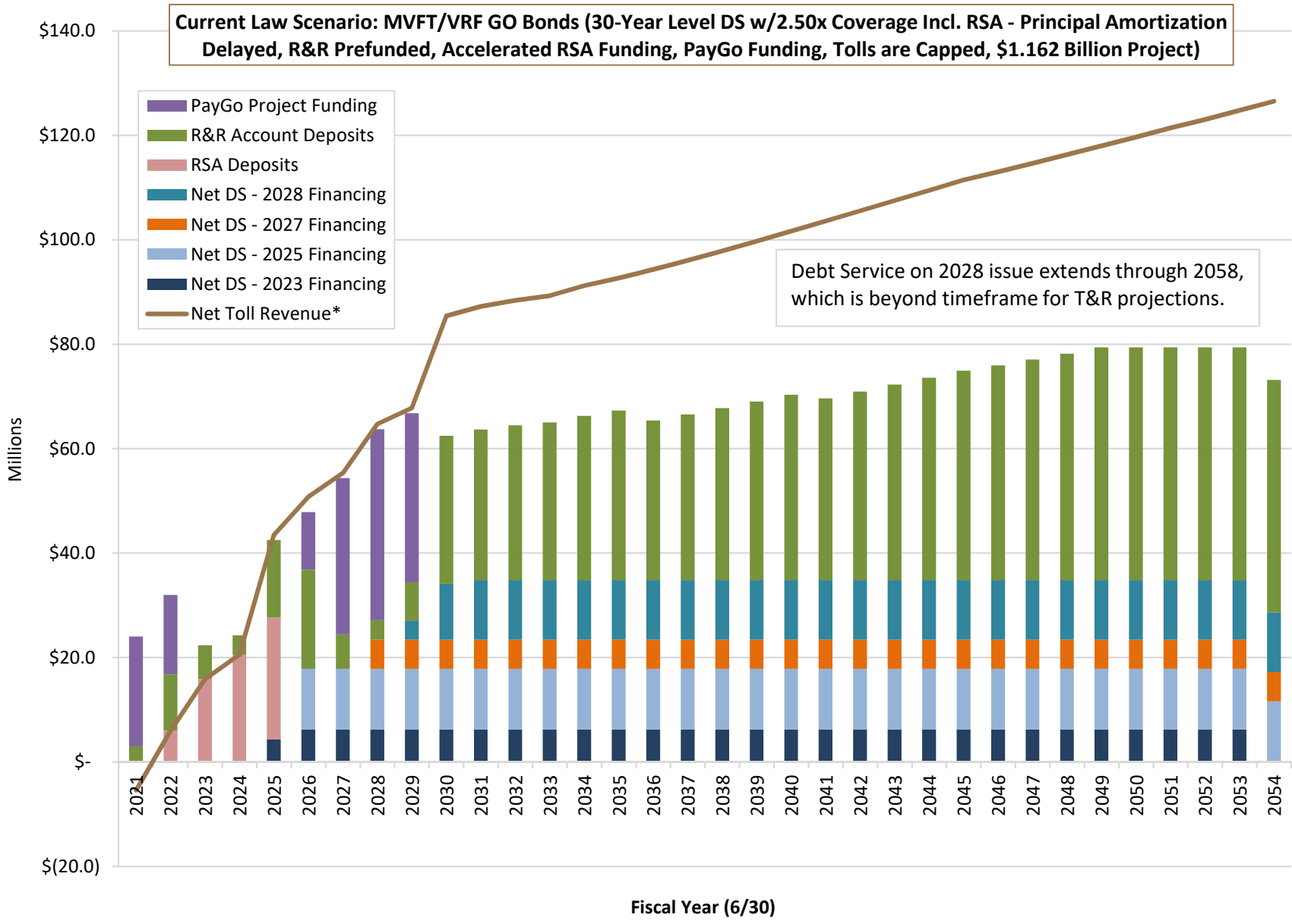
\*Assumes toll revenue scenario Current Law from WSDOT as of 7/2/2021.

\*\*Project fund draw requirements for Current Law scenario sent from WSDOT to OST on 7/2/2021.

**Current Law Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage Incl. RSA - Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, Tolls are Capped, \$1.162 Billion Project)**



\*Net Toll Revenue - As of 7/2/21; Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Caps . Net Toll Revenue reflects the amount before deposits into the RSA.



\*Net Toll Revenue - As of 7/2/21; Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Caps . Net Toll Revenue reflects amounts before deposits into the RSA. Expenditures in excess of Net Toll Revenue are assumed to be made from fund balance, incl. the \$66.6 million balance in the I-405/SR 167 Account at the beginning of FY 2021.

Net Toll Revenue Graph-Total



State of Washington

Eastside Corridor (I-405 and SR167)

Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Cap

Current Law Scenario: MVFT/VRFB GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.162 Billion Goal for Project Funding from Tolls,

30-Jul-21

Calculation of Net Toll Revenues Available for Debt Service and R&R Account Deposits (Annual)

|              | [A]                          | [B]                      | [C]                   | [D]                    | [E]                    | [F]                    | [G]                    | [H]                    | [I]                      | [J]          | [K]                    | [L]                      | [M]       | [N]                    | [O]                    | [P]             |
|--------------|------------------------------|--------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|--------------|------------------------|--------------------------|-----------|------------------------|------------------------|-----------------|
|              | Net Toll Revenue Projections |                          |                       |                        |                        |                        |                        |                        |                          |              |                        |                          |           |                        |                        |                 |
| Fiscal Year  | Adjusted                     | O&M                      | RSA                   | Net Toll               | Net                    | Net                    | Net                    | Net                    | Total Net                | Debt Service | Net Toll               | R&R                      | Coverage  | PayGo                  | Net Toll               | Cumulative      |
| Ending       | Gross Toll                   | Expenses                 | Account               | Revenues*              | Debt Service           | Debt Service           | Debt Service           | Debt Service           | Debt Service             | Coverage     | Revenues               | Account                  | Incl. R&R | Project                | Revenues               | Net Toll        |
| 30-Jun       | Revenues*                    |                          | Deposits              | [A+B+C]                | 2023 Financing         | 2025 Financing         | 2027 Financing         | 2028 Financing         | Debt Service             | [D/I]        | After Debt Svc.        | Deposits                 | and RSA   | Contributions          | After DS, R&R,         | Net Toll        |
|              |                              |                          |                       |                        |                        |                        |                        |                        | [E+F+G+H]                |              | [D+I]                  |                          | [D/(I+L)] |                        | [K+L+N]                | After DS, R&R,  |
|              |                              |                          |                       |                        |                        |                        |                        |                        |                          |              |                        |                          |           |                        |                        | RSA and PayGo** |
| 2021         | 9,889,053                    | (15,308,899)             | -                     | (5,419,846)            | -                      | -                      | -                      | -                      | -                        | -            | (5,419,846)            | (2,990,215)              | -         | (21,042,897)           | (29,452,958)           | 66,600,000      |
| 2022         | 17,893,979                   | (11,946,768)             | (5,947,211)           | 0                      | -                      | -                      | -                      | -                      | -                        | -            | -                      | (10,796,010)             | -         | (15,200,000)           | (25,996,010)           | 37,147,042      |
| 2023         | 29,029,147                   | (13,182,178)             | (15,846,970)          | 0                      | -                      | -                      | -                      | -                      | -                        | -            | -                      | (6,488,768)              | -         | -                      | (6,488,768)            | 11,151,032      |
| 2024         | 35,518,895                   | (14,949,139)             | (20,567,619)          | 2,136                  | -                      | -                      | -                      | -                      | -                        | -            | 2,136                  | (3,664,399)              | 0.00      | -                      | (3,662,263)            | 4,662,264       |
| 2025         | 67,472,089                   | (23,968,470)             | (23,319,417)          | 20,184,202             | (4,313,263)            | -                      | -                      | -                      | (4,313,263)              | 4.68         | 15,870,939             | (14,830,627)             | 1.05      | -                      | 1,040,312              | 1,000,001       |
| 2026         | 76,463,379                   | (25,651,599)             | -                     | 50,811,780             | (6,208,343)            | (11,602,626)           | -                      | -                      | (17,810,969)             | 2.85         | 33,000,812             | (19,005,214)             | 1.38      | (11,000,000)           | 2,995,598              | 2,040,313       |
| 2027         | 82,071,809                   | (26,718,620)             | -                     | 55,353,189             | (6,203,743)            | (11,600,484)           | -                      | -                      | (17,804,227)             | 3.11         | 37,548,963             | (6,576,384)              | 2.27      | (29,950,000)           | 1,022,579              | 5,035,910       |
| 2028         | 92,885,898                   | (28,155,590)             | -                     | 64,730,308             | (6,204,833)            | (11,601,389)           | (5,595,537)            | -                      | (23,401,758)             | 2.77         | 41,328,550             | (3,740,863)              | 2.38      | (36,550,000)           | 1,037,687              | 6,058,489       |
| 2029         | 96,267,316                   | (28,478,545)             | -                     | 67,788,771             | (6,205,743)            | (11,599,469)           | (5,593,480)            | (3,681,686)            | (27,080,377)             | 2.50         | 40,708,394             | (7,297,219)              | 1.97      | (32,400,000)           | 1,011,175              | 7,096,176       |
| 2030         | 117,592,951                  | (32,155,835)             | -                     | 85,437,116             | (6,206,128)            | (11,604,321)           | (5,593,093)            | (10,720,437)           | (34,123,978)             | 2.50         | 51,313,138             | (28,293,439)             | 1.37      | -                      | 23,019,699             | 8,107,351       |
| 2031         | 120,427,348                  | (33,189,480)             | -                     | 87,237,867             | (6,205,385)            | (11,599,406)           | (5,593,953)            | (11,409,423)           | (34,808,166)             | 2.51         | 52,429,702             | (28,819,434)             | 1.37      | -                      | 23,610,268             | 31,127,050      |
| 2032         | 122,941,907                  | (34,523,442)             | -                     | 88,418,465             | (6,203,347)            | (11,604,356)           | (5,590,797)            | (11,409,193)           | (34,807,692)             | 2.54         | 53,610,774             | (29,613,320)             | 1.37      | -                      | 23,997,454             | 54,737,319      |
| 2033         | 125,509,584                  | (36,215,413)             | -                     | 89,294,171             | (6,205,097)            | (11,602,720)           | (5,593,087)            | (11,410,826)           | (34,811,729)             | 2.57         | 54,482,442             | (30,197,795)             | 1.37      | -                      | 24,284,648             | 78,734,772      |
| 2034         | 128,136,211                  | (36,965,106)             | -                     | 91,171,106             | (6,205,821)            | (11,599,323)           | (5,595,357)            | (11,407,941)           | (34,808,441)             | 2.62         | 56,362,665             | (31,462,464)             | 1.38      | -                      | 24,900,201             | 103,019,420     |
| 2035         | 130,815,372                  | (38,139,485)             | -                     | 92,675,887             | (6,205,402)            | (11,604,295)           | (5,592,043)            | (11,410,033)           | (34,811,772)             | 2.66         | 57,864,115             | (32,470,411)             | 1.38      | -                      | 25,393,705             | 127,919,621     |
| 2036         | 133,555,278                  | (39,259,112)             | -                     | 94,296,166             | (6,203,736)            | (11,602,937)           | (5,593,141)            | (11,410,820)           | (34,810,633)             | 2.71         | 59,485,533             | (30,560,447)             | 1.44      | -                      | 25,925,087             | 153,313,326     |
| 2037         | 136,350,566                  | (40,292,400)             | -                     | 96,058,166             | (6,205,448)            | (11,600,189)           | (5,593,539)            | (11,409,965)           | (34,809,141)             | 2.76         | 61,249,026             | (31,746,079)             | 1.44      | -                      | 26,466,016             | 182,238,413     |
| 2038         | 139,212,302                  | (41,367,807)             | -                     | 97,844,495             | (6,205,549)            | (11,600,838)           | (5,593,545)            | (11,412,585)           | (34,812,516)             | 2.81         | 63,031,980             | (32,943,194)             | 1.44      | -                      | 27,012,821             | 211,741,360     |
| 2039         | 142,132,137                  | (42,409,673)             | -                     | 99,722,464             | (6,203,674)            | (11,603,962)           | (5,593,037)            | (11,409,139)           | (34,809,811)             | 2.86         | 64,912,654             | (34,207,975)             | 1.44      | -                      | 27,564,846             | 241,830,146     |
| 2040         | 145,116,548                  | (43,498,022)             | -                     | 101,618,526            | (6,204,774)            | (11,599,724)           | (5,591,904)            | (11,409,570)           | (34,805,971)             | 2.92         | 66,812,555             | (35,486,049)             | 1.45      | -                      | 28,116,797             | 272,534,825     |
| 2041         | 148,163,424                  | (44,592,290)             | -                     | 103,571,134            | (6,203,281)            | (11,602,620)           | (5,594,788)            | (11,408,474)           | (34,809,162)             | 2.98         | 68,761,973             | (34,795,095)             | 1.49      | -                      | 28,611,702             | 303,861,331     |
| 2042         | 151,282,633                  | (45,768,995)             | -                     | 105,513,638            | (6,204,173)            | (11,602,124)           | (5,591,659)            | (11,410,126)           | (34,808,081)             | 3.03         | 70,705,557             | (36,101,622)             | 1.49      | -                      | 29,116,702             | 337,828,208     |
| 2043         | 154,464,293                  | (46,959,806)             | -                     | 107,504,487            | (6,206,883)            | (11,602,530)           | (5,592,370)            | (11,409,678)           | (34,811,461)             | 3.09         | 72,693,027             | (37,436,179)             | 1.49      | -                      | 29,621,702             | 372,432,143     |
| 2044         | 157,716,971                  | (48,274,379)             | -                     | 109,442,593            | (6,205,828)            | (11,603,561)           | (5,591,654)            | (11,411,431)           | (34,812,474)             | 3.14         | 74,630,119             | (38,737,656)             | 1.49      | -                      | 30,126,702             | 407,688,991     |
| 2045         | 161,040,788                  | (49,591,891)             | -                     | 111,448,897            | (6,206,028)            | (11,599,311)           | (5,594,164)            | (11,410,055)           | (34,809,558)             | 3.20         | 76,639,340             | (40,088,895)             | 1.49      | -                      | 30,631,702             | 443,581,455     |
| 2046         | 163,932,192                  | (50,935,005)             | -                     | 112,997,187            | (6,206,910)            | (11,604,067)           | (5,594,650)            | (11,409,850)           | (34,815,477)             | 3.25         | 78,181,710             | (41,123,493)             | 1.49      | -                      | 31,136,702             | 480,131,900     |
| 2047         | 166,864,977                  | (52,239,812)             | -                     | 114,625,165            | (6,207,890)            | (11,602,191)           | (5,592,768)            | (11,410,535)           | (34,813,383)             | 3.29         | 79,811,782             | (42,219,658)             | 1.49      | -                      | 31,641,702             | 517,190,117     |
| 2048         | 169,853,718                  | (53,537,533)             | -                     | 116,316,185            | (6,203,826)            | (11,602,990)           | (5,593,167)            | (11,411,207)           | (34,811,189)             | 3.34         | 81,504,996             | (43,358,290)             | 1.49      | -                      | 32,146,702             | 554,782,241     |
| 2049         | 172,894,874                  | (54,881,939)             | -                     | 118,012,936            | (6,204,851)            | (11,600,315)           | (5,595,628)            | (11,410,942)           | (34,811,736)             | 3.39         | 83,201,200             | (44,550,000)             | 1.49      | -                      | 32,651,702             | 592,928,947     |
| 2050         | 175,993,530                  | (56,323,995)             | -                     | 119,669,535            | (6,205,704)            | (11,604,067)           | (5,594,592)            | (11,409,528)           | (34,813,891)             | 3.44         | 84,855,645             | (44,550,000)             | 1.51      | -                      | 33,156,702             | 631,580,147     |
| 2051         | 179,150,301                  | (57,734,964)             | -                     | 121,415,337            | (6,205,371)            | (11,603,792)           | (5,594,707)            | (11,411,061)           | (34,814,930)             | 3.49         | 86,600,407             | (44,550,000)             | 1.53      | -                      | 33,661,702             | 671,885,792     |
| 2052         | 182,369,637                  | (59,346,838)             | -                     | 123,022,799            | (6,203,849)            | (11,599,588)           | (5,590,803)            | (11,409,393)           | (34,803,632)             | 3.53         | 88,219,168             | (44,550,000)             | 1.55      | -                      | 34,166,702             | 713,936,199     |
| 2053         | 185,647,831                  | (60,851,220)             | -                     | 124,796,612            | (6,205,636)            | (11,599,725)           | (5,592,978)            | (11,409,417)           | (34,807,755)             | 3.59         | 89,988,857             | (44,550,000)             | 1.57      | -                      | 34,671,702             | 757,605,366     |
| 2054         | 188,984,693                  | (62,442,150)             | -                     | 126,542,544            | -                      | (11,603,915)           | (5,590,930)            | (11,410,892)           | (28,605,736)             | 4.42         | 97,936,808             | (44,550,000)             | 1.73      | -                      | 35,176,702             | 803,044,223     |
| 2055         | 192,388,636                  | (64,157,996)             | -                     | 128,230,641            | -                      | (11,600,932)           | (5,593,926)            | (11,408,678)           | (28,603,536)             | 4.48         | 99,627,105             | (44,550,000)             | 1.75      | -                      | 35,681,702             | 856,431,030     |
| 2056         | 195,694,855                  | (65,899,345)             | -                     | 129,795,510            | -                      | -                      | (5,591,693)            | (11,411,063)           | (17,002,756)             | 7.63         | 112,792,755            | (21,200,000)             | 3.40      | -                      | 36,186,702             | 911,508,136     |
| 2057         | 199,009,047                  | (67,646,614)             | -                     | 131,362,434            | -                      | -                      | (5,593,960)            | (11,412,744)           | (17,006,704)             | 7.72         | 114,355,730            | (2,000,000)              | 6.91      | -                      | 36,691,702             | 1,003,100,891   |
| <b>Total</b> | <b>\$4,894,734,173</b>       | <b>(\$1,547,560,352)</b> | <b>(\$65,681,217)</b> | <b>\$3,281,492,604</b> | <b>(\$178,060,510)</b> | <b>(\$348,057,758)</b> | <b>(\$167,796,945)</b> | <b>(\$322,476,683)</b> | <b>(\$1,016,391,895)</b> |              | <b>\$2,265,100,710</b> | <b>(\$1,070,101,193)</b> |           | <b>(\$146,142,897)</b> | <b>\$1,048,856,620</b> |                 |

\*T&R Forecast from WSDOT as of July 2, 2021. Annual Net Toll Revenue is reduced by the amount deposited into the RSA.

\*\*Per WSDOT, the I-405/SR 167 Account had a fund balance of \$66.6M at the beginning of FY 2021.

**State of Washington**  
**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Caps

**Current Law Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.162 Billion Goal for Project Funding from Tolls)**

30-Jul-21

**Revenue Stabilization Account (RSA)**

|              | Excess Toll Revenues Available for RSA Deposit (2.50x DSC) | Beginning Balance in RSA | RSA Deposit | RSA Withdrawal | Ending Balance in RSA* |                    |
|--------------|--|--------------------------|-------------|----------------|------------------------|--------------------|
| 2021         | -  | -                        | -           | -              | -                      | Target RSA Balance |
| 2022         | 5.9  | -                        | 5.9         | -              | 5.9                    | 65.7               |
| 2023         | 15.8   | 5.9                      | 15.8        | -              | 21.8                   |                    |
| 2024         | 20.6   | 21.8                     | 20.6        | -              | 42.4                   |                    |
| 2025         | 32.7   | 42.4                     | 23.3        | -              | 65.7                   |                    |
| 2026         | 6.3  | 65.7                     | -           | -              | 65.7                   |                    |
| 2027         | 10.8   | 65.7                     | -           | -              | 65.7                   |                    |
| 2028         | 6.2  | 65.7                     | -           | -              | 65.7                   |                    |
| 2029         | .1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2030         | .1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2031         | .2   | 65.7                     | -           | -              | 65.7                   |                    |
| 2032         | 1.4  | 65.7                     | -           | -              | 65.7                   |                    |
| 2033         | 2.3  | 65.7                     | -           | -              | 65.7                   |                    |
| 2034         | 4.2  | 65.7                     | -           | -              | 65.7                   |                    |
| 2035         | 5.6  | 65.7                     | -           | -              | 65.7                   |                    |
| 2036         | 7.3  | 65.7                     | -           | -              | 65.7                   |                    |
| 2037         | 9.0  | 65.7                     | -           | -              | 65.7                   |                    |
| 2038         | 10.8   | 65.7                     | -           | -              | 65.7                   |                    |
| 2039         | 12.7   | 65.7                     | -           | -              | 65.7                   |                    |
| 2040         | 14.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2041         | 16.5   | 65.7                     | -           | -              | 65.7                   |                    |
| 2042         | 18.5   | 65.7                     | -           | -              | 65.7                   |                    |
| 2043         | 20.5   | 65.7                     | -           | -              | 65.7                   |                    |
| 2044         | 22.4   | 65.7                     | -           | -              | 65.7                   |                    |
| 2045         | 24.4   | 65.7                     | -           | -              | 65.7                   |                    |
| 2046         | 26.0   | 65.7                     | -           | -              | 65.7                   |                    |
| 2047         | 27.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2048         | 29.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2049         | 31.0   | 65.7                     | -           | -              | 65.7                   |                    |
| 2050         | 32.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2051         | 34.4   | 65.7                     | -           | -              | 65.7                   |                    |
| 2052         | 36.0   | 65.7                     | -           | -              | 65.7                   |                    |
| 2053         | 37.8   | 65.7                     | -           | -              | 65.7                   |                    |
| 2054         | 55.0   | 65.7                     | -           | -              | 65.7                   |                    |
| 2055         | 56.7   | 65.7                     | -           | -              | 65.7                   |                    |
| 2056         | 87.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2057         | 88.8   | 65.7                     | -           | -              | 65.7                   |                    |
| 2058         | -  | 65.7                     | -           | -              | 65.7                   |                    |
| <b>Total</b> | <b>811.6</b>   |                          | <b>65.7</b> | <b>-</b>       |                        |                    |

\*Balance is targeted at 50% of maximum annual projected net toll revenue.

**State of Washington**

**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Caps

Current Law Scenario: MVFT/VRFB GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.162 Billion Goal for Project Funding from 30-Jul-21

**Detailed Repair and Replacement Cash Flows and Ending Balance Available for PayGo**

**Repair and Replacement Fund**

|              | Net Toll Revenues After Debt Service |                | Periodic Toll Equipment and CSR R&R and Periodic Facility R&R* | Ending Balance in R&R Fund | Net Toll Revenues After Debt Service and R&R Expense* |
|--------------|--------------------------------------|----------------|--|----------------------------|---|
|              | Debt Service                         | R&R Deposit*   | R&R*   |                            |   |
| 2021         | -5.4                                 | 3.0            | -3.0   | -                          | -8.4  |
| 2022         | -                                    | 10.8           | -10.8  | -                          | -10.8   |
| 2023         | -                                    | 6.5            | -6.5   | -                          | -6.5  |
| 2024         | .0                                   | 3.7            | -3.7   | -                          | -3.7  |
| 2025         | 15.9                                 | 14.8           | -14.8  | -                          | 1.0   |
| 2026         | 33.0                                 | 19.0           | -19.0  | -                          | 14.0  |
| 2027         | 37.5                                 | 6.6            | -6.6   | -                          | 31.0  |
| 2028         | 41.3                                 | 3.7            | -3.7   | -                          | 37.6  |
| 2029         | 40.7                                 | 7.3            | -7.3   | -                          | 33.4  |
| 2030         | 51.3                                 | 28.3           | -19.8  | 8.5                        | 23.0  |
| 2031         | 52.4                                 | 28.8           | -3.5   | 33.9                       | 23.6  |
| 2032         | 53.6                                 | 29.6           | -7.9   | 55.6                       | 24.0  |
| 2033         | 54.5                                 | 30.2           | -22.4  | 63.4                       | 24.3  |
| 2034         | 56.4                                 | 31.5           | -52.9  | 41.9                       | 24.9  |
| 2035         | 57.9                                 | 32.5           | -64.3  | 10.1                       | 25.4  |
| 2036         | 59.5                                 | 30.6           | -6.2   | 34.4                       | 28.9  |
| 2037         | 61.2                                 | 31.7           | -40.5  | 25.6                       | 29.5  |
| 2038         | 63.0                                 | 32.9           | -7.0   | 51.5                       | 30.1  |
| 2039         | 64.9                                 | 34.2           | -57.5  | 28.2                       | 30.7  |
| 2040         | 66.8                                 | 35.5           | -47.3  | 16.4                       | 31.3  |
| 2041         | 68.8                                 | 34.8           | -7.7   | 43.5                       | 34.0  |
| 2042         | 70.7                                 | 36.1           | -9.6   | 70.0                       | 34.6  |
| 2043         | 72.7                                 | 37.4           | -24.2  | 83.2                       | 35.3  |
| 2044         | 74.6                                 | 38.7           | -76.2  | 45.8                       | 35.9  |
| 2045         | 76.6                                 | 40.1           | -64.0  | 21.9                       | 36.6  |
| 2046         | 78.2                                 | 41.1           | -2.7   | 60.4                       | 37.1  |
| 2047         | 79.8                                 | 42.2           | -39.2  | 63.3                       | 37.6  |
| 2048         | 81.5                                 | 43.4           | -19.1  | 87.6                       | 38.1  |
| 2049         | 83.2                                 | 44.6           | -86.6  | 45.6                       | 38.7  |
| 2050         | 84.9                                 | 44.6           | -42.8  | 47.3                       | 40.3  |
| 2051         | 86.6                                 | 44.6           | -5.3   | 86.6                       | 42.1  |
| 2052         | 88.2                                 | 44.6           | -33.7  | 97.4                       | 43.7  |
| 2053         | 90.0                                 | 44.6           | -33.8  | 108.2                      | 45.4  |
| 2054         | 97.9                                 | 44.6           | -86.5  | 66.3                       | 53.4  |
| 2055         | 99.6                                 | 44.6           | -110.8   | .1                         | 55.1  |
| 2056         | 112.8                                | 21.2           | -21.2  | .0                         | 91.6  |
| 2057         | 114.4                                | 2.0            | -2.0   | .0                         | 112.4   |
| 2058         | -                                    | -              | -  | -                          | -   |
| <b>Total</b> | <b>2,265.1</b>                       | <b>1,070.1</b> | <b>-1,070.1</b>  |                            | <b>1,195.0</b>  |

\*Amounts in excess of current available Net Toll Revenues are assumed to be paid from existing fund balance in the I-405/SR 167 Account.

**State of Washington**

**Eastside Corridor (I-405 and SR167)**

*Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Caps*  
**Current Law Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.162 Billion Goal for Project Funding from Tolls)**  
 30-Jul-21

**Project Fund - Toll-backed portion**

|              | Funding from Net Toll Revenue   |                           |                   | Annual Funding Gap | Cumulative Funding Gap |
|--------------|---------------------------------|---------------------------|-------------------|--------------------|------------------------|
|              | Toll Funding in Financial Plan* | Funded from Bond Proceeds | Funded from PayGo |                    |                        |
| Prior        | -                               | -                         | -                 | -                  | -                      |
| 2021         | 21.0                            | -                         | 21.0              | 21.0               | -                      |
| 2022         | 23.3                            | -                         | 15.2              | 15.2               | -8.1                   |
| 2023         | 9.7                             | 7.3                       | -                 | 7.3                | -2.4                   |
| 2024         | 156.0                           | 87.8                      | -                 | 87.8               | -68.2                  |
| 2025         | 190.0                           | 107.5                     | -                 | 107.5              | -82.5                  |
| 2026         | 175.0                           | 85.2                      | 11.0              | 96.2               | -78.8                  |
| 2027         | 202.0                           | 92.9                      | 30.0              | 122.9              | -79.2                  |
| 2028         | 296.0                           | 141.2                     | 36.6              | 177.8              | -118.3                 |
| 2029         | 89.0                            | 40.1                      | 32.4              | 72.5               | -16.6                  |
| 2030         | -                               | -                         | -                 | -                  | -                      |
| 2031         | -                               | -                         | -                 | -                  | -                      |
| <b>Total</b> | <b>1,162.0</b>                  | <b>562.0</b>              | <b>146.1</b>      | <b>708.1</b>       | <b>-453.9</b>          |

\*Project fund draw requirements sent from WSDOT to OST on 7/2/2021.

**State of Washington**

**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Toll Caps  
**Current Law Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.162 Billion Goal for Project Funding from Tolls)**  
 30-Jul-21

**Summary of Global Assumptions**

|                                       |  |
|---------------------------------------|--|
| WSDOT Revenue Scenario*               | Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167   Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030   Toll Caps |
| WSDOT Project Fund Requirements       | Sent from WSDOT to OST on 7/2/2021   |
| Toll revenue fiscal year end          | June 30  |
| Security                              | MVFT/VRF GO  |
| Coverage Constraint                   | 2.5x DSC incl. RSA Activity (Based on Net Toll Revs)   |
| R&R Assumption                        | Prefunded  |
| RSA Balance Assumption                | Target of 50% of Maximum Projected Net Toll Revenues   |
| Earnings Assumption for Cash Balances | 0%   |

**Summary of Financing Assumptions**

|                                  | Financing # 1   | Financing # 2   | Financing # 3   | Financing # 4   |
|----------------------------------|---|---|---|---|
| Delivery Date:                   | January 1, 2023   | January 1, 2025   | January 1, 2027   | January 1, 2028   |
| First Maturity Date:             | January 1, 2025   | January 1, 2026   | January 1, 2028   | January 1, 2030   |
| Final Maturity Date:             | January 1, 2053   | January 1, 2055   | January 1, 2057   | January 1, 2058   |
| Bond Term (Years from Delivery): | 30  | 30  | 30  | 30  |
| Bond Type                        | Current Interest<br>Bonds                               | Current Interest<br>Bonds                               | Current Interest<br>Bonds                               | Current Interest<br>Bonds                               |
| Interest Rate Assumption:        | Greater of Current<br>or 10yr Avg. Rates +<br>150 bps** | Greater of Current<br>or 10yr Avg. Rates +<br>150 bps** | Greater of Current<br>or 10yr Avg. Rates +<br>150 bps** | Greater of Current<br>or 10yr Avg. Rates +<br>150 bps** |
| Capitalized Interest             | 100% through<br>1/1/2025                                | None  | None  | Partial through<br>1/1/2029                             |
| Costs of Issuance                | \$2.50/bond   | \$2.50/bond   | \$2.50/bond   | \$2.50/bond   |
| Underwriter's Discount           | \$5.00/bond   | \$5.00/bond   | \$5.00/bond   | \$5.00/bond   |

**Summary of Sources and Uses and Financing Statistics**

| Sequence                             | Financing # 1 | Financing # 2 | Financing # 3 | Financing # 4 | Total        |
|--------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Credit                               | MVFT/VRF GO   | MVFT/VRF GO   | MVFT/VRF GO   | MVFT/VRF GO   |              |
| Assumed Ratings (M/S/F)              | Aaa/AA+/AA+   | Aaa/AA+/AA+   | Aaa/AA+/AA+   | Aaa/AA+/AA+   |              |
| Fiscal Year of Financing             | 2023          | 2025          | 2027          | 2028          |              |
| <b>Sources</b>                       |               |               |               |               |              |
| Par Amount - Current Interest Bonds  | 100.0         | 194.2         | 93.6          | 186.6         | 574.4        |
| Par Amount - Deferred Interest Bonds | -             | -             | -             | -             | -            |
| Net Premium/Discount                 | -             | -             | -             | -             | -            |
| <b>Total Sources of Funds</b>        | <b>100.0</b>  | <b>194.2</b>  | <b>93.6</b>   | <b>186.6</b>  | <b>574.4</b> |
| <b>Uses</b>                          |               |               |               |               |              |
| Project Fund Deposit                 | 95.1          | 192.7         | 92.9          | 181.3         | 562.0        |
| Debt Service Reserve Fund            | -             | -             | -             | -             | -            |
| Capitalized Interest Fund            | 4.1           | -             | -             | 3.9           | 8.1          |
| Cost of Issuance                     | .3            | .5            | .2            | .5            | 1.4          |
| Underwriter's Discount               | .5            | 1.0           | .5            | .9            | 2.9          |
| Contingency                          | .0            | .0            | .0            | .0            | .0           |
| <b>Total Uses of Funds</b>           | <b>100.0</b>  | <b>194.2</b>  | <b>93.6</b>   | <b>186.6</b>  | <b>574.4</b> |
| All-in True Interest Cost            | 4.34%         | 4.33%         | 4.33%         | 4.34%         | 4.34%        |

\*Received from WSDOT on July 2, 2021.

\*\*Rates as of 7/21/2021

**Total I-405 & SR 167 Corridor — Post-COVID Scenario Current Law | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S & HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167 | Rev. Governor's Budget + N 8th \$250 M + SR 167 Toll Upgrade FY 2030 | Annual Toll Trips, Gross Revenue and Net Revenue | FY 2021-57**

**DRAFT**

**6/30/2021**

|             | 1                                    | 2   | 3                                    | 4   | 5   | 6  | 7   | 8            | 9     | 10     | 11     | 12  | 13  | 14  | 15  | 16   | 17  | 18   | 19   | 20   | 21  | 22   | 23   | 24   | 25  | 26   | 27   | 28  | 29   | 30                                   | 31  |  |  |   |
|-------------|--------------------------------------|---|--------------------------------------|---|---|--|---|--------------|-------|--------|--------|---|---|---|---|--|---|--|--|--|---|--|--|--|---|--|--|---|--|--------------------------------------|---|--|--|---|
| Fiscal Year | Toll Trips and Average Toll Rates    |   |                                      |   |   | Total Toll Trips (millions) <sup>1</sup> | Gross Toll Revenue  |              |       |        |        | Total Gross Toll Revenue Potential (\$ millions) <sup>2</sup> | Plus (Less): Toll Payment Fees (\$ millions) <sup>3</sup> | Less: Carpool HOV Violation Leverage (\$ millions) <sup>4</sup> | Less: Revenue Not Recognized (\$ millions) <sup>5</sup> | Less: Unpaid Toll Revenue (\$ millions) <sup>6</sup> | Plus: Recaptured Tolls at Good To Go Rates via CPR (\$ millions) <sup>7</sup> | Subtotal: Adjusted Gross Toll Revenue Collected (\$ millions) <sup>8</sup> | Plus: Transponder Sales Revenue (\$ millions) <sup>9</sup> | Less: Pay By Mail Rebilling Fees & Late Recovery (\$ millions) <sup>10</sup> | Less: Tolls Recovered at Rates via NCCP (\$ millions) <sup>11</sup> | Subtotal: Adjusted Gross Toll Revenue and Fees (\$ millions) <sup>12</sup> | Less: Credit Card Fees (\$ millions) <sup>13</sup> | Less: Transponder Purchase and Inventory Costs (\$ millions) <sup>14</sup> | Less: State and Consultant Operations Costs (\$ millions) <sup>15</sup> | Less: Roadway Toll Systems (RTS) O&M Costs (\$ millions) <sup>16</sup> | Less: CSC Vendor O&M Costs (\$ millions) <sup>17</sup> | Less: BOS Software Vendor O&M Costs (\$ millions) <sup>18</sup> | Less: Routine Facility O&M Costs (\$ millions) <sup>19</sup> | Total Net Toll Revenue (\$ millions) | Periodic Toll Equipment and CSC Replacement (\$ millions) <sup>20</sup> | Periodic Facility Repair & Replacement (\$ millions) <sup>21</sup> | Civil Penalty Revenue Collected from Unpaid Toll Bills (\$ millions) <sup>22</sup> | Civil Penalty Adjudication and Collection Costs (\$ millions) <sup>23</sup> |
|             | GTG Toll Rate (one-way) <sup>1</sup> | Good To Go Toll Rate (one-way) <sup>2</sup> | PBM Toll Rate (one-way) <sup>3</sup> | Pay By Mail Annual Toll Rate (one-way) <sup>4</sup> | Good To Go Pre-Paid Accounts (\$ millions) <sup>5</sup> |  | Pay By Mail Customers/No Account (\$ millions) <sup>6</sup> | Plus (Less): | Plus: | Less:  | Less:  |   |   |   |   |  |   |  |  |  |   |  |  |  |   |  |  |   |  |                                      |   |  |  |   |
| 2021        | \$1.43                               | 6.04  | \$1.94                               | 0.76  | 6.80  | 8.64                                     | 1.48  | 10.13        | 0.27  | (0.14) | (0.33) | (0.65)  | 0.02  | 9.31  | 0.28  | 0.27   | 0.03  | 9.89   | (0.21)   | (0.24)   | (6.15)  | (1.69)   | (4.95)   | (0.78)   | (1.29)  | \$4.22   | (1.53)   | (1.46)  | 0.24   | (0.43)                               |   |  |  |   |
| 2022        | \$1.97                               | 7.72  | \$2.86                               | 1.03  | 8.75  | 15.21                                    | 2.95  | 18.16        | 0.36  | (0.31) | (0.48) | (0.75)  | 0.07  | 17.05   | 0.36  | 0.39   | 0.09  | 17.89  | (0.40)   | (0.30)   | (4.73)  | (1.62)   | (2.56)   | (0.90)   | (1.43)  | 5.95   | (1.00)   | (9.79)  | 0.57   | (0.56)                               |   |  |  |   |
| 2023        | \$2.58                               | 9.72  | \$3.68                               | 1.33  | 11.05   | 25.07                                    | 4.88  | 29.94        | 0.46  | (0.65) | (0.62) | (1.35)  | 0.12  | 27.90   | 0.44  | 0.52   | 0.16  | 29.03  | (0.68)   | (0.39)   | (5.05)  | (1.68)   | (3.02)   | (0.90)   | (1.46)  | 15.85  | (5.63)   | (0.86)  | 0.78   | (0.70)                               |   |  |  |   |
| 2024        | \$2.90                               | 10.74                                       | \$4.02                               | 1.47  | 12.21   | 31.19                                    | 5.91  | 37.10        | 0.50  | (0.99) | (0.79) | (1.76)  | 0.17  | 34.22   | 0.49  | 0.58   | 0.22  | 35.52  | (0.87)   | (0.44)   | (5.26)  | (2.68)   | (3.29)   | (0.91)   | (1.50)  | 20.57  | -  | (3.66)  | 0.93   | (0.78)                               |   |  |  |   |
| 2025        | \$3.35                               | 12.27                                       | \$4.53                               | 3.01  | 20.29   | 57.87                                    | 13.64   | 71.51        | 0.90  | (1.77) | (1.49) | (4.27)  | 0.30  | 65.18   | 0.75  | 1.15   | 0.40  | 67.47  | (1.73)   | (0.70)   | (8.56)  | (3.85)   | (5.50)   | (1.27)   | (2.36)  | 43.50  | (12.30)  | (2.53)  | 1.47   | (1.63)                               |   |  |  |   |
| 2026        | \$3.43                               | 18.94                                       | \$4.43                               | 3.54  | 22.48   | 65.05                                    | 15.67   | 80.72        | 1.00  | (1.99) | (1.68) | (4.82)  | 0.46  | 73.67   | 0.83  | 1.36   | 0.59  | 76.46  | (1.96)   | (0.79)   | (9.35)  | (3.86)   | (6.02)   | (1.26)   | (2.42)  | 50.81  | (14.11)  | (4.90)  | 2.13   | (1.88)                               |   |  |  |   |
| 2027        | \$3.54                               | 19.66                                       | \$4.55                               | 3.76  | 23.42   | 69.56                                    | 17.12   | 86.69        | 1.04  | (2.13) | (1.83) | (5.19)  | 0.52  | 79.10   | 0.86  | 1.45   | 0.66  | 82.07  | (2.10)   | (0.84)   | (9.61)  | (4.07)   | (6.29)   | (1.24)   | (2.58)  | 55.35  | (1.79)   | (4.79)  | 2.36   | (2.00)                               |   |  |  |   |
| 2028        | \$3.58                               | 22.16                                       | \$4.69                               | 3.97  | 26.13   | 79.44                                    | 18.59   | 98.02        | 1.19  | (2.42) | (2.01) | (5.62)  | 0.56  | 89.72   | 0.90  | 1.55   | 0.72  | 92.89  | (2.38)   | (0.88)   | (10.04)   | (4.21)   | (6.81)   | (1.19)   | (2.64)  | 64.73  | -  | (3.74)  | 2.51   | (2.28)                               |   |  |  |   |
| 2029        | \$3.67                               | 22.46                                       | \$4.75                               | 4.05  | 29.19   | 82.46                                    | 19.23   | 101.69       | 1.20  | (2.52) | (2.09) | (5.87)  | 0.59  | 93.01   | 0.91  | 1.58   | 0.77  | 96.27  | (2.46)   | (0.91)   | (10.01)   | (4.48)   | (6.81)   | (1.10)   | (2.71)  | 67.79  | (3.99)   | (3.31)  | 2.61   | (2.37)                               |   |  |  |   |
| 2030        | \$3.67                               | 26.78                                       | \$4.92                               | 5.34  | 32.12   | 98.24                                    | 26.28   | 124.52       | 1.59  | (2.83) | (2.35) | (8.09)  | 0.71  | 113.55  | 1.06  | 2.06   | 0.93  | 117.59   | (3.01)   | (1.06)   | (11.16)   | (4.69)   | (8.37)   | (1.08)   | (2.78)  | 85.44  | (9.71)   | (10.08)   | 3.06   | (2.96)                               |   |  |  |   |
| 2031        | \$3.72                               | 26.95                                       | \$4.97                               | 5.43  | 32.38   | 100.20                                   | 27.00   | 127.20       | 1.60  | (2.88) | (2.41) | (8.26)  | 0.83  | 116.07  | 1.15  | 2.12   | 1.09  | 120.43   | (3.08)   | (1.15)   | (11.67)   | (4.71)   | (8.57)   | (1.09)   | (3.20)  | 87.24  | (9.25)   | (3.21)  | 3.51   | (3.11)                               |   |  |  |   |
| 2032        | \$3.77                               | 27.12                                       | \$5.02                               | 5.52  | 32.64   | 102.19                                   | 27.74   | 129.92       | 1.61  | (2.94) | (2.47) | (8.48)  | 0.86  | 118.50  | 1.18  | 2.15   | 1.11  | 122.94   | (3.14)   | (1.18)   | (11.68)   | (5.03)   | (8.78)   | (1.12)   | (3.59)  | 88.42  | (9.09)   | (7.82)  | 3.56   | (3.21)                               |   |  |  |   |
| 2033        | \$3.82                               | 27.29                                       | \$5.08                               | 5.61  | 32.90   | 104.22                                   | 28.50   | 132.72       | 1.62  | (3.00) | (2.54) | (8.70)  | 0.88  | 120.98  | 1.21  | 2.18   | 1.14  | 125.51   | (3.21)   | (1.21)   | (12.50)   | (5.26)   | (9.11)   | (1.25)   | (3.68)  | 89.29  | (9.51)   | (21.89)   | 3.62   | (3.40)                               |   |  |  |   |
| 2034        | \$3.87                               | 27.46                                       | \$5.13                               | 5.71  | 33.17   | 106.29                                   | 29.28   | 135.57       | 1.63  | (3.06) | (2.60) | (8.93)  | 0.90  | 123.51  | 1.23  | 2.22   | 1.17  | 128.14   | (3.27)   | (1.23)   | (12.83)   | (5.27)   | (9.31)   | (1.28)   | (3.77)  | 91.17  | (25.60)  | (27.28)   | 3.67   | (3.51)                               |   |  |  |   |
| 2035        | \$3.92                               | 27.64                                       | \$5.18                               | 5.80  | 33.44   | 108.40                                   | 30.08   | 138.48       | 1.64  | (3.12) | (2.67) | (9.17)  | 0.93  | 126.10  | 1.26  | 2.25   | 1.20  | 130.82   | (3.34)   | (1.26)   | (13.17)   | (5.44)   | (9.74)   | (1.31)   | (3.87)  | 92.68  | (31.57)  | (32.78)   | 3.73   | (3.62)                               |   |  |  |   |
| 2036        | \$3.98                               | 27.81                                       | \$5.24                               | 5.90  | 33.71   | 110.56                                   | 30.91   | 141.46       | 1.65  | (3.18) | (2.73) | (9.41)  | 0.96  | 128.74  | 1.29  | 2.28   | 1.23  | 133.56   | (3.41)   | (1.29)   | (13.51)   | (5.62)   | (10.11)  | (1.34)   | (3.96)  | 94.30  | (1.66)   | (4.57)  | 3.78   | (3.73)                               |   |  |  |   |
| 2037        | \$4.03                               | 27.99                                       | \$5.29                               | 6.00  | 33.99   | 112.75                                   | 31.75   | 144.51       | 1.66  | (3.24) | (2.80) | (9.66)  | 0.98  | 131.44  | 1.32  | 2.32   | 1.27  | 136.35   | (3.48)   | (1.32)   | (13.87)   | (5.76)   | (10.42)  | (1.38)   | (4.06)  | 96.06  | (1.23)   | (39.28)   | 3.84   | (3.85)                               |   |  |  |   |
| 2038        | \$4.08                               | 28.16                                       | \$5.35                               | 6.10  | 34.26   | 115.00                                   | 32.63   | 147.62       | 1.67  | (3.31) | (2.87) | (9.92)  | 1.01  | 134.21  | 1.35  | 2.36   | 1.30  | 139.21   | (3.55)   | (1.35)   | (14.24)   | (5.91)   | (10.74)  | (1.41)   | (4.17)  | 97.84  | (9.08)   | (6.94)  | 3.90   | (3.97)                               |   |  |  |   |
| 2039        | \$4.14                               | 28.34                                       | \$5.40                               | 6.20  | 34.55   | 117.28                                   | 33.52   | 150.80       | 1.68  | (3.37) | (2.94) | (10.18)   | 1.04  | 137.02  | 1.38  | 2.39   | 1.33  | 142.13   | (3.63)   | (1.38)   | (14.62)   | (6.06)   | (11.01)  | (1.44)   | (4.27)  | 99.72  | (26.97)  | (30.53)   | 3.96   | (4.09)                               |   |  |  |   |
| 2040        | \$4.19                               | 28.52                                       | \$5.46                               | 6.31  | 34.83   | 119.62                                   | 34.44   | 154.05       | 1.69  | (3.44) | (3.02) | (10.45)   | 1.07  | 139.90  | 1.42  | 2.43   | 1.37  | 145.12   | (3.70)   | (1.42)   | (15.01)   | (6.21)   | (11.30)  | (1.48)   | (4.38)  | 101.62   | (35.01)  | (12.32)   | 4.02   | (4.22)                               |   |  |  |   |
| 2041        | \$4.25                               | 28.70                                       | \$5.52                               | 6.41  | 35.11   | 122.00                                   | 35.38   | 157.38       | 1.70  | (3.51) | (3.09) | (10.73)   | 1.10  | 142.85  | 1.45  | 2.47   | 1.40  | 148.16   | (3.71)   | (1.45)   | (15.41)   | (6.37)   | (11.65)  | (1.51)   | (4.49)  | 103.57   | (1.50)   | (6.16)  | 4.08   | (4.35)                               |   |  |  |   |
| 2042        | \$4.31                               | 28.88                                       | \$5.58                               | 6.52  | 35.40   | 124.43                                   | 36.35   | 160.78       | 1.71  | (3.58) | (3.17) | (11.01)   | 1.13  | 145.86  | 1.48  | 2.50   | 1.44  | 151.28   | (3.79)   | (1.49)   | (15.83)   | (6.53)   | (11.99)  | (1.55)   | (4.60)  | 105.51   | (9.21)   | (9.43)  | 4.14   | (4.48)                               |   |  |  |   |
| 2043        | \$4.37                               | 29.06                                       | \$5.63                               | 6.63  | 35.69   | 126.90                                   | 37.35   | 164.25       | 1.72  | (3.65) | (3.25) | (11.30)   | 1.16  | 148.93  | 1.52  | 2.54   | 1.48  | 154.46   | (3.87)   | (1.52)   | (16.25)   | (6.69)   | (12.33)  | (1.59)   | (4.71)  | 107.50   | (9.05)   | (24.15)   | 4.21   | (4.62)                               |   |  |  |   |
| 2044        | \$4.43                               | 29.25                                       | \$5.69                               | 6.74  | 35.99   | 129.43                                   | 38.37   | 167.80       | 1.73  | (3.72) | (3.33) | (11.61)   | 1.20  | 152.07  | 1.55  | 2.58   | 1.52  | 157.72   | (3.95)   | (1.55)   | (16.70)   | (6.90)   | (12.71)  | (1.63)   | (4.83)  | 109.44   | (38.17)  | (38.04)   | 4.27   | (4.76)                               |   |  |  |   |
| 2045        | \$4.48                               | 29.43                                       | \$5.75                               | 6.86  | 36.29   | 132.01                                   | 39.42   | 171.43       | 1.74  | (3.80) | (3.42) | (11.91)   | 1.23  | 155.27  | 1.59  | 2.62   | 1.55  | 161.04   | (4.03)   | (1.59)   | (17.16)   | (7.14)   | (13.05)  | (1.67)   | (4.95)  | 111.45   | (40.41)  | (23.54)   | 4.34   | (4.91)                               |   |  |  |   |
| 2046        | \$4.55                               | 29.58                                       | \$5.81                               | 6.89  | 36.47   | 134.48                                   | 40.04   | 174.52       | 1.75  | (3.87) | (3.47) | (12.11)   | 1.26  | 158.08  | 1.63  | 2.64   | 1.59  | 163.93   | (4.11)   | (1.63)   | (17.60)   | (7.37)   | (13.44)  | (1.72)   | (5.07)  | 113.00   | (2.22)   | (0.44)  | 4.38   | (5.04)                               |   |  |  |   |
| 2047        | \$4.61                               | 29.73                                       | \$5.87                               | 6.93  | 36.66   | 137.01                                   | 40.66   | 177.67       | 1.76  | (3.94) | (3.53) | (12.30)   | 1.28  | 160.94  | 1.66  | 2.65   | 1.61  | 166.86   | (4.18)   | (1.66)   | (18.06)   | (7.56)   | (13.81)  | (1.77)   | (5.20)  | 114.63   | (2.21)   | (37.04)   | 4.41   | (5.19)                               |   |  |  |   |
| 2048        | \$4.67                               | 29.88                                       | \$5.93                               | 6.97  | 36.84   | 139.58                                   | 41.30   | 180.87       | 1.77  | (4.02) | (3.59) | (12.49)   | 1.31  | 163.85  | 1.70  | 2.66   | 1.64  | 169.85   | (4.26)   | (1.70)   | (18.53)   | (7.75)   | (14.16)  | (1.82)   | (5.33)  | 116.32   | (1.38)   | (17.69)   | 4.43   | (5.33)                               |   |  |  |   |
| 2049        | \$4.74                               | 30.03                                       | \$5.99                               | 7.00  | 37.03   | 142.20                                   | 41.94   | 184.14       | 1.78  | (4.09) | (3.65) | (12.69)   | 1.33  | 166.82  | 1.74  | 2.68   | 1.66  | 172.89   | (4.33)   | (1.74)   | (19.01)   | (7.94)   | (14.52)  | (1.87)   | (5.46)  | 118.01   | (33.59)  | (52.99)   | 4.45   | (5.48)                               |   |  |  |   |
| 2050        | \$4.80                               | 30.18                                       | \$6.05                               | 7.04  | 37.22   | 144.87                                   | 42.59   | 187.46       | 1.79  | (4.17) | (3.71) | (12.90)   | 1.36  | 169.84  | 1.78  | 2.69   | 1.69  | 175.99   | (4.41)   | (1.78)   | (19.52)   | (8.14)   | (14.95)  | (1.93)   | (5.60)  | 119.67   | (42.21)  | (0.64)  | 4.48   | (5.64)                               |   |  |  |   |
| 2051        | \$4.87                               | 30.33                                       | \$6.11                               | 7.08  | 37.40   | 147.59                                   | 43.26   | 190.85       | 1.80  | (4.25) | (3.77) | (13.10)   | 1.38  | 172.91  | 1.82  | 2.71   | 1.71  | 179.15   | (4.49)   | (1.82)   | (20.03)   | (8.35)   | (15.33)  | (1.98)   | (5.74)  | 121.42   | (0.41)   | (4.88)  | 4.50   | (5.80)                               |   |  |  |   |
| 2052        | \$4.93                               | 30.48                                       | \$6.18                               | 7.11  | 37.59   | 150.37                                   | 43.93   | 194.30       | 1.81  | (4.33) | (3.83) | (13.31)   | 1.41  | 176.05  | 1.86  | 2.72   | 1.74  | 182.37   | (4.57)   | (1.86)   | (20.56)   | (8.56)   | (15.88)  | (2.04)   | (5.89)  | 123.02   | (0.15)   | (33.54)   | 4.52   | (5.96)                               |   |  |  |   |
| 2053        | \$5.00                               | 30.63                                       | \$6.24                               | 7.15  | 37.78   | 153.20                                   | 44.62   | 197.82       | 1.82  | (4.41) | (3.89) | (13.52)   | 1.43  | 179.24  | 1.90  | 2.73   | 1.77  | 185.65   | (4.65)   | (1.90)   | (21.10)   | (8.77)   | (16.30)  | (2.10)   | (6.03   |  |  |   |  |                                      |   |  |  |   |

**Interest Rate Cushion By State Fiscal Year**

|      |       |
|------|-------|
| FY23 | 1.50% |
| FY25 | 1.50% |
| FY27 | 1.50% |
| FY28 | 1.50% |

**Assumed Spread to AAA MMD For Each Credit**

|                        |            |            |
|------------------------|------------|------------|
|                        | <i>CIB</i> | <i>TRB</i> |
| MVFT/VRF GO Bonds      | 0.25%      | 1.250%     |
| Toll Revenue (1-30yrs) | 2.00%      |            |
| Toll Revenue (31+yrs)  | n/a        |            |

| Current MMD<br>(as of 7/21/2021) | AAA MMD 10-Year Average |              |            |                          | AAA Modeling Curve |                   |                   |                   | Cushion to Current MMD |                   | MVFT/VRF GO Bonds<br>Current Interest Modeling Curves |              |              |              |
|----------------------------------|-------------------------|--------------|------------|--------------------------|--------------------|-------------------|-------------------|-------------------|------------------------|-------------------|---|--------------|--------------|--------------|
|                                  | Year                    | Avg.         | Difference | Max of Avg. &<br>Current | Avg. +<br>Cushion  | Avg. +<br>Cushion | Avg. +<br>Cushion | Avg. +<br>Cushion | FY23                   | FY24 and<br>After | FY23  | FY25         | FY27         | FY28         |
|                                  |                         |              |            |                          | FY23               | FY25              | FY27              | FY28              | FY23                   |                   | FY23  | FY25         | FY27         | FY28         |
| 0.06%                            | 1                       | 0.58%        | 0.52%      | 0.58%                    | 2.08%              | 2.08%             | 2.08%             | 2.08%             | 2.02%                  | 2.02%             | 2.33%   | 2.33%        | 2.33%        | 2.33%        |
| 0.10%                            | 2                       | 0.71%        | 0.61%      | 0.71%                    | 2.21%              | 2.21%             | 2.21%             | 2.21%             | 2.11%                  | 2.11%             | 2.46%   | 2.46%        | 2.46%        | 2.46%        |
| 0.18%                            | 3                       | 0.85%        | 0.67%      | 0.85%                    | 2.35%              | 2.35%             | 2.35%             | 2.35%             | 2.17%                  | 2.17%             | 2.60%   | 2.60%        | 2.60%        | 2.60%        |
| 0.27%                            | 4                       | 0.99%        | 0.72%      | 0.99%                    | 2.49%              | 2.49%             | 2.49%             | 2.49%             | 2.22%                  | 2.22%             | 2.74%   | 2.74%        | 2.74%        | 2.74%        |
| 0.37%                            | 5                       | 1.15%        | 0.78%      | 1.15%                    | 2.65%              | 2.65%             | 2.65%             | 2.65%             | 2.28%                  | 2.28%             | 2.90%   | 2.90%        | 2.90%        | 2.90%        |
| 0.47%                            | 6                       | 1.31%        | 0.84%      | 1.31%                    | 2.81%              | 2.81%             | 2.81%             | 2.81%             | 2.34%                  | 2.34%             | 3.06%   | 3.06%        | 3.06%        | 3.06%        |
| 0.58%                            | 7                       | 1.48%        | 0.90%      | 1.48%                    | 2.98%              | 2.98%             | 2.98%             | 2.98%             | 2.40%                  | 2.40%             | 3.23%   | 3.23%        | 3.23%        | 3.23%        |
| 0.67%                            | 8                       | 1.64%        | 0.97%      | 1.64%                    | 3.14%              | 3.14%             | 3.14%             | 3.14%             | 2.47%                  | 2.47%             | 3.39%   | 3.39%        | 3.39%        | 3.39%        |
| 0.77%                            | 9                       | 1.78%        | 1.01%      | 1.78%                    | 3.28%              | 3.28%             | 3.28%             | 3.28%             | 2.51%                  | 2.51%             | 3.53%   | 3.53%        | 3.53%        | 3.53%        |
| 0.83%                            | 10                      | 1.89%        | 1.06%      | 1.89%                    | 3.39%              | 3.39%             | 3.39%             | 3.39%             | 2.56%                  | 2.56%             | 3.64%   | 3.64%        | 3.64%        | 3.64%        |
| 0.88%                            | 11                      | 1.99%        | 1.11%      | 1.99%                    | 3.49%              | 3.49%             | 3.49%             | 3.49%             | 2.61%                  | 2.61%             | 3.74%   | 3.74%        | 3.74%        | 3.74%        |
| 0.92%                            | 12                      | 2.08%        | 1.16%      | 2.08%                    | 3.58%              | 3.58%             | 3.58%             | 3.58%             | 2.66%                  | 2.66%             | 3.83%   | 3.83%        | 3.83%        | 3.83%        |
| 0.95%                            | 13                      | 2.17%        | 1.22%      | 2.17%                    | 3.67%              | 3.67%             | 3.67%             | 3.67%             | 2.72%                  | 2.72%             | 3.92%   | 3.92%        | 3.92%        | 3.92%        |
| 0.98%                            | 14                      | 2.24%        | 1.26%      | 2.24%                    | 3.74%              | 3.74%             | 3.74%             | 3.74%             | 2.76%                  | 2.76%             | 3.99%   | 3.99%        | 3.99%        | 3.99%        |
| 1.01%                            | 15                      | 2.31%        | 1.30%      | 2.31%                    | 3.81%              | 3.81%             | 3.81%             | 3.81%             | 2.80%                  | 2.80%             | 4.06%   | 4.06%        | 4.06%        | 4.06%        |
| 1.04%                            | 16                      | 2.37%        | 1.33%      | 2.37%                    | 3.87%              | 3.87%             | 3.87%             | 3.87%             | 2.83%                  | 2.83%             | 4.12%   | 4.12%        | 4.12%        | 4.12%        |
| 1.07%                            | 17                      | 2.43%        | 1.36%      | 2.43%                    | 3.93%              | 3.93%             | 3.93%             | 3.93%             | 2.86%                  | 2.86%             | 4.18%   | 4.18%        | 4.18%        | 4.18%        |
| 1.10%                            | 18                      | 2.48%        | 1.38%      | 2.48%                    | 3.98%              | 3.98%             | 3.98%             | 3.98%             | 2.88%                  | 2.88%             | 4.23%   | 4.23%        | 4.23%        | 4.23%        |
| 1.13%                            | 19                      | 2.53%        | 1.40%      | 2.53%                    | 4.03%              | 4.03%             | 4.03%             | 4.03%             | 2.90%                  | 2.90%             | 4.28%   | 4.28%        | 4.28%        | 4.28%        |
| 1.16%                            | 20                      | 2.58%        | 1.42%      | 2.58%                    | 4.08%              | 4.08%             | 4.08%             | 4.08%             | 2.92%                  | 2.92%             | 4.33%   | 4.33%        | 4.33%        | 4.33%        |
| 1.19%                            | 21                      | 2.62%        | 1.43%      | 2.62%                    | 4.12%              | 4.12%             | 4.12%             | 4.12%             | 2.93%                  | 2.93%             | 4.37%   | 4.37%        | 4.37%        | 4.37%        |
| 1.22%                            | 22                      | 2.66%        | 1.44%      | 2.66%                    | 4.16%              | 4.16%             | 4.16%             | 4.16%             | 2.94%                  | 2.94%             | 4.41%   | 4.41%        | 4.41%        | 4.41%        |
| 1.25%                            | 23                      | 2.70%        | 1.45%      | 2.70%                    | 4.20%              | 4.20%             | 4.20%             | 4.20%             | 2.95%                  | 2.95%             | 4.45%   | 4.45%        | 4.45%        | 4.45%        |
| 1.28%                            | 24                      | 2.73%        | 1.45%      | 2.73%                    | 4.23%              | 4.23%             | 4.23%             | 4.23%             | 2.95%                  | 2.95%             | 4.48%   | 4.48%        | 4.48%        | 4.48%        |
| 1.31%                            | 25                      | 2.75%        | 1.44%      | 2.75%                    | 4.25%              | 4.25%             | 4.25%             | 4.25%             | 2.94%                  | 2.94%             | 4.50%   | 4.50%        | 4.50%        | 4.50%        |
| 1.32%                            | 26                      | 2.76%        | 1.44%      | 2.76%                    | 4.26%              | 4.26%             | 4.26%             | 4.26%             | 2.94%                  | 2.94%             | 4.51%   | 4.51%        | 4.51%        | 4.51%        |
| 1.33%                            | 27                      | 2.78%        | 1.45%      | 2.78%                    | 4.28%              | 4.28%             | 4.28%             | 4.28%             | 2.95%                  | 2.95%             | 4.53%   | 4.53%        | 4.53%        | 4.53%        |
| 1.34%                            | 28                      | 2.79%        | 1.45%      | 2.79%                    | 4.29%              | 4.29%             | 4.29%             | 4.29%             | 2.95%                  | 2.95%             | 4.54%   | 4.54%        | 4.54%        | 4.54%        |
| 1.35%                            | 29                      | 2.80%        | 1.45%      | 2.80%                    | 4.30%              | 4.30%             | 4.30%             | 4.30%             | 2.95%                  | 2.95%             | 4.55%   | 4.55%        | 4.55%        | 4.55%        |
| 1.36%                            | 30                      | 2.81%        | 1.45%      | 2.81%                    | 4.31%              | 4.31%             | 4.31%             | 4.31%             | 2.95%                  | 2.95%             | 4.56%   | 4.56%        | 4.56%        | 4.56%        |
| <b>Average</b>                   |                         | <b>2.10%</b> |            |                          | <b>3.60%</b>       | <b>3.60%</b>      | <b>3.60%</b>      | <b>3.60%</b>      | <b>2.68%</b>           | <b>2.68%</b>      | <b>3.85%</b>  | <b>3.85%</b> | <b>3.85%</b> | <b>3.85%</b> |

**State of Washington**  
**Eastside Corridor (I-405 and SR167)**

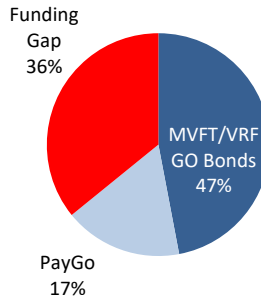
Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll Caps

**North End Phased Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.202 Billion Goal for Project Funding from Tolls)**  
 30-Jul-21

**Summary of Financing Results\***

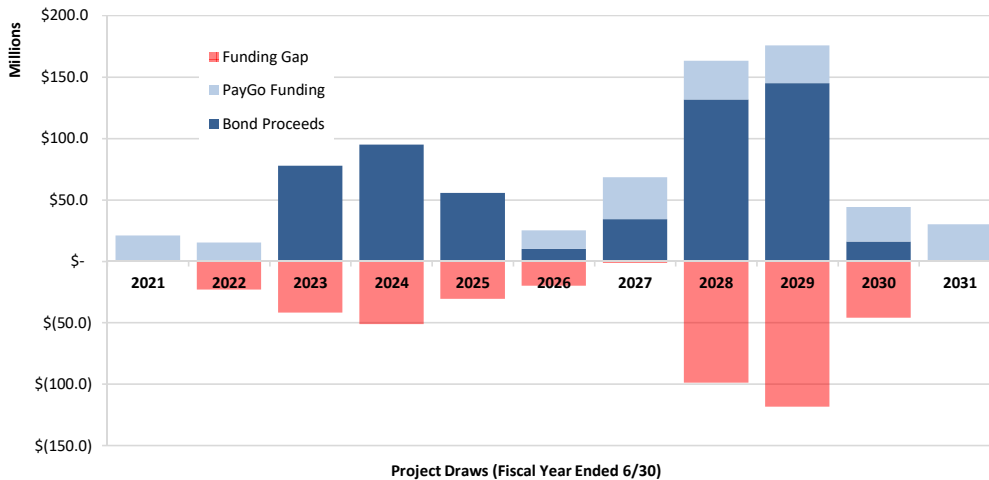
Security **MVFT/VRF GO**  
 Coverage Constraint **2.5x DSC incl. RSA Activity (Based on Net Toll Revs)**  
 R&R Assumption **Prefunded**  
 Bond Term **30 Years**

|                           |                      |
|---------------------------|----------------------|
| Bond Sale #1 - 2023       | \$184,090,000        |
| Bond Sale #2 - 2025       | 65,995,000           |
| Bond Sale #3 - 2027       | 167,255,000          |
| Bond Sale #4 - 2029       | 162,220,000          |
| <b>Total Bonds Issued</b> | <b>\$579,560,000</b> |



| Fiscal Year  | Project Funds Requested** | Bond Proceeds Delivered | PayGo Funding        | Funding Gap            | % of Project Funds Delivered |
|--------------|---------------------------|-------------------------|----------------------|------------------------|------------------------------|
| 2021         | \$21,042,897              | \$0                     | \$21,042,897         | \$0                    | 100%                         |
| 2022         | 38,300,000                | 0                       | 15,200,000           | (23,100,000)           | 40%                          |
| 2023         | 119,700,000               | 77,805,000              | 0                    | (41,895,000)           | 65%                          |
| 2024         | 146,000,000               | 94,900,000              | 0                    | (51,100,000)           | 65%                          |
| 2025         | 86,000,000                | 55,500,000              | 0                    | (30,500,000)           | 65%                          |
| 2026         | 45,000,000                | 10,000,000              | 15,200,000           | (19,800,000)           | 56%                          |
| 2027         | 70,000,000                | 34,300,000              | 34,150,000           | (1,550,000)            | 98%                          |
| 2028         | 262,000,000               | 131,700,000             | 31,400,000           | (98,900,000)           | 62%                          |
| 2029         | 294,000,000               | 145,000,000             | 30,750,000           | (118,250,000)          | 60%                          |
| 2030         | 90,000,000                | 16,000,000              | 28,050,000           | (45,950,000)           | 49%                          |
| 2031         | 30,000,000                | 0                       | 30,000,000           | 0                      | 100%                         |
| <b>Total</b> | <b>\$1,202,042,897</b>    | <b>\$565,205,000</b>    | <b>\$205,792,897</b> | <b>(\$431,045,000)</b> | <b>64%</b>                   |

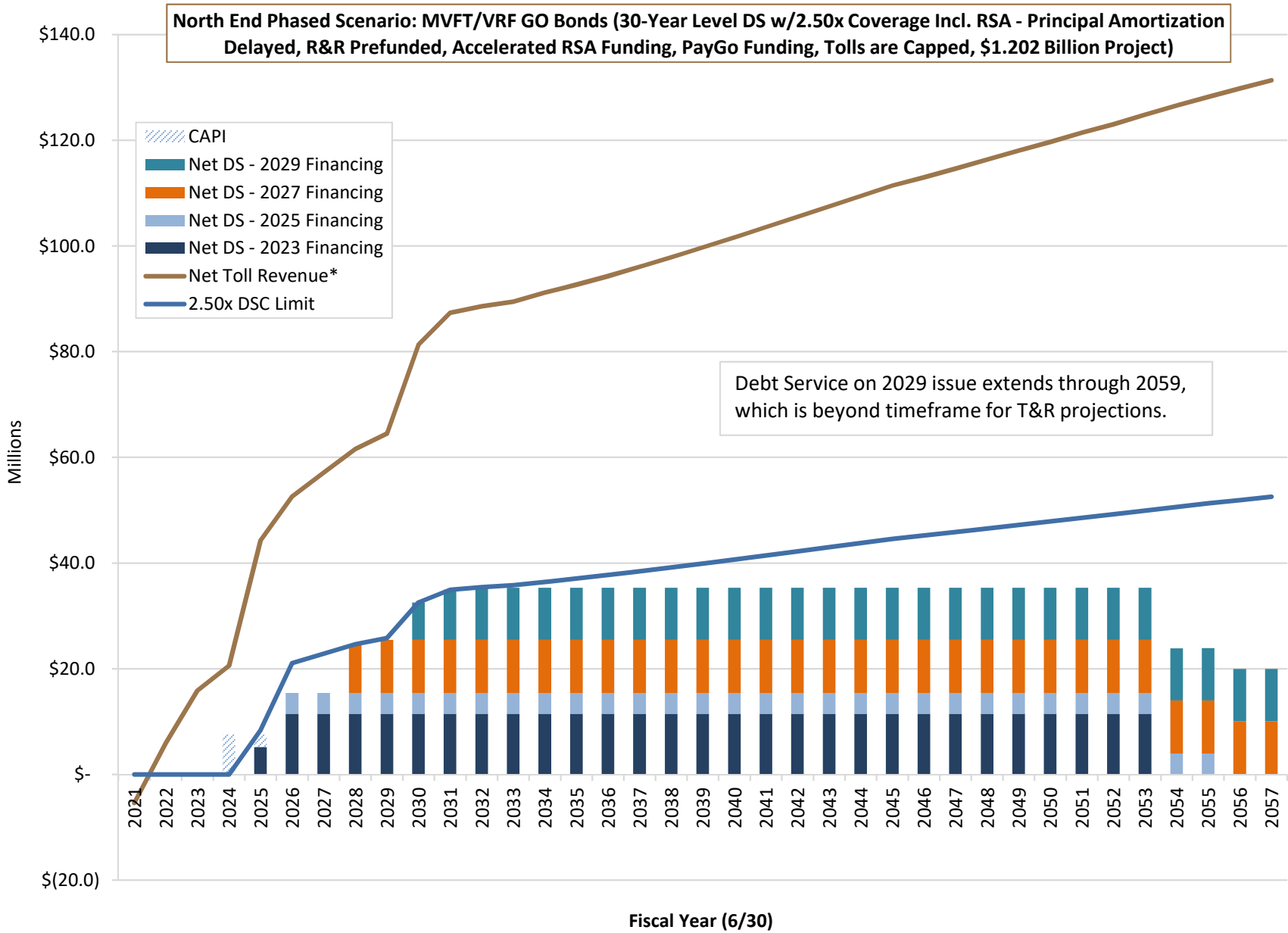
**Annual Project Draws and Funding Source**



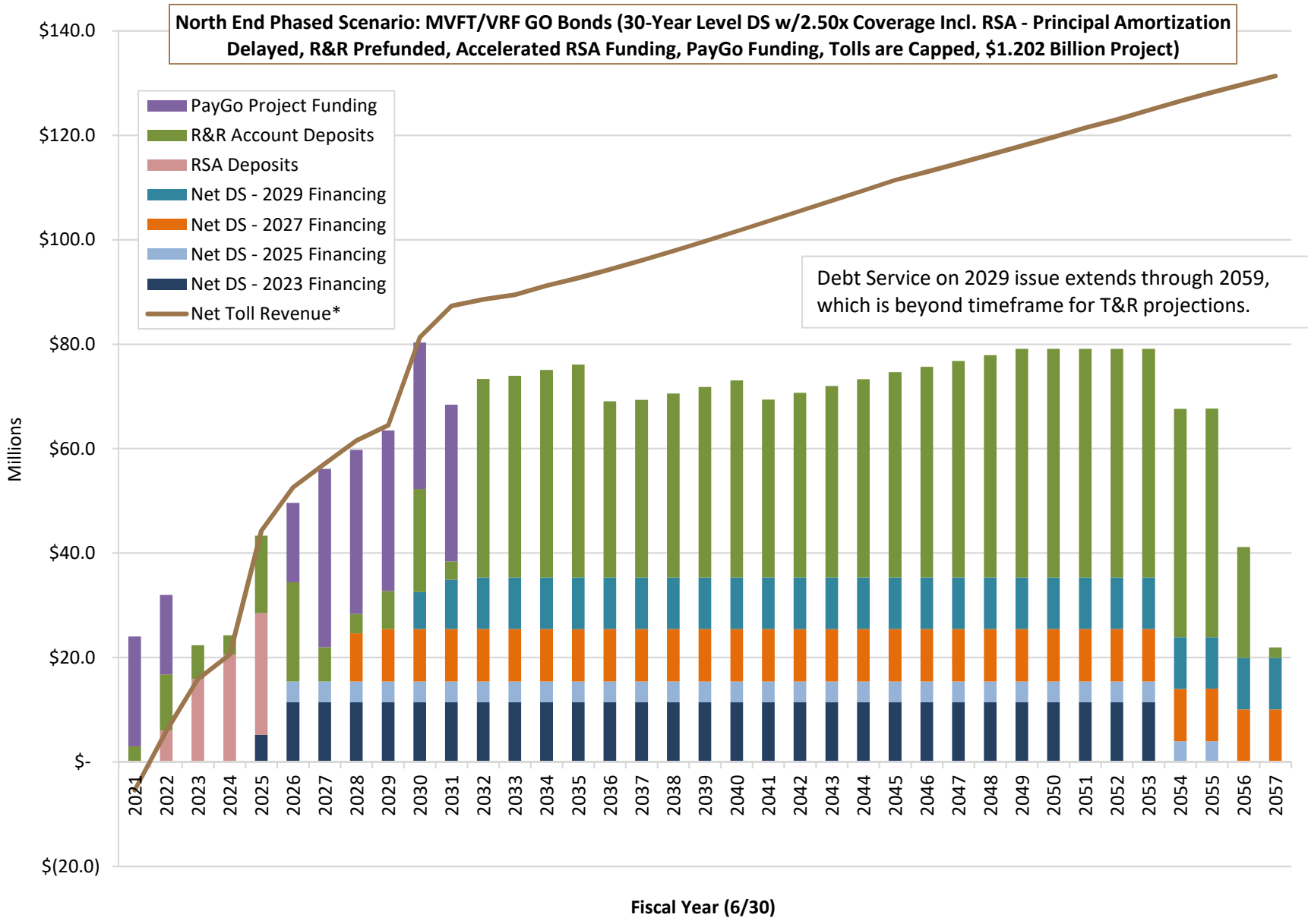
\*Assumes toll revenue scenario North End Phased from WSDOT as of 7/12/2021.

\*\*Project fund draw requirements for North End Phased scenario sent from WSDOT to OST on 7/12/2021.





\*Net Toll Revenue - As of 7/12/21; Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll Caps . Net Toll Revenue reflects the amount before deposits into the RSA.



\*Net Toll Revenue - As of 7/12/21; Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll Caps . Net Toll Revenue reflects amounts before deposits into the RSA. Expenditures in excess of Net Toll Revenue are assumed to be made from fund balance, incl. the \$66.6 million balance in the I-405/SR 167 Account at the beginning of FY 2021.

State of Washington

Eastside Corridor (I-405 and SR167)

Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll Cap

North End Phased Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.202 Billion Goal for Project Funding from Tolls

30-Jul-21

Calculation of Net Toll Revenues Available for Debt Service and R&R Account Deposits (Annual)

|                           | [A]                           | [B]               | [C]                  | [D]                        | [E]                             | [F]                             | [G]                             | [H]                             | [I]                              | [J]                         | [K]                                     | [L]                  | [M]                                  | [N]                         | [O]  | [P]   |
|---------------------------|-------------------------------|-------------------|----------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------|---|----------------------|--------------------------------------|-----------------------------|--|---|
|                           | Net Toll Revenue Projections  |                   |                      |                            |                                 |                                 |                                 |                                 |                                  |                             |   |                      |                                      |                             |  |   |
| Fiscal Year Ending 30-Jun | Adjusted Gross Toll Revenues* | O&M Expenses      | RSA Account Deposits | Net Toll Revenues* [A+B+C] | Net Debt Service 2023 Financing | Net Debt Service 2025 Financing | Net Debt Service 2027 Financing | Net Debt Service 2029 Financing | Total Net Debt Service [E+F+G+H] | Debt Service Coverage [D/I] | Net Toll Revenues After Debt Svc. [D+I] | R&R Account Deposits | Coverage Incl. R&R and RSA [D/(I+L)] | PayGo Project Contributions | Net Toll Revenues After DS, R&R, RSA and PayGo [K+L+N] | Cumulative Net Toll Revenues After DS, R&R, RSA and PayGo** |
| 2021                      | 9,889,053                     | (15,305,230)      | -                    | (5,416,177)                | -                               | -                               | -                               | -                               | -                                | -                           | (5,416,177)                             | (2,990,215)          | -                                    | (21,042,897)                | (29,449,289)   | 37,150,711  |
| 2022                      | 17,893,979                    | (11,946,768)      | (5,947,211)          | 0                          | -                               | -                               | -                               | -                               | -                                | -                           | -                                       | (10,796,010)         | -                                    | (15,200,000)                | (25,996,010)   | 11,154,701  |
| 2023                      | 29,029,147                    | (13,182,178)      | (15,846,970)         | 0                          | -                               | -                               | -                               | -                               | -                                | -                           | -                                       | (6,488,768)          | -                                    | -                           | (6,488,768)  | 4,665,933   |
| 2024                      | 35,518,895                    | (14,949,139)      | (20,569,755)         | 0                          | -                               | -                               | -                               | -                               | -                                | -                           | -                                       | (3,664,399)          | -                                    | -                           | (3,664,399)  | 1,001,534   |
| 2025                      | 68,540,615                    | (24,233,474)      | (23,317,281)         | 20,989,860                 | (5,153,152)                     | -                               | -                               | -                               | (5,153,152)                      | 4.07                        | 15,836,708                              | (14,830,627)         | 1.05                                 | -                           | 1,006,081  | 2,007,615   |
| 2026                      | 78,603,805                    | (26,006,886)      | -                    | 52,596,919                 | (11,448,165)                    | (3,942,424)                     | -                               | -                               | (15,390,588)                     | 3.42                        | 37,206,331                              | (19,000,675)         | 1.53                                 | (15,200,000)                | 3,005,656  | 5,013,271   |
| 2027                      | 84,195,972                    | (27,071,794)      | -                    | 57,124,178                 | (11,447,545)                    | (3,942,833)                     | -                               | -                               | (15,390,377)                     | 3.71                        | 41,733,801                              | (6,566,465)          | 2.60                                 | (34,150,000)                | 1,017,335  | 6,030,606   |
| 2028                      | 89,284,259                    | (27,717,014)      | -                    | 61,567,245                 | (11,443,767)                    | (3,945,853)                     | (9,207,157)                     | -                               | (24,596,776)                     | 2.50                        | 36,970,469                              | (3,740,863)          | 2.17                                 | (31,400,000)                | 1,829,606  | 7,860,213   |
| 2029                      | 92,673,395                    | (28,178,138)      | -                    | 64,495,257                 | (11,445,592)                    | (3,946,143)                     | (10,040,771)                    | -                               | (25,432,505)                     | 2.54                        | 39,062,753                              | (7,281,211)          | 1.97                                 | (30,750,000)                | 1,031,542  | 8,891,754   |
| 2030                      | 112,442,435                   | (31,121,383)      | -                    | 81,321,052                 | (11,447,225)                    | (3,943,605)                     | (10,044,345)                    | (7,072,265)                     | (32,507,438)                     | 2.50                        | 48,813,614                              | (19,758,264)         | 1.56                                 | (28,050,000)                | 1,005,350  | 9,897,104   |
| 2031                      | 120,361,881                   | (33,011,715)      | -                    | 87,350,167                 | (11,447,527)                    | (3,942,860)                     | (10,041,075)                    | (9,486,780)                     | (34,918,241)                     | 2.50                        | 52,431,926                              | (3,463,198)          | 2.28                                 | (30,000,000)                | 18,968,729   | 28,865,833  |
| 2032                      | 122,941,907                   | (34,341,489)      | -                    | 88,600,418                 | (11,446,164)                    | (3,943,643)                     | (10,045,723)                    | (9,881,055)                     | (35,316,583)                     | 2.51                        | 53,283,835                              | (38,011,405)         | 1.21                                 | -                           | 15,272,429   | 44,138,262  |
| 2033                      | 125,509,584                   | (36,028,912)      | -                    | 89,480,672                 | (11,448,254)                    | (3,945,516)                     | (10,041,903)                    | (9,879,215)                     | (35,314,887)                     | 2.53                        | 54,165,786                              | (38,602,532)         | 1.21                                 | -                           | 15,563,254   | 59,701,516  |
| 2034                      | 128,136,211                   | (36,965,106)      | -                    | 91,171,106                 | (11,444,262)                    | (3,943,310)                     | (10,044,295)                    | (9,880,370)                     | (35,312,236)                     | 2.58                        | 55,858,870                              | (39,737,119)         | 1.21                                 | -                           | 16,121,751   | 75,823,268  |
| 2035                      | 130,815,372                   | (38,139,485)      | -                    | 92,675,887                 | (11,444,132)                    | (3,942,183)                     | (10,041,716)                    | (9,878,290)                     | (35,306,320)                     | 2.62                        | 57,369,567                              | (40,750,655)         | 1.22                                 | -                           | 16,618,912   | 92,442,179  |
| 2036                      | 133,555,278                   | (39,259,112)      | -                    | 94,296,166                 | (11,447,462)                    | (3,942,305)                     | (10,043,998)                    | (9,877,518)                     | (35,311,281)                     | 2.67                        | 58,984,885                              | (33,730,654)         | 1.37                                 | -                           | 25,254,231   | 117,696,410   |
| 2037                      | 136,350,566                   | (40,292,400)      | -                    | 96,058,166                 | (11,448,330)                    | (3,943,538)                     | (10,041,033)                    | (9,877,039)                     | (35,309,938)                     | 2.72                        | 60,748,228                              | (34,011,855)         | 1.39                                 | -                           | 26,736,373   | 144,432,783   |
| 2038                      | 139,212,302                   | (41,367,807)      | -                    | 97,844,495                 | (11,447,084)                    | (3,945,747)                     | (10,043,517)                    | (9,881,524)                     | (35,317,871)                     | 2.77                        | 62,526,625                              | (35,200,072)         | 1.39                                 | -                           | 27,326,553   | 171,759,336   |
| 2039                      | 142,132,137                   | (42,409,673)      | -                    | 99,722,464                 | (11,448,025)                    | (3,943,619)                     | (10,041,014)                    | (9,880,853)                     | (35,313,510)                     | 2.82                        | 64,408,954                              | (36,461,945)         | 1.39                                 | -                           | 27,947,009   | 199,706,346   |
| 2040                      | 145,116,548                   | (43,498,022)      | -                    | 101,618,526                | (11,445,825)                    | (3,942,410)                     | (10,043,472)                    | (9,880,703)                     | (35,312,410)                     | 2.88                        | 66,306,116                              | (37,732,673)         | 1.39                                 | -                           | 28,573,444   | 228,279,789   |
| 2041                      | 148,163,424                   | (44,592,290)      | -                    | 103,571,134                | (11,444,784)                    | (3,941,819)                     | (10,045,016)                    | (9,880,818)                     | (35,312,437)                     | 2.93                        | 68,258,698                              | (34,040,138)         | 1.49                                 | -                           | 34,218,560   | 262,498,349   |
| 2042                      | 151,282,633                   | (45,768,995)      | -                    | 105,513,638                | (11,444,623)                    | (3,941,741)                     | (10,040,903)                    | (9,880,958)                     | (35,308,223)                     | 2.99                        | 70,205,415                              | (35,345,077)         | 1.49                                 | -                           | 34,860,338   | 297,358,687   |
| 2043                      | 154,464,293                   | (46,959,806)      | -                    | 107,504,487                | (11,444,439)                    | (3,941,871)                     | (10,040,670)                    | (9,880,442)                     | (35,307,420)                     | 3.04                        | 72,197,067                              | (36,678,978)         | 1.49                                 | -                           | 35,518,089   | 332,876,776   |
| 2044                      | 157,716,971                   | (48,274,379)      | -                    | 109,442,593                | (11,443,308)                    | (3,942,119)                     | (10,043,958)                    | (9,879,520)                     | (35,308,904)                     | 3.10                        | 74,133,689                              | (37,975,275)         | 1.49                                 | -                           | 36,158,414   | 369,035,190   |
| 2045                      | 161,040,788                   | (49,591,891)      | -                    | 111,448,897                | (11,446,020)                    | (3,942,181)                     | (10,044,894)                    | (9,877,535)                     | (35,310,629)                     | 3.16                        | 76,138,268                              | (39,316,998)         | 1.49                                 | -                           | 36,821,271   | 405,856,461   |
| 2046                      | 163,932,192                   | (50,935,005)      | -                    | 112,997,187                | (11,446,450)                    | (3,941,745)                     | (10,043,361)                    | (9,879,325)                     | (35,310,881)                     | 3.20                        | 77,686,306                              | (40,353,501)         | 1.49                                 | -                           | 37,332,806   | 443,189,267   |
| 2047                      | 166,864,977                   | (52,239,812)      | -                    | 114,625,165                | (11,443,670)                    | (3,945,747)                     | (10,043,701)                    | (9,879,023)                     | (35,312,141)                     | 3.25                        | 79,313,025                              | (41,442,356)         | 1.49                                 | -                           | 37,870,669   | 481,059,935   |
| 2048                      | 169,853,718                   | (53,537,533)      | -                    | 116,316,185                | (11,447,574)                    | (3,943,662)                     | (10,045,024)                    | (9,881,509)                     | (35,317,768)                     | 3.29                        | 80,998,417                              | (42,569,057)         | 1.49                                 | -                           | 38,429,360   | 519,489,295   |
| 2049                      | 172,894,874                   | (54,881,939)      | -                    | 118,012,936                | (11,447,699)                    | (3,945,397)                     | (10,042,067)                    | (9,880,915)                     | (35,316,077)                     | 3.34                        | 82,696,859                              | (43,765,000)         | 1.49                                 | -                           | 38,931,859   | 558,421,154   |
| 2050                      | 175,993,530                   | (56,323,995)      | -                    | 119,669,535                | (11,444,132)                    | (3,945,701)                     | (10,044,171)                    | (9,876,568)                     | (35,310,572)                     | 3.39                        | 84,358,964                              | (43,765,000)         | 1.51                                 | -                           | 40,593,964   | 599,015,118   |
| 2051                      | 179,150,301                   | (57,734,964)      | -                    | 121,415,337                | (11,445,158)                    | (3,944,576)                     | (10,045,224)                    | (9,878,418)                     | (35,313,375)                     | 3.44                        | 86,101,962                              | (43,765,000)         | 1.54                                 | -                           | 42,336,962   | 641,352,080   |
| 2052                      | 182,369,637                   | (59,346,838)      | -                    | 123,022,799                | (11,445,477)                    | (3,942,060)                     | (10,045,048)                    | (9,880,373)                     | (35,312,957)                     | 3.48                        | 87,709,842                              | (43,765,000)         | 1.56                                 | -                           | 43,944,842   | 685,296,922   |
| 2053                      | 185,647,831                   | (60,851,220)      | -                    | 124,796,612                | (11,444,092)                    | (3,942,570)                     | (10,043,548)                    | (9,881,543)                     | (35,311,752)                     | 3.53                        | 89,484,860                              | (43,765,000)         | 1.58                                 | -                           | 45,719,860   | 731,016,782   |
| 2054                      | 188,984,693                   | (62,442,150)      | -                    | 126,542,544                | -                               | (3,940,940)                     | (10,040,718)                    | (9,876,743)                     | (23,858,401)                     | 5.30                        | 102,684,143                             | (43,765,000)         | 1.87                                 | -                           | 58,919,143   | 789,935,925   |
| 2055                      | 192,388,636                   | (64,157,996)      | -                    | 128,230,641                | -                               | (3,941,912)                     | (10,044,972)                    | (9,881,093)                     | (23,867,977)                     | 5.37                        | 104,362,664                             | (43,765,000)         | 1.90                                 | -                           | 60,597,664   | 850,533,589   |
| 2056                      | 195,694,855                   | (65,899,345)      | -                    | 129,795,510                | -                               | -                               | (10,040,906)                    | (9,879,127)                     | (19,920,032)                     | 6.52                        | 109,875,478                             | (21,200,000)         | 3.16                                 | -                           | 88,675,478   | 939,209,067   |
| 2057                      | 199,009,047                   | (67,646,614)      | -                    | 131,362,434                | -                               | -                               | (10,042,988)                    | (9,879,496)                     | (19,922,484)                     | 6.59                        | 111,439,950                             | (2,000,000)          | 5.99                                 | -                           | 109,439,950  | 1,048,649,017   |
| Total                     | \$4,887,655,745               | (\$1,546,210,495) | (\$65,681,217)       | \$3,275,764,034            | (\$325,639,931)                 | (\$118,300,017)                 | (\$300,457,177)                 | (\$273,429,010)                 | (\$1,017,826,134)                |                             | \$2,257,937,899                         | (\$1,070,095,985)    |                                      | (\$205,792,897)             | \$982,049,017  |   |

\*T&R Forecast from WSDOT as of July 12, 2021. Annual Net Toll Revenue is reduced by the amount deposited into the RSA.

\*\*Per WSDOT, the I-405/SR 167 Account had a fund balance of \$66.6M at the beginning of FY 2021.

**State of Washington**  
**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll Caps

**North End Phased Scenario: MVFT/VRFB GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.202 Billion Goal for Project Funding from Tolls)**

30-Jul-21

**Revenue Stabilization Account (RSA)**

|              | Excess Toll Revenues Available for RSA Deposit (2.50x DSC) | Beginning Balance in RSA | RSA Deposit | RSA Withdrawal | Ending Balance in RSA* |                    |
|--------------|--|--------------------------|-------------|----------------|------------------------|--------------------|
| 2021         | -  | -                        | -           | -              | -                      | Target RSA Balance |
| 2022         | 5.9  | -                        | 5.9         | -              | 5.9                    | 65.7               |
| 2023         | 15.8   | 5.9                      | 15.8        | -              | 21.8                   |                    |
| 2024         | 20.6   | 21.8                     | 20.6        | -              | 42.4                   |                    |
| 2025         | 31.4   | 42.4                     | 23.3        | -              | 65.7                   |                    |
| 2026         | 14.1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2027         | 18.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2028         | .1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2029         | .9   | 65.7                     | -           | -              | 65.7                   |                    |
| 2030         | .1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2031         | .1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2032         | .3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2033         | 1.2  | 65.7                     | -           | -              | 65.7                   |                    |
| 2034         | 2.9  | 65.7                     | -           | -              | 65.7                   |                    |
| 2035         | 4.4  | 65.7                     | -           | -              | 65.7                   |                    |
| 2036         | 6.0  | 65.7                     | -           | -              | 65.7                   |                    |
| 2037         | 7.8  | 65.7                     | -           | -              | 65.7                   |                    |
| 2038         | 9.5  | 65.7                     | -           | -              | 65.7                   |                    |
| 2039         | 11.4   | 65.7                     | -           | -              | 65.7                   |                    |
| 2040         | 13.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2041         | 15.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2042         | 17.2   | 65.7                     | -           | -              | 65.7                   |                    |
| 2043         | 19.2   | 65.7                     | -           | -              | 65.7                   |                    |
| 2044         | 21.2   | 65.7                     | -           | -              | 65.7                   |                    |
| 2045         | 23.2   | 65.7                     | -           | -              | 65.7                   |                    |
| 2046         | 24.7   | 65.7                     | -           | -              | 65.7                   |                    |
| 2047         | 26.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2048         | 28.0   | 65.7                     | -           | -              | 65.7                   |                    |
| 2049         | 29.7   | 65.7                     | -           | -              | 65.7                   |                    |
| 2050         | 31.4   | 65.7                     | -           | -              | 65.7                   |                    |
| 2051         | 33.1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2052         | 34.7   | 65.7                     | -           | -              | 65.7                   |                    |
| 2053         | 36.5   | 65.7                     | -           | -              | 65.7                   |                    |
| 2054         | 66.9   | 65.7                     | -           | -              | 65.7                   |                    |
| 2055         | 68.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2056         | 80.0   | 65.7                     | -           | -              | 65.7                   |                    |
| 2057         | 81.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2058         | -  | 65.7                     | -           | -              | 65.7                   |                    |
| <b>Total</b> | <b>802.3</b>   |                          | <b>65.7</b> | <b>-</b>       |                        |                    |

\*Balance is targeted at 50% of maximum annual projected net toll revenue.

**State of Washington**

**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll Caps

**North End Phased Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.202 Billion Goal for Project 30-Jul-21**

**Detailed Repair and Replacement Cash Flows and Ending Balance Available for PayGo**

**Repair and Replacement Fund**

|              | Net Toll Revenues After Debt Service |                | Periodic Toll Equipment and CSR R&R and Periodic Facility R&R* | Ending Balance in R&R Fund | Net Toll Revenues After Debt Service and R&R Expense* |
|--------------|--------------------------------------|----------------|--|----------------------------|---|
|              | Debt Service                         | R&R Deposit*   | R&R*   |                            |   |
| 2021         | -5.4                                 | 3.0            | -3.0   | -                          | -8.4  |
| 2022         | -                                    | 10.8           | -10.8  | -                          | -10.8   |
| 2023         | -                                    | 6.5            | -6.5   | -                          | -6.5  |
| 2024         | -                                    | 3.7            | -3.7   | -                          | -3.7  |
| 2025         | 15.8                                 | 14.8           | -14.8  | -                          | 1.0   |
| 2026         | 37.2                                 | 19.0           | -19.0  | -                          | 18.2  |
| 2027         | 41.7                                 | 6.6            | -6.6   | -                          | 35.2  |
| 2028         | 37.0                                 | 3.7            | -3.7   | -                          | 33.2  |
| 2029         | 39.1                                 | 7.3            | -7.3   | -                          | 31.8  |
| 2030         | 48.8                                 | 19.8           | -19.8  | -                          | 29.1  |
| 2031         | 52.4                                 | 3.5            | -3.5   | -                          | 49.0  |
| 2032         | 53.3                                 | 38.0           | -7.9   | 30.1                       | 15.3  |
| 2033         | 54.2                                 | 38.6           | -22.4  | 46.3                       | 15.6  |
| 2034         | 55.9                                 | 39.7           | -52.9  | 33.2                       | 16.1  |
| 2035         | 57.4                                 | 40.8           | -64.3  | 9.6                        | 16.6  |
| 2036         | 59.0                                 | 33.7           | -6.2   | 37.1                       | 25.3  |
| 2037         | 60.7                                 | 34.0           | -40.5  | 30.6                       | 26.7  |
| 2038         | 62.5                                 | 35.2           | -7.0   | 58.7                       | 27.3  |
| 2039         | 64.4                                 | 36.5           | -57.5  | 37.7                       | 27.9  |
| 2040         | 66.3                                 | 37.7           | -47.3  | 28.1                       | 28.6  |
| 2041         | 68.3                                 | 34.0           | -7.7   | 54.5                       | 34.2  |
| 2042         | 70.2                                 | 35.3           | -9.6   | 80.2                       | 34.9  |
| 2043         | 72.2                                 | 36.7           | -24.2  | 92.7                       | 35.5  |
| 2044         | 74.1                                 | 38.0           | -76.2  | 54.4                       | 36.2  |
| 2045         | 76.1                                 | 39.3           | -64.0  | 29.8                       | 36.8  |
| 2046         | 77.7                                 | 40.4           | -2.7   | 67.5                       | 37.3  |
| 2047         | 79.3                                 | 41.4           | -39.2  | 69.7                       | 37.9  |
| 2048         | 81.0                                 | 42.6           | -19.1  | 93.2                       | 38.4  |
| 2049         | 82.7                                 | 43.8           | -86.6  | 50.4                       | 38.9  |
| 2050         | 84.4                                 | 43.8           | -42.8  | 51.3                       | 40.6  |
| 2051         | 86.1                                 | 43.8           | -5.3   | 89.8                       | 42.3  |
| 2052         | 87.7                                 | 43.8           | -33.7  | 99.8                       | 43.9  |
| 2053         | 89.5                                 | 43.8           | -33.8  | 109.8                      | 45.7  |
| 2054         | 102.7                                | 43.8           | -86.5  | 67.1                       | 58.9  |
| 2055         | 104.4                                | 43.8           | -110.8   | .1                         | 60.6  |
| 2056         | 109.9                                | 21.2           | -21.2  | .1                         | 88.7  |
| 2057         | 111.4                                | 2.0            | -2.0   | .1                         | 109.4   |
| 2058         | -                                    | -              | -  | -                          | -   |
| <b>Total</b> | <b>2,257.9</b>                       | <b>1,070.1</b> | <b>-1,070.0</b>  |                            | <b>1,187.8</b>  |

\*Amounts in excess of current available Net Toll Revenues are assumed to be paid from existing fund balance in the I-405/SR 167 Account.

**State of Washington**

**Eastside Corridor (I-405 and SR167)**

*Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll Caps*  
**North End Phased Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.202 Billion Goal for Project Funding from Tolls)**  
 30-Jul-21

**Project Fund - Toll-backed portion**

|              | Funding from Net Toll Revenue   |                           |                   | Annual Funding Gap | Cumulative Funding Gap |
|--------------|---------------------------------|---------------------------|-------------------|--------------------|------------------------|
|              | Toll Funding in Financial Plan* | Funded from Bond Proceeds | Funded from PayGo |                    |                        |
| Prior        | -                               | -                         | -                 | -                  | -                      |
| 2021         | 21.0                            | -                         | 21.0              | 21.0               | -                      |
| 2022         | 38.3                            | -                         | 15.2              | 15.2               | -23.1                  |
| 2023         | 119.7                           | 77.8                      | -                 | 77.8               | -41.9                  |
| 2024         | 146.0                           | 94.9                      | -                 | 94.9               | -51.1                  |
| 2025         | 86.0                            | 55.5                      | -                 | 55.5               | -30.5                  |
| 2026         | 45.0                            | 10.0                      | 15.2              | 25.2               | -19.8                  |
| 2027         | 70.0                            | 34.3                      | 34.2              | 68.5               | -1.6                   |
| 2028         | 262.0                           | 131.7                     | 31.4              | 163.1              | -98.9                  |
| 2029         | 294.0                           | 145.0                     | 30.8              | 175.8              | -118.3                 |
| 2030         | 90.0                            | 16.0                      | 28.1              | 44.1               | -46.0                  |
| 2031         | 30.0                            | -                         | 30.0              | 30.0               | -                      |
| <b>Total</b> | <b>1,202.0</b>                  | <b>565.2</b>              | <b>205.8</b>      | <b>771.0</b>       | <b>-431.0</b>          |

\*Project fund draw requirements sent from WSDOT to OST on 7/12/2021.

**State of Washington**

**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | North End Phased Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.202 Billion Goal for Project Funding from Tolls) 30-Jul-21

**Summary of Global Assumptions**

|                                       |   |
|---------------------------------------|---|
| WSDOT Revenue Scenario*               | Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-)/HOV 3+ (FY 31+) on SR 167   Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030   Toll Caps |
| WSDOT Project Fund Requirements       | Sent from WSDOT to OST on 7/12/2021   |
| Toll revenue fiscal year end          | June 30   |
| Security                              | MVFT/VRF GO   |
| Coverage Constraint                   | 2.5x DSC incl. RSA Activity (Based on Net Toll Revs)  |
| R&R Assumption                        | Prefunded   |
| RSA Balance Assumption                | Target of 50% of Maximum Projected Net Toll Revenues  |
| Earnings Assumption for Cash Balances | 0%  |

**Summary of Financing Assumptions**

|                                  | Financing # 1                                      | Financing # 2                                     | Financing # 3                                     | Financing # 4                                     |
|----------------------------------|--|---|---|---|
| Delivery Date:                   | January 1, 2023                                    | January 1, 2025                                   | January 1, 2027                                   | January 1, 2029                                   |
| First Maturity Date:             | January 1, 2026                                    | January 1, 2026                                   | January 1, 2028                                   | January 1, 2030                                   |
| Final Maturity Date:             | January 1, 2053                                    | January 1, 2055                                   | January 1, 2057                                   | January 1, 2059                                   |
| Bond Term (Years from Delivery): | 30   | 30  | 30  | 30  |
| Bond Type                        | Current Interest Bonds                             | Current Interest Bonds                            | Current Interest Bonds                            | Current Interest Bonds                            |
| Interest Rate Assumption:        | Greater of Current or 10yr Avg. Rates + 150 bps**  | Greater of Current or 10yr Avg. Rates + 150 bps** | Greater of Current or 10yr Avg. Rates + 150 bps** | Greater of Current or 10yr Avg. Rates + 150 bps** |
| Capitalized Interest             | 100% through 1/1/2024 and partial through 1/1/2025 | None  | None  | None  |
| Costs of Issuance                | \$2.50/bond  | \$2.50/bond                                       | \$2.50/bond                                       | \$2.50/bond                                       |
| Underwriter's Discount           | \$5.00/bond  | \$5.00/bond                                       | \$5.00/bond                                       | \$5.00/bond                                       |

**Summary of Sources and Uses and Financing Statistics**

| Sequence                             | Financing # 1 | Financing # 2 | Financing # 3 | Financing # 4 | Total        |
|--------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Credit                               | MVFT/VRF GO   | MVFT/VRF GO   | MVFT/VRF GO   | MVFT/VRF GO   |              |
| Assumed Ratings (M/S/F)              | Aaa/AA+/AA+   | Aaa/AA+/AA+   | Aaa/AA+/AA+   | Aaa/AA+/AA+   |              |
| Fiscal Year of Financing             | 2023          | 2025          | 2027          | 2029          |              |
| <b>Sources</b>                       |               |               |               |               |              |
| Par Amount - Current Interest Bonds  | 184.1         | 66.0          | 167.3         | 162.2         | 579.6        |
| Par Amount - Deferred Interest Bonds |               |               |               |               | -            |
| Net Premium/Discount                 | -             | -             | -             | -             | -            |
| <b>Total Sources of Funds</b>        | <b>184.1</b>  | <b>66.0</b>   | <b>167.3</b>  | <b>162.2</b>  | <b>579.6</b> |
| <b>Uses</b>                          |               |               |               |               |              |
| Project Fund Deposit                 | 172.7         | 65.5          | 166.0         | 161.0         | 565.2        |
| Debt Service Reserve Fund            | -             | -             | -             | -             | -            |
| Capitalized Interest Fund            | 10.0          | -             | -             | -             | 10.0         |
| Cost of Issuance                     | .5            | .2            | .4            | .4            | 1.4          |
| Underwriter's Discount               | .9            | .3            | .8            | .8            | 2.9          |
| Contingency                          | .0            | .0            | .0            | .0            | .0           |
| <b>Total Uses of Funds</b>           | <b>184.1</b>  | <b>66.0</b>   | <b>167.3</b>  | <b>162.2</b>  | <b>579.6</b> |

|                           |       |       |       |       |       |
|---------------------------|-------|-------|-------|-------|-------|
| All-in True Interest Cost | 4.34% | 4.33% | 4.33% | 4.34% | 4.34% |
|---------------------------|-------|-------|-------|-------|-------|

\*Received from WSDOT on July 12, 2021.

\*\*Rates as of 7/21/2021

**Total I-405 & SR 167 Corridor — Post-COVID Scenario North End Phased | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, and HOV 2+ (FY 30-) / HOV 3+ (FY 31+) on SR 167 | Baseline + Phased I-405 N + SR 167 Toll Upgrade FY 2030 | Toll C Annual Toll Trips, Gross Revenue and Net Revenue | FY 2021-57** **DRAFT**

6/30/2021

|             | 1                                    | 2   | 3                                    | 4   | 5   | 6  | 7   | 8   | 9  | 10   | 11   | 12  | 13   | 14   | 15  | 16   | 17  | 18   | 19   | 20  | 21  | 22   | 23   | 24   | 25  | 26   | 27   | 28  | 29   | 30  | 31   |  |  |   |
|-------------|--------------------------------------|---|--------------------------------------|---|---|--|---|---|--|--|--|---|--|--|---|--|---|--|--|---|---|--|--|--|---|--|--|---|--|---|--|--|--|---|
| Fiscal Year | Toll Trips and Average Toll Rates    |   |                                      |   |   | Total Toll Trips (millions) <sup>1</sup> | Gross Toll Revenue  |   |  |  |  | Total Gross Toll Revenue Potential (\$ millions) <sup>2</sup> | Toll Payment Fees (\$ millions) <sup>3</sup> | Plus (Less): Carpool HOV Violation Leverage (\$ millions) <sup>4</sup> | Less: Revenue Not Recognized (\$ millions) <sup>5</sup> | Less: Unpaid Toll Revenue (\$ millions) <sup>6</sup> | Less: Recaptured Tolls at Good To Go Rates via CPR (\$ millions) <sup>7</sup> | Subtotal: Adjusted Gross Toll Revenue Collected (\$ millions) <sup>8</sup> | Plus: Transponder Sales Revenue (\$ millions) <sup>9</sup> | Plus: Pay By Mail Rebilling Fees & Later Recovery (\$ millions) <sup>10</sup> | Tolls Recovered at Rates via NCCP (\$ millions) <sup>11</sup> | Subtotal: Adjusted Gross Toll Revenue and Fees (\$ millions) <sup>12</sup> | Less: Credit Card Fees (\$ millions) <sup>13</sup> | Less: Transponder Purchase and Inventory Costs (\$ millions) <sup>14</sup> | Less: State and Consultant Operations Costs (\$ millions) <sup>15</sup> | Less: Roadway Toll Systems (RTS) O&M Costs (\$ millions) <sup>16</sup> | Less: CSC Vendor O&M Costs (\$ millions) <sup>17</sup> | Less: BOS Software Vendor O&M Costs (\$ millions) <sup>18</sup> | Less: Routine Facility O&M Costs (\$ millions) <sup>19</sup> | Total Net Revenue (\$ millions) <sup>20</sup> | Periodic Toll Equipment and CSC Repair & Replacement (\$ millions) <sup>21</sup> | Periodic Facility Repair & Replacement (\$ millions) <sup>22</sup> | Civil Penalty Revenue Collected from Unpaid Toll Bills (\$ millions) <sup>23</sup> | Civil Penalty Adjudication and Collection Costs (\$ millions) <sup>24</sup> |
|             | GTG Toll Rate (one-way) <sup>1</sup> | Good To Go Toll Rate (one-way) <sup>2</sup> | PBM Toll Rate (one-way) <sup>3</sup> | Pay By Mail Annual Toll Trips (millions) <sup>4</sup> | Good To Go Pre-Paid Accounts (\$ millions) <sup>5</sup> |  | Pay By Mail Customers/No Account (\$ millions) <sup>6</sup> | Plus (Less): Toll Payment Fees (\$ millions) <sup>7</sup> | Plus (Less): Carpool HOV Violation Leverage (\$ millions) <sup>8</sup> | Plus (Less): Revenue Not Recognized (\$ millions) <sup>9</sup> | Plus (Less): Unpaid Toll Revenue (\$ millions) <sup>10</sup> |   |  |  |   |  |   |  |  |   |   |  |  |  |   |  |  |   |  |   |  |  |  |   |
| 2021        | \$1.43                               | 6.04  | \$1.94                               | 0.76  | 6.80  | 8.64                                     | 1.48  | 10.13   | 0.27   | (0.14)   | (0.33)   | (0.65)  | 0.02   | 9.31   | 0.28  | 0.27   | 0.03  | 9.89   | (0.21)   | (0.24)  | (6.15)  | (1.69)   | (4.95)   | (0.78)   | (1.29)  | (5.42)   | (1.53)   | (1.46)  | 0.24   | (0.43)  |  |  |  |   |
| 2022        | \$1.97                               | 7.72  | \$2.86                               | 1.03  | 8.75  | 15.21                                    | 2.95  | 18.16   | 0.36   | (0.31)   | (0.48)   | (0.75)  | 0.07   | 17.05  | 0.36  | 0.39   | 0.09  | 17.89  | (0.40)   | (0.30)  | (4.73)  | (1.62)   | (2.56)   | (0.90)   | (1.43)  | 5.95   | (1.00)   | (9.79)  | 0.57   | (0.56)  |  |  |  |   |
| 2023        | \$2.58                               | 9.72  | \$3.68                               | 1.33  | 11.05   | 25.07                                    | 4.88  | 29.94   | 0.46   | (0.65)   | (0.62)   | (1.35)  | 0.12   | 27.90  | 0.44  | 0.52   | 0.16  | 29.03  | (0.68)   | (0.39)  | (5.05)  | (1.68)   | (3.02)   | (0.90)   | (1.46)  | 15.85  | (5.63)   | (0.86)  | 0.78   | (0.70)  |  |  |  |   |
| 2024        | \$2.90                               | 10.74                                       | \$4.02                               | 1.47  | 12.21   | 31.19                                    | 5.91  | 37.10   | 0.50   | (0.99)   | (0.79)   | (1.76)  | 0.17   | 34.22  | 0.49  | 0.58   | 0.22  | 35.52  | (0.87)   | (0.44)  | (5.26)  | (2.68)   | (3.29)   | (0.91)   | (1.50)  | 20.57  | -  | (3.66)  | 0.93   | (0.78)  |  |  |  |   |
| 2025        | \$3.34                               | 17.63                                       | \$4.53                               | 3.03  | 20.66   | 58.89                                    | 13.73   | 72.62   | 0.92   | (1.80)   | (1.50)   | (4.31)  | 0.30   | 66.23  | 0.75  | 1.15   | 0.40  | 68.54  | (1.76)   | (0.70)  | (8.61)  | (3.85)   | (5.68)   | (1.28)   | (2.36)  | 44.31  | (12.30)  | (2.53)  | 1.48   | (1.66)  |  |  |  |   |
| 2026        | \$3.41                               | 19.65                                       | \$4.43                               | 3.58  | 23.23   | 67.09                                    | 15.85   | 82.93   | 1.04   | (2.05)   | (1.71)   | (4.89)  | 0.46   | 75.79  | 0.83  | 1.38   | 0.60  | 78.60  | (2.01)   | (0.79)  | (9.45)  | (3.86)   | (6.19)   | (1.28)   | (2.42)  | 52.60  | (14.10)  | (4.90)  | 2.15   | (1.94)  |  |  |  |   |
| 2027        | \$3.51                               | 20.37                                       | \$4.56                               | 3.80  | 24.17   | 71.59                                    | 17.30   | 88.89   | 1.08   | (2.19)   | (1.85)   | (5.26)  | 0.52   | 81.19  | 0.86  | 1.47   | 0.67  | 84.20  | (2.15)   | (0.84)  | (9.71)  | (4.07)   | (6.47)   | (1.26)   | (2.58)  | 57.12  | (1.78)   | (4.79)  | 2.39   | (2.06)  |  |  |  |   |
| 2028        | \$3.59                               | 21.25                                       | \$4.61                               | 3.89  | 25.14   | 76.28                                    | 17.95   | 94.23   | 1.13   | (2.33)   | (1.95)   | (5.48)  | 0.55   | 86.16  | 0.90  | 1.51   | 0.71  | 89.28  | (2.28)   | (0.88)  | (9.90)  | (4.21)   | (6.62)   | (1.18)   | (2.64)  | 61.57  | -  | (3.74)  | 2.49   | (2.20)  |  |  |  |   |
| 2029        | \$3.68                               | 21.56                                       | \$4.68                               | 3.97  | 25.52   | 79.28                                    | 18.59   | 97.87   | 1.15   | (2.43)   | (2.03)   | (5.66)  | 0.58   | 89.48  | 0.91  | 1.54   | 0.74  | 92.67  | (2.37)   | (0.91)  | (9.87)  | (4.48)   | (6.57)   | (1.09)   | (2.88)  | 64.50  | (3.97)   | (3.31)  | 2.55   | (2.29)  |  |  |  |   |
| 2030        | \$3.75                               | 25.09                                       | \$5.03                               | 4.96  | 30.05   | 94.04                                    | 24.94   | 118.97  | 1.49   | (2.71)   | (2.24)   | (7.62)  | 0.68   | 108.58   | 1.06  | 1.92   | 0.89  | 112.44   | (2.88)   | (1.06)  | (10.82)   | (4.69)   | (7.69)   | (1.04)   | (2.95)  | 81.32  | (9.68)   | (10.08)   | 2.91   | (2.78)  |  |  |  |   |
| 2031        | \$3.72                               | 26.95                                       | \$4.97                               | 5.43  | 32.38   | 100.20                                   | 27.00   | 127.20  | 1.60   | (2.88)   | (2.41)   | (8.27)  | 0.81   | 116.04   | 1.15  | 2.11   | 1.06  | 120.36   | (3.08)   | (1.15)  | (11.68)   | (4.71)   | (8.57)   | (1.09)   | (3.26)  | 87.35  | (0.25)   | (3.21)  | 3.39   | (3.11)  |  |  |  |   |
| 2032        | \$3.77                               | 27.12                                       | \$5.02                               | 5.52  | 32.64   | 102.19                                   | 27.74   | 129.92  | 1.61   | (2.94)   | (2.47)   | (8.48)  | 0.86   | 118.50   | 1.18  | 2.15   | 1.11  | 122.94   | (3.14)   | (1.18)  | (11.68)   | (5.03)   | (8.78)   | (1.12)   | (3.41)  | 88.60  | (0.09)   | (7.82)  | 3.56   | (3.21)  |  |  |  |   |
| 2033        | \$3.82                               | 27.29                                       | \$5.08                               | 5.61  | 32.90   | 104.22                                   | 28.50   | 132.72  | 1.62   | (3.00)   | (2.57)   | (8.70)  | 0.88   | 120.98   | 1.21  | 2.18   | 1.14  | 125.51   | (3.21)   | (1.21)  | (12.50)   | (5.26)   | (9.11)   | (1.25)   | (3.49)  | 89.48  | (0.51)   | (21.89)   | 3.62   | (3.40)  |  |  |  |   |
| 2034        | \$3.87                               | 27.46                                       | \$5.13                               | 5.71  | 33.17   | 106.29                                   | 29.28   | 135.57  | 1.63   | (3.06)   | (2.60)   | (8.93)  | 0.90   | 123.51   | 1.23  | 2.22   | 1.17  | 128.14   | (3.27)   | (1.23)  | (12.83)   | (5.27)   | (9.31)   | (1.28)   | (3.77)  | 91.17  | (25.60)  | (27.28)   | 3.67   | (3.51)  |  |  |  |   |
| 2035        | \$3.92                               | 27.64                                       | \$5.18                               | 5.80  | 33.44   | 108.40                                   | 30.08   | 138.48  | 1.64   | (3.12)   | (2.67)   | (9.17)  | 0.93   | 126.10   | 1.26  | 2.25   | 1.20  | 130.82   | (3.34)   | (1.26)  | (13.17)   | (5.44)   | (9.74)   | (1.31)   | (3.87)  | 92.68  | (31.57)  | (32.78)   | 3.73   | (3.62)  |  |  |  |   |
| 2036        | \$3.98                               | 27.81                                       | \$5.24                               | 5.90  | 33.71   | 110.56                                   | 30.91   | 141.46  | 1.65   | (3.18)   | (2.73)   | (9.41)  | 0.96   | 128.74   | 1.29  | 2.28   | 1.23  | 133.56   | (3.41)   | (1.29)  | (13.51)   | (5.62)   | (10.11)  | (1.34)   | (3.96)  | 94.30  | (1.66)   | (4.57)  | 3.78   | (3.73)  |  |  |  |   |
| 2037        | \$4.03                               | 27.99                                       | \$5.29                               | 6.00  | 33.99   | 112.75                                   | 31.75   | 144.51  | 1.66   | (3.24)   | (2.80)   | (9.66)  | 0.98   | 131.44   | 1.32  | 2.32   | 1.27  | 136.35   | (3.48)   | (1.32)  | (13.87)   | (5.76)   | (10.42)  | (1.38)   | (4.06)  | 96.06  | (1.23)   | (39.28)   | 3.84   | (3.85)  |  |  |  |   |
| 2038        | \$4.08                               | 28.16                                       | \$5.35                               | 6.10  | 34.26   | 115.00                                   | 32.63   | 147.62  | 1.67   | (3.31)   | (2.87)   | (9.92)  | 1.01   | 134.21   | 1.35  | 2.36   | 1.30  | 139.21   | (3.55)   | (1.35)  | (14.24)   | (5.91)   | (10.74)  | (1.41)   | (4.17)  | 97.84  | (0.08)   | (6.94)  | 3.90   | (3.97)  |  |  |  |   |
| 2039        | \$4.14                               | 28.34                                       | \$5.40                               | 6.20  | 34.55   | 117.28                                   | 33.52   | 150.80  | 1.68   | (3.37)   | (2.94)   | (10.18)   | 1.04   | 137.02   | 1.38  | 2.39   | 1.33  | 142.13   | (3.63)   | (1.38)  | (14.62)   | (6.06)   | (11.01)  | (1.44)   | (4.27)  | 99.72  | (26.97)  | (30.53)   | 3.96   | (4.09)  |  |  |  |   |
| 2040        | \$4.19                               | 28.52                                       | \$5.46                               | 6.31  | 34.83   | 119.62                                   | 34.44   | 154.05  | 1.69   | (3.44)   | (3.02)   | (10.45)   | 1.07   | 139.90   | 1.42  | 2.43   | 1.37  | 145.12   | (3.70)   | (1.42)  | (15.01)   | (6.21)   | (11.30)  | (1.48)   | (4.38)  | 101.62   | (35.01)  | (12.32)   | 4.02   | (4.22)  |  |  |  |   |
| 2041        | \$4.25                               | 28.70                                       | \$5.52                               | 6.41  | 35.11   | 122.00                                   | 35.38   | 157.38  | 1.70   | (3.51)   | (3.09)   | (10.73)   | 1.10   | 142.85   | 1.45  | 2.47   | 1.40  | 148.16   | (3.71)   | (1.45)  | (15.41)   | (6.37)   | (11.65)  | (1.51)   | (4.49)  | 103.57   | (1.50)   | (6.16)  | 4.08   | (4.35)  |  |  |  |   |
| 2042        | \$4.31                               | 28.88                                       | \$5.58                               | 6.52  | 35.40   | 124.43                                   | 36.35   | 160.78  | 1.71   | (3.58)   | (3.17)   | (11.01)   | 1.13   | 145.86   | 1.48  | 2.50   | 1.44  | 151.28   | (3.79)   | (1.48)  | (15.83)   | (6.53)   | (11.99)  | (1.55)   | (4.60)  | 105.51   | (0.21)   | (9.43)  | 4.14   | (4.48)  |  |  |  |   |
| 2043        | \$4.37                               | 29.06                                       | \$5.63                               | 6.63  | 35.69   | 126.90                                   | 37.35   | 164.25  | 1.72   | (3.65)   | (3.25)   | (11.30)   | 1.16   | 148.93   | 1.52  | 2.54   | 1.48  | 154.46   | (3.87)   | (1.52)  | (16.23)   | (6.69)   | (12.33)  | (1.59)   | (4.71)  | 107.50   | (0.05)   | (24.15)   | 4.21   | (4.62)  |  |  |  |   |
| 2044        | \$4.43                               | 29.25                                       | \$5.69                               | 6.74  | 35.99   | 129.43                                   | 38.37   | 167.80  | 1.73   | (3.72)   | (3.33)   | (11.61)   | 1.20   | 152.07   | 1.55  | 2.58   | 1.52  | 157.72   | (3.95)   | (1.55)  | (16.70)   | (6.90)   | (12.71)  | (1.63)   | (4.83)  | 109.44   | (38.17)  | (38.04)   | 4.27   | (4.76)  |  |  |  |   |
| 2045        | \$4.48                               | 29.43                                       | \$5.75                               | 6.86  | 36.29   | 132.01                                   | 39.42   | 171.43  | 1.74   | (3.80)   | (3.42)   | (11.91)   | 1.23   | 155.27   | 1.59  | 2.62   | 1.55  | 161.04   | (4.03)   | (1.59)  | (17.16)   | (7.14)   | (13.05)  | (1.67)   | (4.95)  | 111.45   | (40.41)  | (23.54)   | 4.34   | (4.91)  |  |  |  |   |
| 2046        | \$4.55                               | 29.58                                       | \$5.81                               | 6.89  | 36.47   | 134.48                                   | 40.04   | 174.52  | 1.75   | (3.87)   | (3.47)   | (12.11)   | 1.26   | 158.08   | 1.63  | 2.64   | 1.59  | 163.93   | (4.11)   | (1.63)  | (17.60)   | (7.37)   | (13.44)  | (1.72)   | (5.07)  | 113.00   | (2.22)   | (0.44)  | 4.38   | (5.05)  |  |  |  |   |
| 2047        | \$4.61                               | 29.73                                       | \$5.87                               | 6.93  | 36.66   | 137.01                                   | 40.66   | 177.67  | 1.76   | (3.94)   | (3.53)   | (12.30)   | 1.28   | 160.94   | 1.66  | 2.65   | 1.61  | 166.86   | (4.18)   | (1.66)  | (18.06)   | (7.56)   | (13.81)  | (1.77)   | (5.20)  | 114.63   | (2.21)   | (37.04)   | 4.41   | (5.19)  |  |  |  |   |
| 2048        | \$4.67                               | 29.88                                       | \$5.93                               | 6.97  | 36.84   | 139.58                                   | 41.30   | 180.87  | 1.77   | (4.02)   | (3.59)   | (12.49)   | 1.31   | 163.85   | 1.70  | 2.66   | 1.64  | 169.85   | (4.26)   | (1.70)  | (18.53)   | (7.75)   | (14.16)  | (1.82)   | (5.33)  | 116.32   | (1.38)   | (17.69)   | 4.43   | (5.34)  |  |  |  |   |
| 2049        | \$4.74                               | 30.03                                       | \$5.99                               | 7.00  | 37.03   | 142.20                                   | 41.94   | 184.14  | 1.78   | (4.09)   | (3.65)   | (12.69)   | 1.33   | 166.82   | 1.74  | 2.68   | 1.66  | 172.89   | (4.33)   | (1.74)  | (19.01)   | (7.94)   | (14.52)  | (1.87)   | (5.46)  | 118.01   | (33.59)  | (52.99)   | 4.45   | (5.49)  |  |  |  |   |
| 2050        | \$4.80                               | 30.18                                       | \$6.05                               | 7.04  | 37.22   | 144.87                                   | 42.59   | 187.46  | 1.79   | (4.17)   | (3.71)   | (12.90)   | 1.36   | 169.84   | 1.78  | 2.69   | 1.69  | 175.99   | (4.41)   | (1.78)  | (19.52)   | (8.14)   | (14.95)  | (1.93)   | (5.60)  | 119.67   | (42.21)  | (0.64)  | 4.48   | (5.64)  |  |  |  |   |
| 2051        | \$4.87                               | 30.33                                       | \$6.11                               | 7.08  | 37.40   | 147.59                                   | 43.26   | 190.85  | 1.80   | (4.25)   | (3.77)   | (13.10)   | 1.38   | 172.91   | 1.82  | 2.71   | 1.71  | 179.15   | (4.49)   | (1.82)  | (20.03)   | (8.35)   | (15.33)  | (1.98)   | (5.74)  | 121.42   | (0.41)   | (4.88)  | 4.50   | (5.80)  |  |  |  |   |
| 2052        | \$4.93                               | 30.48                                       | \$6.18                               | 7.11  | 37.59   | 150.37                                   | 43.93   | 194.30  | 1.81   | (4.33)   | (3.83)   | (13.31)   | 1.41   | 176.05   | 1.86  | 2.72   | 1.74  | 182.37   | (4.57)   | (1.86)  | (20.56)   | (8   |  |  |   |  |  |   |  |   |  |  |  |   |



**Interest Rate Cushion By State Fiscal Year**

|      |       |
|------|-------|
| FY23 | 1.50% |
| FY25 | 1.50% |
| FY27 | 1.50% |
| FY29 | 1.50% |

**Assumed Spread to AAA MMD For Each Credit**

|                        |            |            |
|------------------------|------------|------------|
|                        | <i>CIB</i> | <i>TRB</i> |
| MVFT/VRF GO Bonds      | 0.25%      | 1.250%     |
| Toll Revenue (1-30yrs) | 2.00%      |            |
| Toll Revenue (31+yrs)  | n/a        |            |

| Current MMD<br>(as of 7/21/2021) | AAA MMD 10-Year Average |              |            |                          | AAA Modeling Curve |                   |                   |                   | Cushion to Current MMD |                   | MVFT/VRF GO Bonds<br>Current Interest Modeling Curves |              |              |              |
|----------------------------------|-------------------------|--------------|------------|--------------------------|--------------------|-------------------|-------------------|-------------------|------------------------|-------------------|---|--------------|--------------|--------------|
|                                  | Year                    | Avg.         | Difference | Max of Avg. &<br>Current | Avg. +<br>Cushion  | Avg. +<br>Cushion | Avg. +<br>Cushion | Avg. +<br>Cushion | FY23                   | FY24 and<br>After | FY23  | FY25         | FY27         | FY29         |
|                                  |                         |              |            |                          | FY23               | FY25              | FY27              | FY29              | FY23                   |                   | FY23  | FY25         | FY27         | FY29         |
| 0.06%                            | 1                       | 0.58%        | 0.52%      | 0.58%                    | 2.08%              | 2.08%             | 2.08%             | 2.08%             | 2.02%                  | 2.02%             | 2.33%   | 2.33%        | 2.33%        | 2.33%        |
| 0.10%                            | 2                       | 0.71%        | 0.61%      | 0.71%                    | 2.21%              | 2.21%             | 2.21%             | 2.21%             | 2.11%                  | 2.11%             | 2.46%   | 2.46%        | 2.46%        | 2.46%        |
| 0.18%                            | 3                       | 0.85%        | 0.67%      | 0.85%                    | 2.35%              | 2.35%             | 2.35%             | 2.35%             | 2.17%                  | 2.17%             | 2.60%   | 2.60%        | 2.60%        | 2.60%        |
| 0.27%                            | 4                       | 0.99%        | 0.72%      | 0.99%                    | 2.49%              | 2.49%             | 2.49%             | 2.49%             | 2.22%                  | 2.22%             | 2.74%   | 2.74%        | 2.74%        | 2.74%        |
| 0.37%                            | 5                       | 1.15%        | 0.78%      | 1.15%                    | 2.65%              | 2.65%             | 2.65%             | 2.65%             | 2.28%                  | 2.28%             | 2.90%   | 2.90%        | 2.90%        | 2.90%        |
| 0.47%                            | 6                       | 1.31%        | 0.84%      | 1.31%                    | 2.81%              | 2.81%             | 2.81%             | 2.81%             | 2.34%                  | 2.34%             | 3.06%   | 3.06%        | 3.06%        | 3.06%        |
| 0.58%                            | 7                       | 1.48%        | 0.90%      | 1.48%                    | 2.98%              | 2.98%             | 2.98%             | 2.98%             | 2.40%                  | 2.40%             | 3.23%   | 3.23%        | 3.23%        | 3.23%        |
| 0.67%                            | 8                       | 1.64%        | 0.97%      | 1.64%                    | 3.14%              | 3.14%             | 3.14%             | 3.14%             | 2.47%                  | 2.47%             | 3.39%   | 3.39%        | 3.39%        | 3.39%        |
| 0.77%                            | 9                       | 1.78%        | 1.01%      | 1.78%                    | 3.28%              | 3.28%             | 3.28%             | 3.28%             | 2.51%                  | 2.51%             | 3.53%   | 3.53%        | 3.53%        | 3.53%        |
| 0.83%                            | 10                      | 1.89%        | 1.06%      | 1.89%                    | 3.39%              | 3.39%             | 3.39%             | 3.39%             | 2.56%                  | 2.56%             | 3.64%   | 3.64%        | 3.64%        | 3.64%        |
| 0.88%                            | 11                      | 1.99%        | 1.11%      | 1.99%                    | 3.49%              | 3.49%             | 3.49%             | 3.49%             | 2.61%                  | 2.61%             | 3.74%   | 3.74%        | 3.74%        | 3.74%        |
| 0.92%                            | 12                      | 2.08%        | 1.16%      | 2.08%                    | 3.58%              | 3.58%             | 3.58%             | 3.58%             | 2.66%                  | 2.66%             | 3.83%   | 3.83%        | 3.83%        | 3.83%        |
| 0.95%                            | 13                      | 2.17%        | 1.22%      | 2.17%                    | 3.67%              | 3.67%             | 3.67%             | 3.67%             | 2.72%                  | 2.72%             | 3.92%   | 3.92%        | 3.92%        | 3.92%        |
| 0.98%                            | 14                      | 2.24%        | 1.26%      | 2.24%                    | 3.74%              | 3.74%             | 3.74%             | 3.74%             | 2.76%                  | 2.76%             | 3.99%   | 3.99%        | 3.99%        | 3.99%        |
| 1.01%                            | 15                      | 2.31%        | 1.30%      | 2.31%                    | 3.81%              | 3.81%             | 3.81%             | 3.81%             | 2.80%                  | 2.80%             | 4.06%   | 4.06%        | 4.06%        | 4.06%        |
| 1.04%                            | 16                      | 2.37%        | 1.33%      | 2.37%                    | 3.87%              | 3.87%             | 3.87%             | 3.87%             | 2.83%                  | 2.83%             | 4.12%   | 4.12%        | 4.12%        | 4.12%        |
| 1.07%                            | 17                      | 2.43%        | 1.36%      | 2.43%                    | 3.93%              | 3.93%             | 3.93%             | 3.93%             | 2.86%                  | 2.86%             | 4.18%   | 4.18%        | 4.18%        | 4.18%        |
| 1.10%                            | 18                      | 2.48%        | 1.38%      | 2.48%                    | 3.98%              | 3.98%             | 3.98%             | 3.98%             | 2.88%                  | 2.88%             | 4.23%   | 4.23%        | 4.23%        | 4.23%        |
| 1.13%                            | 19                      | 2.53%        | 1.40%      | 2.53%                    | 4.03%              | 4.03%             | 4.03%             | 4.03%             | 2.90%                  | 2.90%             | 4.28%   | 4.28%        | 4.28%        | 4.28%        |
| 1.16%                            | 20                      | 2.58%        | 1.42%      | 2.58%                    | 4.08%              | 4.08%             | 4.08%             | 4.08%             | 2.92%                  | 2.92%             | 4.33%   | 4.33%        | 4.33%        | 4.33%        |
| 1.19%                            | 21                      | 2.62%        | 1.43%      | 2.62%                    | 4.12%              | 4.12%             | 4.12%             | 4.12%             | 2.93%                  | 2.93%             | 4.37%   | 4.37%        | 4.37%        | 4.37%        |
| 1.22%                            | 22                      | 2.66%        | 1.44%      | 2.66%                    | 4.16%              | 4.16%             | 4.16%             | 4.16%             | 2.94%                  | 2.94%             | 4.41%   | 4.41%        | 4.41%        | 4.41%        |
| 1.25%                            | 23                      | 2.70%        | 1.45%      | 2.70%                    | 4.20%              | 4.20%             | 4.20%             | 4.20%             | 2.95%                  | 2.95%             | 4.45%   | 4.45%        | 4.45%        | 4.45%        |
| 1.28%                            | 24                      | 2.73%        | 1.45%      | 2.73%                    | 4.23%              | 4.23%             | 4.23%             | 4.23%             | 2.95%                  | 2.95%             | 4.48%   | 4.48%        | 4.48%        | 4.48%        |
| 1.31%                            | 25                      | 2.75%        | 1.44%      | 2.75%                    | 4.25%              | 4.25%             | 4.25%             | 4.25%             | 2.94%                  | 2.94%             | 4.50%   | 4.50%        | 4.50%        | 4.50%        |
| 1.32%                            | 26                      | 2.76%        | 1.44%      | 2.76%                    | 4.26%              | 4.26%             | 4.26%             | 4.26%             | 2.94%                  | 2.94%             | 4.51%   | 4.51%        | 4.51%        | 4.51%        |
| 1.33%                            | 27                      | 2.78%        | 1.45%      | 2.78%                    | 4.28%              | 4.28%             | 4.28%             | 4.28%             | 2.95%                  | 2.95%             | 4.53%   | 4.53%        | 4.53%        | 4.53%        |
| 1.34%                            | 28                      | 2.79%        | 1.45%      | 2.79%                    | 4.29%              | 4.29%             | 4.29%             | 4.29%             | 2.95%                  | 2.95%             | 4.54%   | 4.54%        | 4.54%        | 4.54%        |
| 1.35%                            | 29                      | 2.80%        | 1.45%      | 2.80%                    | 4.30%              | 4.30%             | 4.30%             | 4.30%             | 2.95%                  | 2.95%             | 4.55%   | 4.55%        | 4.55%        | 4.55%        |
| 1.36%                            | 30                      | 2.81%        | 1.45%      | 2.81%                    | 4.31%              | 4.31%             | 4.31%             | 4.31%             | 2.95%                  | 2.95%             | 4.56%   | 4.56%        | 4.56%        | 4.56%        |
| <b>Average</b>                   |                         | <b>2.10%</b> |            |                          | <b>3.60%</b>       | <b>3.60%</b>      | <b>3.60%</b>      | <b>3.60%</b>      | <b>2.68%</b>           | <b>2.68%</b>      | <b>3.85%</b>  | <b>3.85%</b> | <b>3.85%</b> | <b>3.85%</b> |

**State of Washington**  
**Eastside Corridor (I-405 and SR167)**

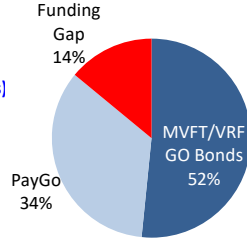
Total I-405 & SR 167 Corridor — Post-COVID Scenario Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 2040

**Modified Delivery Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.242 Billion Goal for Project Funding from Tolls)**

30-Jul-21

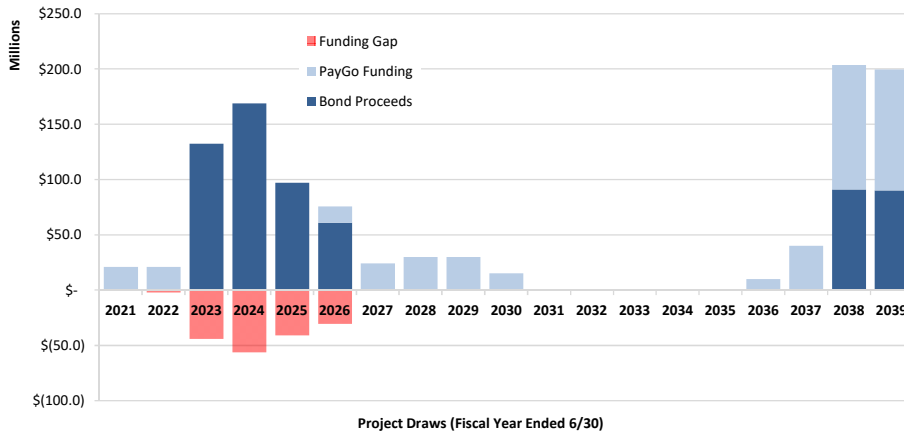
**Summary of Financing Results\***

|                           |   |
|---------------------------|---|
| Security                  | <b>MVFT/VRF GO</b>  |
| Coverage Constraint       | <b>2.5x DSC incl. RSA Activity (Based on Net Toll Revs)</b> |
| R&R Assumption            | <b>Prefunded</b>  |
| Bond Term                 | <b>30 Years</b>   |
| Bond Sale #1 - 2023       | \$319,035,000   |
| Bond Sale #2 - 2025       | 161,520,000   |
| Bond Sale #3 - 2027       | 0   |
| Bond Sale #4 - 2038       | 182,370,000   |
| <b>Total Bonds Issued</b> | <b>\$662,925,000</b>  |



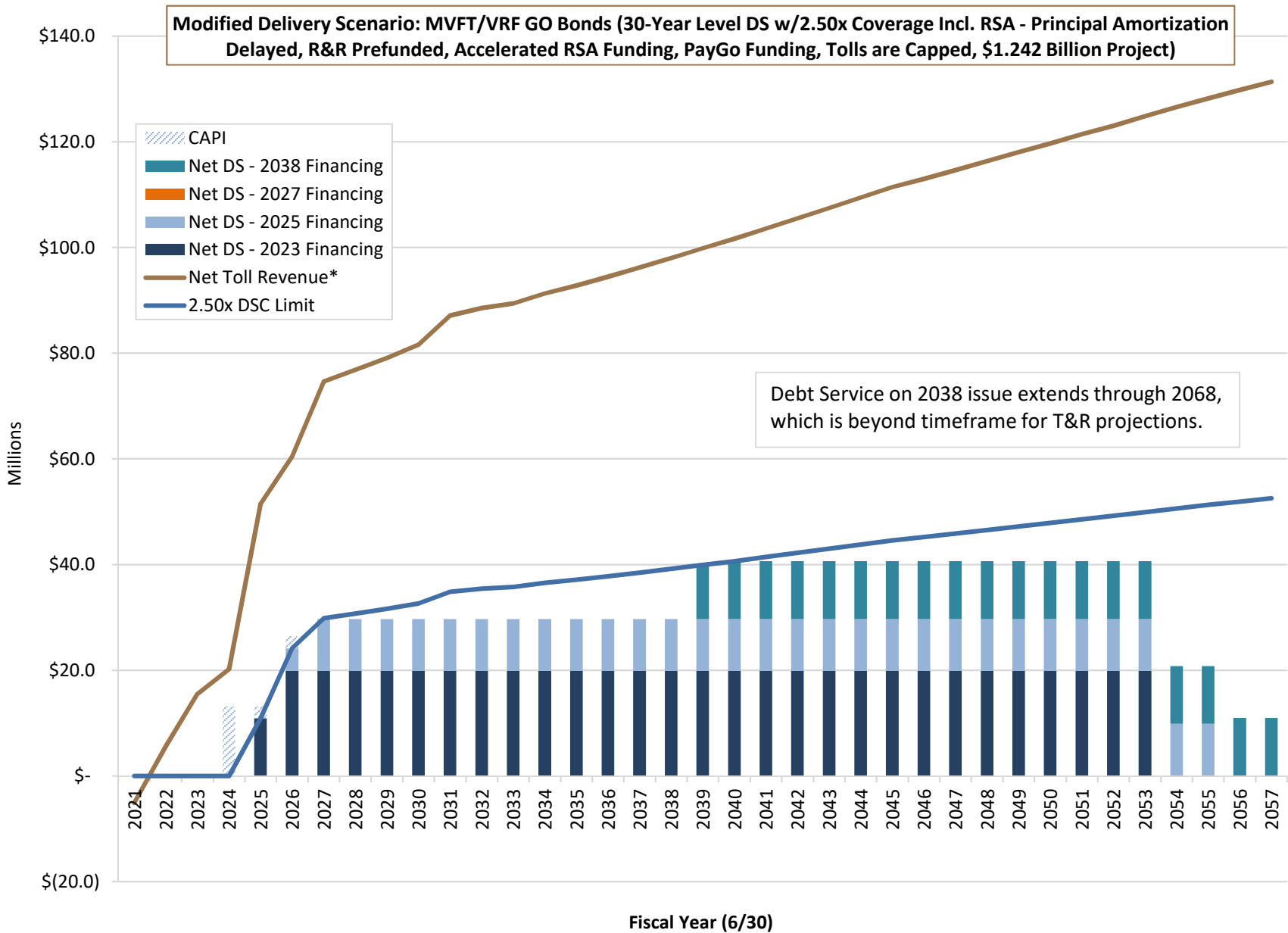
| Fiscal Year  | Project Funds Requested** | Bond Proceeds Delivered | PayGo Funding        | Funding Gap            | % of Project Funds Delivered |
|--------------|---------------------------|-------------------------|----------------------|------------------------|------------------------------|
| 2021         | \$21,042,897              | \$0                     | \$21,042,897         | \$0                    | 100%                         |
| 2022         | 23,300,000                | 0                       | 21,000,000           | (2,300,000)            | 90%                          |
| 2023         | 176,700,000               | 132,525,000             | 0                    | (44,175,000)           | 75%                          |
| 2024         | 225,000,000               | 168,750,000             | 0                    | (56,250,000)           | 75%                          |
| 2025         | 138,000,000               | 97,000,000              | 0                    | (41,000,000)           | 70%                          |
| 2026         | 106,000,000               | 61,000,000              | 14,500,000           | (30,500,000)           | 71%                          |
| 2027         | 24,000,000                | 0                       | 24,000,000           | 0                      | 100%                         |
| 2028         | 30,000,000                | 0                       | 30,000,000           | 0                      | 100%                         |
| 2029         | 30,000,000                | 0                       | 30,000,000           | 0                      | 100%                         |
| 2030         | 15,000,000                | 0                       | 15,000,000           | 0                      | 100%                         |
| 2031         | 0                         | 0                       | 0                    | 0                      | 0%                           |
| 2032         | 0                         | 0                       | 0                    | 0                      | 0%                           |
| 2033         | 0                         | 0                       | 0                    | 0                      | 0%                           |
| 2034         | 0                         | 0                       | 0                    | 0                      | 0%                           |
| 2035         | 0                         | 0                       | 0                    | 0                      | 0%                           |
| 2036         | 10,000,000                | 0                       | 10,000,000           | 0                      | 100%                         |
| 2037         | 40,000,000                | 0                       | 40,000,000           | 0                      | 100%                         |
| 2038         | 203,500,000               | 91,000,000              | 112,500,000          | 0                      | 100%                         |
| 2039         | 199,500,000               | 90,000,000              | 109,500,000          | 0                      | 100%                         |
| <b>Total</b> | <b>\$1,242,042,897</b>    | <b>\$640,275,000</b>    | <b>\$427,542,897</b> | <b>(\$174,225,000)</b> | <b>86%</b>                   |

**Annual Project Draws and Funding Source**

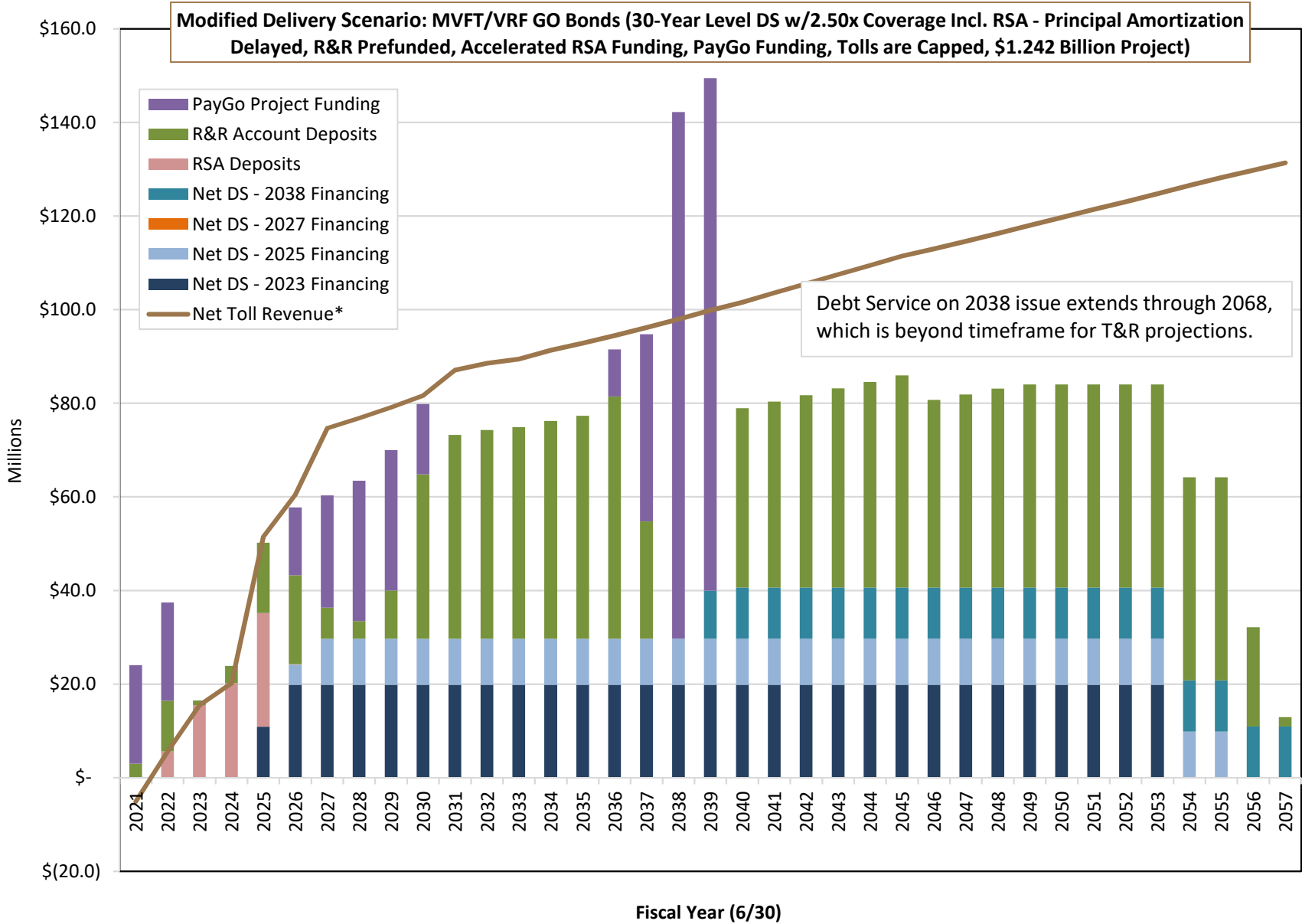


\*Assumes toll revenue scenario Modified Delivery from WSDOT as of 7/21/2021.

\*\*Project fund draw requirements for Modified Delivery scenario sent from WSDOT to OST on 7/21/2021.



\*Net Toll Revenue - As of 7/21/21. Total I-405 & SR 167 Corridor — Post-COVID Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 2040 . Net Toll Revenue reflects the amount before deposits into the RSA.



\*Net Toll Revenue - As of 7/21/21; Total I-405 & SR 167 Corridor — Post-COVID Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 2040. Net Toll Revenue reflects amounts before deposits into the RSA. Expenditures in excess of Net Toll Revenue are assumed to be made from fund balance, incl. the \$66.6 million balance in the I-405/SR 167 Account at the beginning of FY 2021.

State of Washington

Eastside Corridor (I-405 and SR167)

Total I-405 & SR 167 Corridor — Post-COVID Scenario Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 204

Modified Delivery Scenario: MVFT/VRFB GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.242 Billion Goal for Project Funding from Tolls

30-Jul-21

Calculation of Net Toll Revenues Available for Debt Service and R&R Account Deposits (Annual)

|                           | [A]                           | [B]               | [C]                  | [D]                | [E]                             | [F]                             | [G]                             | [H]                                | [I]                    | [J]                   | [K]                               | [L]                  | [M]                        | [N]                         | [O]  | [P]   |
|---------------------------|-------------------------------|-------------------|----------------------|--------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------|------------------------|-----------------------|-----------------------------------|----------------------|----------------------------|-----------------------------|--|---|
|                           | Net Toll Revenue Projections  |                   |                      |                    |                                 |                                 |                                 |                                    |                        |                       |                                   |                      |                            |                             |  |   |
| Fiscal Year Ending 30-Jun | Adjusted Gross Toll Revenues* | O&M Expenses      | RSA Account Deposits | Net Toll Revenues* | Net Debt Service 2023 Financing | Net Debt Service 2025 Financing | Net Debt Service 2027 Financing | Net Debt Service 2038 Financing*** | Total Net Debt Service | Debt Service Coverage | Net Toll Revenues After Debt Svc. | R&R Account Deposits | Coverage Incl. R&R and RSA | PayGo Project Contributions | Net Toll Revenues After DS, R&R, RSA and PayGo | Cumulative Net Toll Revenues After DS, R&R, RSA and PayGo** |
|                           |                               |                   |                      | [A+B+C]            |                                 |                                 |                                 |                                    | [E+F+G+H]              | [D/I]                 | [D+I]                             |                      | [D]/[I+L]                  |                             | [K+L+N]  |   |
| 2021                      | 9,889,053                     | (14,986,897)      | -                    | (5,097,844)        | -                               | -                               | -                               | -                                  | -                      | -                     | (5,097,844)                       | (2,990,215)          | -                          | (21,042,897)                | (29,130,956)                                   | 66,600,000  |
| 2022                      | 17,893,979                    | (12,280,118)      | (5,613,861)          | 0                  | -                               | -                               | -                               | -                                  | -                      | -                     | -                                 | (10,796,010)         | -                          | (21,000,000)                | (31,796,010)                                   | 37,469,044  |
| 2023                      | 29,029,147                    | (13,523,862)      | (15,505,286)         | 0                  | -                               | -                               | -                               | -                                  | -                      | -                     | -                                 | (966,277)            | -                          | -                           | (966,277)                                      | 5,673,034   |
| 2024                      | 35,518,895                    | (15,299,365)      | (20,219,529)         | 0                  | -                               | -                               | -                               | -                                  | -                      | -                     | -                                 | (3,664,399)          | -                          | -                           | (3,664,399)                                    | 4,706,757   |
| 2025                      | 77,522,684                    | (26,011,499)      | (24,259,403)         | 27,251,782         | (10,900,713)                    | -                               | -                               | -                                  | (10,900,713)           | 2.50                  | 16,351,069                        | (15,043,029)         | 1.05                       | -                           | 1,308,040                                      | 1,042,358   |
| 2026                      | 88,175,080                    | (27,729,689)      | (83,138)             | 60,362,253         | (19,838,389)                    | (4,287,000)                     | -                               | -                                  | (24,125,389)           | 2.50                  | 36,236,864                        | (19,027,774)         | 1.40                       | (14,500,000)                | 2,709,090                                      | 2,350,398   |
| 2027                      | 105,415,995                   | (30,754,954)      | -                    | 74,661,041         | (19,834,059)                    | (9,840,385)                     | -                               | -                                  | (29,674,444)           | 2.52                  | 44,986,597                        | (6,625,680)          | 2.06                       | (24,000,000)                | 14,360,917                                     | 5,059,488   |
| 2028                      | 107,956,584                   | (31,120,989)      | -                    | 76,835,595         | (19,835,684)                    | (9,840,558)                     | -                               | -                                  | (29,676,242)           | 2.59                  | 47,159,354                        | (3,740,863)          | 2.30                       | (30,000,000)                | 13,418,491                                     | 19,420,405  |
| 2029                      | 110,926,233                   | (31,807,924)      | -                    | 79,118,309         | (19,835,799)                    | (9,839,108)                     | -                               | -                                  | (29,674,907)           | 2.67                  | 49,443,402                        | (10,290,930)         | 1.98                       | (30,000,000)                | 9,152,472                                      | 32,838,896  |
| 2030                      | 114,089,220                   | (32,466,354)      | -                    | 81,622,866         | (19,838,337)                    | (9,840,674)                     | -                               | -                                  | (29,679,011)           | 2.75                  | 51,943,855                        | (35,123,037)         | 1.26                       | (15,000,000)                | 1,820,819                                      | 41,991,368  |
| 2031                      | 120,576,521                   | (33,473,544)      | -                    | 87,102,976         | (19,836,249)                    | (9,839,029)                     | -                               | -                                  | (29,675,277)           | 2.94                  | 57,427,699                        | (43,541,135)         | 1.19                       | -                           | 13,886,565                                     | 43,812,187  |
| 2032                      | 123,052,500                   | (34,501,862)      | -                    | 88,550,638         | (19,839,032)                    | (9,843,716)                     | -                               | -                                  | (29,682,748)           | 2.98                  | 58,867,890                        | (44,567,708)         | 1.19                       | -                           | 14,300,182                                     | 57,698,752  |
| 2033                      | 125,624,562                   | (36,192,584)      | -                    | 89,431,977         | (19,836,632)                    | (9,843,560)                     | -                               | -                                  | (29,680,192)           | 3.01                  | 59,751,786                        | (45,199,792)         | 1.19                       | -                           | 14,551,993                                     | 71,998,934  |
| 2034                      | 128,251,086                   | (36,941,820)      | -                    | 91,309,266         | (19,835,240)                    | (9,843,384)                     | -                               | -                                  | (29,678,624)           | 3.08                  | 61,630,642                        | (46,542,281)         | 1.20                       | -                           | 15,088,362                                     | 86,550,927  |
| 2035                      | 130,934,067                   | (38,115,550)      | -                    | 92,818,517         | (19,834,348)                    | (9,843,243)                     | -                               | -                                  | (29,677,591)           | 3.13                  | 63,140,927                        | (47,621,350)         | 1.20                       | -                           | 15,519,576                                     | 101,639,289   |
| 2036                      | 133,676,241                   | (39,235,306)      | -                    | 94,440,935         | (19,838,478)                    | (9,838,639)                     | -                               | -                                  | (29,677,117)           | 3.18                  | 64,763,819                        | (51,780,695)         | 1.16                       | (10,000,000)                | 2,983,124                                      | 117,158,865   |
| 2037                      | 136,477,028                   | (40,266,985)      | -                    | 96,210,043         | (19,836,074)                    | (9,839,502)                     | -                               | -                                  | (29,675,576)           | 3.24                  | 66,534,467                        | (25,045,884)         | 1.76                       | (40,000,000)                | 1,488,584                                      | 120,141,990   |
| 2038                      | 139,339,562                   | (41,341,778)      | -                    | 97,997,784         | (19,837,835)                    | (9,840,407)                     | -                               | -                                  | (29,678,242)           | 3.30                  | 68,319,542                        | -                    | 3.30                       | (112,500,000)               | (44,180,458)                                   | 121,630,574   |
| 2039                      | 142,262,937                   | (42,382,812)      | -                    | 99,880,125         | (19,837,241)                    | (9,840,675)                     | -                               | (10,246,722)                       | (39,924,637)           | 2.50                  | 59,955,488                        | -                    | 2.50                       | (109,500,000)               | (49,544,512)                                   | 77,450,116  |
| 2040                      | 145,099,916                   | (43,497,584)      | -                    | 101,602,332        | (19,838,967)                    | (9,840,552)                     | -                               | (10,940,317)                       | (40,619,835)           | 2.50                  | 60,982,498                        | (38,303,260)         | 1.29                       | -                           | 22,679,238                                     | 27,905,604  |
| 2041                      | 148,163,424                   | (44,592,290)      | -                    | 103,571,134        | (19,836,482)                    | (9,839,379)                     | -                               | (10,936,511)                       | (40,612,371)           | 2.55                  | 62,958,764                        | (39,717,011)         | 1.29                       | -                           | 23,241,753                                     | 50,584,842  |
| 2042                      | 151,282,633                   | (45,768,995)      | -                    | 105,513,638        | (19,834,549)                    | (9,841,993)                     | -                               | (10,940,441)                       | (40,616,982)           | 2.60                  | 64,896,656                        | (41,099,902)         | 1.29                       | -                           | 23,796,754                                     | 73,826,594  |
| 2043                      | 154,464,293                   | (46,959,806)      | -                    | 107,504,487        | (19,836,649)                    | (9,842,527)                     | -                               | (10,936,458)                       | (40,615,633)           | 2.65                  | 66,888,854                        | (42,523,286)         | 1.29                       | -                           | 24,365,568                                     | 97,623,348  |
| 2044                      | 157,716,971                   | (48,274,379)      | -                    | 109,442,593        | (19,836,008)                    | (9,840,858)                     | -                               | (10,938,503)                       | (40,615,368)           | 2.69                  | 68,827,225                        | (43,907,913)         | 1.29                       | -                           | 24,919,312                                     | 121,988,916   |
| 2045                      | 161,040,788                   | (49,591,891)      | -                    | 111,448,897        | (19,837,303)                    | (9,841,334)                     | -                               | (10,935,797)                       | (40,614,434)           | 2.74                  | 70,834,464                        | (45,341,922)         | 1.30                       | -                           | 25,492,542                                     | 146,908,228   |
| 2046                      | 163,932,192                   | (50,935,005)      | -                    | 112,997,187        | (19,838,789)                    | (9,843,070)                     | -                               | (10,937,398)                       | (40,619,256)           | 2.78                  | 72,377,931                        | (40,093,020)         | 1.40                       | -                           | 32,284,911                                     | 172,400,770   |
| 2047                      | 166,864,977                   | (52,239,812)      | -                    | 114,625,165        | (19,838,681)                    | (9,840,794)                     | -                               | (10,937,814)                       | (40,617,289)           | 2.82                  | 74,007,877                        | (41,257,829)         | 1.40                       | -                           | 32,750,047                                     | 204,685,681   |
| 2048                      | 169,853,718                   | (53,537,533)      | -                    | 116,316,185        | (19,836,617)                    | (9,838,852)                     | -                               | (10,937,141)                       | (40,612,610)           | 2.86                  | 75,703,576                        | (42,470,380)         | 1.40                       | -                           | 33,233,196                                     | 237,435,728   |
| 2049                      | 172,894,874                   | (54,881,939)      | -                    | 118,012,936        | (19,837,392)                    | (9,841,357)                     | -                               | (10,935,975)                       | (40,614,724)           | 2.91                  | 77,398,212                        | (43,405,000)         | 1.40                       | -                           | 33,993,212                                     | 270,668,924   |
| 2050                      | 175,993,530                   | (56,323,995)      | -                    | 119,669,535        | (19,835,753)                    | (9,842,901)                     | -                               | (10,939,073)                       | (40,617,727)           | 2.95                  | 79,051,809                        | (43,405,000)         | 1.42                       | -                           | 35,646,809                                     | 304,662,136   |
| 2051                      | 179,150,301                   | (57,734,964)      | -                    | 121,415,337        | (19,833,547)                    | (9,843,376)                     | -                               | (10,936,020)                       | (40,612,942)           | 2.99                  | 80,802,395                        | (43,405,000)         | 1.45                       | -                           | 37,397,395                                     | 340,308,945   |
| 2052                      | 182,369,637                   | (59,346,838)      | -                    | 123,022,799        | (19,835,630)                    | (9,842,762)                     | -                               | (10,936,296)                       | (40,614,688)           | 3.03                  | 82,408,112                        | (43,405,000)         | 1.46                       | -                           | 39,003,112                                     | 377,706,339   |
| 2053                      | 185,647,831                   | (60,851,220)      | -                    | 124,796,612        | (19,835,032)                    | (9,839,490)                     | -                               | (10,940,026)                       | (40,614,548)           | 3.07                  | 84,182,064                        | (43,405,000)         | 1.49                       | -                           | 40,777,064                                     | 416,709,451   |
| 2054                      | 188,984,693                   | (62,442,150)      | -                    | 126,542,544        | -                               | (9,838,596)                     | -                               | (10,936,320)                       | (20,774,916)           | 6.09                  | 105,767,628                       | (43,405,000)         | 1.97                       | -                           | 62,362,628                                     | 457,486,515   |
| 2055                      | 192,388,636                   | (64,157,996)      | -                    | 128,230,641        | -                               | (9,839,096)                     | -                               | (10,940,244)                       | (20,779,340)           | 6.17                  | 107,451,301                       | (43,405,000)         | 2.00                       | -                           | 64,046,301                                     | 519,849,143   |
| 2056                      | 195,694,855                   | (65,899,345)      | -                    | 129,795,510        | -                               | -                               | -                               | (10,935,698)                       | (10,935,698)           | 11.87                 | 118,859,813                       | (21,200,000)         | 4.04                       | -                           | 97,659,813                                     | 583,895,444   |
| 2057                      | 199,009,047                   | (67,646,614)      | -                    | 131,362,434        | -                               | -                               | -                               | (10,937,803)                       | (10,937,803)           | 12.01                 | 120,424,631                       | (2,000,000)          | 10.15                      | -                           | 118,424,631                                    | 681,555,257   |
| Total                     | \$4,967,163,693               | (\$1,563,116,248) | (\$65,681,217)       | \$3,338,366,228    | (\$566,325,504)                 | (\$289,676,807)                 | \$0                             | (\$207,124,551)                    | (\$1,063,126,862)      |                       | \$2,275,239,366                   | (\$1,114,316,582)    |                            | (\$427,542,897)             | \$733,379,888                                  |   |

\*T&R Forecast from WSDOT as of July 21, 2021. Annual Net Toll Revenue is reduced by the amount deposited into the RSA.

\*\*Per WSDOT, the I-405/SR 167 Account had a fund balance of \$66.6M at the beginning of FY 2021.

\*\*\*Debt service extends through 2063, which is beyond timeframe for T&R projections

**State of Washington**  
**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 2040

**Modified Delivery Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.242 Billion Goal for Project Funding from Tolls)**

30-Jul-21

**Revenue Stabilization Account (RSA)**

|              | Excess Toll Revenues Available for RSA Deposit (2.50x DSC) | Beginning Balance in RSA | RSA Deposit | RSA Withdrawal | Ending Balance in RSA* |                    |
|--------------|--|--------------------------|-------------|----------------|------------------------|--------------------|
| 2021         | -  | -                        | -           | -              | -                      | Target RSA Balance |
| 2022         | 5.6  | -                        | 5.6         | -              | 5.6                    | 65.7               |
| 2023         | 15.5   | 5.6                      | 15.5        | -              | 21.1                   |                    |
| 2024         | 20.2   | 21.1                     | 20.2        | -              | 41.3                   |                    |
| 2025         | 24.3   | 41.3                     | 24.3        | -              | 65.6                   |                    |
| 2026         | .1   | 65.6                     | .1          | -              | 65.7                   |                    |
| 2027         | .5   | 65.7                     | -           | -              | 65.7                   |                    |
| 2028         | 2.6  | 65.7                     | -           | -              | 65.7                   |                    |
| 2029         | 4.9  | 65.7                     | -           | -              | 65.7                   |                    |
| 2030         | 7.4  | 65.7                     | -           | -              | 65.7                   |                    |
| 2031         | 12.9   | 65.7                     | -           | -              | 65.7                   |                    |
| 2032         | 14.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2033         | 15.2   | 65.7                     | -           | -              | 65.7                   |                    |
| 2034         | 17.1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2035         | 18.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2036         | 20.2   | 65.7                     | -           | -              | 65.7                   |                    |
| 2037         | 22.0   | 65.7                     | -           | -              | 65.7                   |                    |
| 2038         | 23.8   | 65.7                     | -           | -              | 65.7                   |                    |
| 2039         | .1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2040         | .1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2041         | 2.0  | 65.7                     | -           | -              | 65.7                   |                    |
| 2042         | 4.0  | 65.7                     | -           | -              | 65.7                   |                    |
| 2043         | 6.0  | 65.7                     | -           | -              | 65.7                   |                    |
| 2044         | 7.9  | 65.7                     | -           | -              | 65.7                   |                    |
| 2045         | 9.9  | 65.7                     | -           | -              | 65.7                   |                    |
| 2046         | 11.4   | 65.7                     | -           | -              | 65.7                   |                    |
| 2047         | 13.1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2048         | 14.8   | 65.7                     | -           | -              | 65.7                   |                    |
| 2049         | 16.5   | 65.7                     | -           | -              | 65.7                   |                    |
| 2050         | 18.1   | 65.7                     | -           | -              | 65.7                   |                    |
| 2051         | 19.9   | 65.7                     | -           | -              | 65.7                   |                    |
| 2052         | 21.5   | 65.7                     | -           | -              | 65.7                   |                    |
| 2053         | 23.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2054         | 74.6   | 65.7                     | -           | -              | 65.7                   |                    |
| 2055         | 76.3   | 65.7                     | -           | -              | 65.7                   |                    |
| 2056         | 102.5  | 65.7                     | -           | -              | 65.7                   |                    |
| 2057         | 104.0  | 65.7                     | -           | -              | 65.7                   |                    |
| 2058         | -  | 65.7                     | -           | -              | 65.7                   |                    |
| <b>Total</b> | <b>751.3</b>   |                          | <b>65.7</b> | <b>-</b>       |                        |                    |

\*Balance is targeted at 50% of maximum annual projected net toll revenue.

State of Washington

Eastside Corridor (I-405 and SR167)

Total I-405 & SR 167 Corridor — Post-COVID Scenario Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 2040

Modified Delivery Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.242 Billion Goal for Project 30-Jul-21

Detailed Repair and Replacement Cash Flows and Ending Balance Available for PayGo

Repair and Replacement Fund

|              | Net Toll Revenues After Debt Service |                | Periodic Toll Equipment and CSR R&R and Periodic Facility R&R* | Ending Balance in R&R Fund | Net Toll Revenues After Debt Service and R&R Expense* |
|--------------|--------------------------------------|----------------|--|----------------------------|---|
|              | Debt Service                         | R&R Deposit*   | R&R*   |                            |   |
| 2021         | -5.1                                 | 3.0            | -3.0   | -                          | -8.1  |
| 2022         | -                                    | 10.8           | -10.8  | -                          | -10.8   |
| 2023         | -                                    | 1.0            | -1.0   | -                          | -1.0  |
| 2024         | -                                    | 3.7            | -3.7   | -                          | -3.7  |
| 2025         | 16.4                                 | 15.0           | -15.0  | -                          | 1.3   |
| 2026         | 36.2                                 | 19.0           | -19.0  | -                          | 17.2  |
| 2027         | 45.0                                 | 6.6            | -6.6   | -                          | 38.4  |
| 2028         | 47.2                                 | 3.7            | -3.7   | -                          | 43.4  |
| 2029         | 49.4                                 | 10.3           | -7.3   | 3.0                        | 39.2  |
| 2030         | 51.9                                 | 35.1           | -19.3  | 18.9                       | 16.8  |
| 2031         | 57.4                                 | 43.5           | -3.5   | 58.9                       | 13.9  |
| 2032         | 58.9                                 | 44.6           | -7.9   | 95.6                       | 14.3  |
| 2033         | 59.8                                 | 45.2           | -41.7  | 99.1                       | 14.6  |
| 2034         | 61.6                                 | 46.5           | -72.7  | 72.9                       | 15.1  |
| 2035         | 63.1                                 | 47.6           | -64.3  | 56.1                       | 15.5  |
| 2036         | 64.8                                 | 51.8           | -6.2   | 101.7                      | 13.0  |
| 2037         | 66.5                                 | 25.0           | -40.5  | 86.2                       | 41.5  |
| 2038         | 68.3                                 | -              | -7.0   | 79.2                       | 68.3  |
| 2039         | 60.0                                 | -              | -35.4  | 43.8                       | 60.0  |
| 2040         | 61.0                                 | 38.3           | -24.0  | 58.1                       | 22.7  |
| 2041         | 63.0                                 | 39.7           | -7.9   | 89.9                       | 23.2  |
| 2042         | 64.9                                 | 41.1           | -9.9   | 121.2                      | 23.8  |
| 2043         | 66.9                                 | 42.5           | -48.7  | 115.0                      | 24.4  |
| 2044         | 68.8                                 | 43.9           | -101.4   | 57.5                       | 24.9  |
| 2045         | 70.8                                 | 45.3           | -64.0  | 38.9                       | 25.5  |
| 2046         | 72.4                                 | 40.1           | -2.7   | 76.3                       | 32.3  |
| 2047         | 74.0                                 | 41.3           | -39.2  | 78.3                       | 32.8  |
| 2048         | 75.7                                 | 42.5           | -19.1  | 101.7                      | 33.2  |
| 2049         | 77.4                                 | 43.4           | -58.3  | 86.8                       | 34.0  |
| 2050         | 79.1                                 | 43.4           | -13.0  | 117.2                      | 35.6  |
| 2051         | 80.8                                 | 43.4           | -5.6   | 155.1                      | 37.4  |
| 2052         | 82.4                                 | 43.4           | -34.0  | 164.5                      | 39.0  |
| 2053         | 84.2                                 | 43.4           | -65.2  | 142.7                      | 40.8  |
| 2054         | 105.8                                | 43.4           | -118.7   | 67.4                       | 62.4  |
| 2055         | 107.5                                | 43.4           | -110.8   | .1                         | 64.0  |
| 2056         | 118.9                                | 21.2           | -21.2  | .1                         | 97.7  |
| 2057         | 120.4                                | 2.0            | -2.0   | .0                         | 118.4   |
| 2058         | -                                    | -              | -  | -                          | -   |
| <b>Total</b> | <b>2,275.2</b>                       | <b>1,114.3</b> | <b>-1,114.3</b>  |                            | <b>1,160.9</b>  |

\*Amounts in excess of current available Net Toll Revenues are assumed to be paid from existing fund balance in the I-405/SR 167 Account.

**State of Washington**

**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 2040  
 Modified Delivery Scenario: MVFT/VRF GO Bonds (30-Year Level DS w/2.50x Coverage incl. RSA, Principal Amortization Delayed, R&R Prefunded, Accelerated RSA Funding, PayGo Funding, \$1.242 Billion Goal for Project Funding from Tolls)  
 30-Jul-21

**Project Fund - Toll-backed portion**

|              | Funding from Net Toll Revenue   |                           |                   | Annual Funding Gap | Cumulative Funding Gap |
|--------------|---------------------------------|---------------------------|-------------------|--------------------|------------------------|
|              | Toll Funding in Financial Plan* | Funded from Bond Proceeds | Funded from PayGo |                    |                        |
| Prior        | -                               | -                         | -                 | -                  | -                      |
| 2021         | 21.0                            | -                         | 21.0              | 21.0               | -                      |
| 2022         | 23.3                            | -                         | 21.0              | 21.0               | -2.3                   |
| 2023         | 176.7                           | 132.5                     | -                 | 132.5              | -44.2                  |
| 2024         | 225.0                           | 168.8                     | -                 | 168.8              | -56.3                  |
| 2025         | 138.0                           | 97.0                      | -                 | 97.0               | -41.0                  |
| 2026         | 106.0                           | 61.0                      | 14.5              | 75.5               | -30.5                  |
| 2027         | 24.0                            | -                         | 24.0              | 24.0               | -                      |
| 2028         | 30.0                            | -                         | 30.0              | 30.0               | -                      |
| 2029         | 30.0                            | -                         | 30.0              | 30.0               | -                      |
| 2030         | 15.0                            | -                         | 15.0              | 15.0               | -                      |
| 2031         | -                               | -                         | -                 | -                  | -                      |
| 2032         | -                               | -                         | -                 | -                  | -                      |
| 2033         | -                               | -                         | -                 | -                  | -                      |
| 2034         | -                               | -                         | -                 | -                  | -                      |
| 2035         | -                               | -                         | -                 | -                  | -                      |
| 2036         | 10.0                            | -                         | 10.0              | 10.0               | -                      |
| 2037         | 40.0                            | -                         | 40.0              | 40.0               | -                      |
| 2038         | 203.5                           | 91.0                      | 112.5             | 203.5              | -                      |
| 2039         | 199.5                           | 90.0                      | 109.5             | 199.5              | -                      |
| <b>Total</b> | <b>1,242.0</b>                  | <b>640.3</b>              | <b>427.5</b>      | <b>1,067.8</b>     | <b>-174.2</b>          |

\*Project fund draw requirements sent from WSDOT to OST on 7/21/2021.



**State of Washington**

**Eastside Corridor (I-405 and SR167)**

Total I-405 & SR 167 Corridor — Post-COVID Scenario Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until FY 2040

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30-Jul-21

**Summary of Global Assumptions**

|                                       |  |
|---------------------------------------|--|
| WSDOT Revenue Scenario*               | Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167   Toll Caps   I-405 South (RTB) Contract 3 delayed until FY 2040 |
| WSDOT Project Fund Requirements       | Sent from WSDOT to OST on 7/21/2021  |
| Toll revenue fiscal year end          | June 30  |
| Security                              | MVFT/VRF GO  |
| Coverage Constraint                   | 2.5x DSC incl. RSA Activity (Based on Net Toll Revs)   |
| R&R Assumption                        | Prefunded  |
| RSA Balance Assumption                | Target of 50% of Maximum Projected Net Toll Revenues   |
| Earnings Assumption for Cash Balances | 0%   |

**Summary of Financing Assumptions**

|                                  | Financing # 1                                     | Financing # 2                                     | Financing # 3                                     | Financing # 4                                     |
|----------------------------------|---|---|---|---|
| Delivery Date:                   | January 1, 2023                                   | January 1, 2025                                   | January 1, 2027                                   | January 1, 2038                                   |
| First Maturity Date:             | January 1, 2025                                   | January 1, 2026                                   | January 1, 2028                                   | January 1, 2039                                   |
| Final Maturity Date:             | January 1, 2053                                   | January 1, 2055                                   | January 1, 2057                                   | January 1, 2068                                   |
| Bond Term (Years from Delivery): | 30  | 30  | 30  | 30  |
| Bond Type                        | Current Interest Bonds                            | Current Interest Bonds                            | Current Interest Bonds                            | Current Interest Bonds                            |
| Interest Rate Assumption:        | Greater of Current or 10yr Avg. Rates + 150 bps** | Greater of Current or 10yr Avg. Rates + 150 bps** | Greater of Current or 10yr Avg. Rates + 150 bps** | Greater of Current or 10yr Avg. Rates + 150 bps** |
| Capitalized Interest             | 100% through 1/1/2024 and partial thru 1/1/2025   | Partial through 1/1/2026                          | None  | None  |
| Costs of Issuance                | \$2.50/bond                                       | \$2.50/bond                                       | \$2.50/bond                                       | \$2.50/bond                                       |
| Underwriter's Discount           | \$5.00/bond                                       | \$5.00/bond                                       | \$5.00/bond                                       | \$5.00/bond                                       |

**Summary of Sources and Uses and Financing Statistics**

| Sequence                 | Financing # 1 | Financing # 2 | Financing # 3 | Financing # 4 | Total |
|--------------------------|---------------|---------------|---------------|---------------|-------|
| Credit                   | MVFT/VRF GO   | MVFT/VRF GO   | MVFT/VRF GO   | MVFT/VRF GO   |       |
| Assumed Ratings (M/S/F)  | Aaa/AA+/AA+   | Aaa/AA+/AA+   | Aaa/AA+/AA+   | Aaa/AA+/AA+   |       |
| Fiscal Year of Financing | 2023          | 2025          | 2027          | 2038          |       |

**Sources**

|                                      |              |              |          |              |              |
|--------------------------------------|--------------|--------------|----------|--------------|--------------|
| Par Amount - Current Interest Bonds  | 319.0        | 161.5        | -        | 182.4        | 662.9        |
| Par Amount - Deferred Interest Bonds | -            | -            | -        | -            | -            |
| Net Premium/Discount                 | -            | -            | -        | -            | -            |
| <b>Total Sources of Funds</b>        | <b>319.0</b> | <b>161.5</b> | <b>-</b> | <b>182.4</b> | <b>662.9</b> |

**Uses**

|                            |              |              |          |              |              |
|----------------------------|--------------|--------------|----------|--------------|--------------|
| Project Fund Deposit       | 301.3        | 158.0        | -        | 181.0        | 640.3        |
| Debt Service Reserve Fund  | -            | -            | -        | -            | -            |
| Capitalized Interest Fund  | 15.4         | 2.3          | -        | -            | 17.7         |
| Cost of Issuance           | .8           | .4           | -        | .5           | 1.7          |
| Underwriter's Discount     | 1.6          | .8           | -        | .9           | 3.3          |
| Contingency                | .0           | .0           | -        | .0           | .0           |
| <b>Total Uses of Funds</b> | <b>319.0</b> | <b>161.5</b> | <b>-</b> | <b>182.4</b> | <b>662.9</b> |

|                           |       |       |   |       |       |
|---------------------------|-------|-------|---|-------|-------|
| All-in True Interest Cost | 4.34% | 4.34% | - | 4.33% | 4.34% |
|---------------------------|-------|-------|---|-------|-------|

\*Received from WSDOT on July 21, 2021.

\*\*Rates as of 7/21/2021

**Total I-405 & SR 167 Corridor — Post-COVID Scenario Modified Delivery | Peak Period Exemptions for HOV 3+ on I-405 N, HOV 3+ on I-405 S, & HOV 2+ (Until FY 2025) / HOV 3+ (FY 2026 -57) on SR 167 | Toll Caps | I-405 South (RTB) Contract 3 delayed until Annual Toll Trips, Gross Revenue and Net Revenue | FY 2021-57**

**DRAFT**

**7/20/2021**

|             | 1                                    | 2  | 3   | 4   | 5  | 6  | 7   | 8   | 9   | 10  | 11  | 12  | 13  | 14  | 15  | 16   | 17   | 18   | 19   | 20  | 21   | 22   | 23   | 24   | 25  | 26   | 27   | 28  | 29   | 30                              | 31   |  |  |   |
|-------------|--------------------------------------|--|---|---|--|--|---|---|---|---|---|---|---|---|---|--|--|--|--|---|--|--|--|--|---|--|--|---|--|---------------------------------|--|--|--|---|
| Fiscal Year | Toll Trips and Average Toll Rates    |  |   |   |  | Total Toll Trips (millions) <sup>1</sup> | Gross Toll Revenue  |   |   |   |   | Total Gross Toll Revenue Potential (\$ millions) <sup>2</sup> | Plus (Less): Toll Payment Fees (\$ millions) <sup>3</sup> | Less: Carpool HOV Violation Leverage (\$ millions) <sup>4</sup> | Less: Revenue Not Recognized (\$ millions) <sup>5</sup> | Less: Unpaid Toll Revenue (\$ millions) <sup>6</sup> | Plus: Recaptured Tolls at Good To Go Rates via CPR (\$millions) <sup>7</sup> | Subtotal: Adjusted Gross Toll Revenue Collected (\$ millions) <sup>8</sup> | Plus: Transponder Sales Revenue (\$ millions) <sup>9</sup> | Plus: Pay By Mail Rebilling Fees & 2nd Invoice & Later Recovery (\$ millions) <sup>10</sup> | Less: Tolls Recovered at Rates via NCP (\$ millions) <sup>11</sup> | Subtotal: Adjusted Gross Toll Revenue and Fees (\$ millions) <sup>12</sup> | Less: Credit Card Fees (\$ millions) <sup>13</sup> | Less: Transponder Purchase and Inventory Costs (\$ millions) <sup>14</sup> | Less: State and Consultant Operations Costs (\$ millions) <sup>15</sup> | Less: Roadway Toll Systems (RTS) O&M Costs (\$ millions) <sup>16</sup> | Less: CSC Vendor O&M Costs (\$ millions) <sup>17</sup> | Less: BOS Software Vendor O&M Costs (\$ millions) <sup>18</sup> | Less: Routine Facility O&M Costs (\$ millions) <sup>19</sup> | Total Net Revenue (\$ millions) | Periodic Toll Equipment and CSC Repair & Replacement (\$ millions) <sup>20</sup> | Periodic Facility Repair & Replacement (\$ millions) <sup>21</sup> | Civil Penalty Revenue Collected from Unpaid Toll Bills (\$ millions) <sup>22</sup> | Civil Penalty Adjudication and Collection Costs (\$ millions) <sup>23</sup> |
|             | GTG Toll Rate (one-way) <sup>1</sup> | Good To Go! Annual Toll Trips (one-way) <sup>2</sup> | PBM Toll Rate per Trip (one-way) <sup>3</sup> | Pay By Mail Annual Toll Trips (millions) <sup>4</sup> | Good To Go! Pre-Paid Accounts (\$ millions) <sup>5</sup> |  | Pay By Mail Customers/No Account (\$ millions) <sup>6</sup> | Plus (Less): Toll Payment Fees (\$ millions) <sup>7</sup> | Less: Carpool HOV Violation Leverage (\$ millions) <sup>8</sup> | Less: Revenue Not Recognized (\$ millions) <sup>9</sup> | Less: Unpaid Toll Revenue (\$ millions) <sup>10</sup> |   |   |   |   |  |  |  |  |   |  |  |  |  |   |  |  |   |  |                                 |  |  |  |   |
| 2021        | \$1.43                               | 6.04   | \$1.94  | 0.76  | <b>6.80</b>  | 8.64                                     | 1.48  | <b>10.13</b>  | 0.27  | (0.14)  | (0.33)  | (0.65)  | 0.02  | <b>9.31</b>   | 0.28  | 0.27   | 0.03   | <b>9.89</b>  | (0.21)   | (0.24)  | (6.15)   | (1.69)   | (4.95)   | (0.78)   | (0.97)  | <b>(5.10)</b>  | (1.53)   | (1.46)  | 0.24   | (0.43)                          |  |  |  |   |
| 2022        | \$1.97                               | 7.72   | \$2.86  | 1.03  | <b>8.75</b>  | 15.21                                    | 2.95  | <b>18.16</b>  | 0.36  | (0.31)  | (0.48)  | (0.75)  | 0.07  | <b>17.05</b>  | 0.36  | 0.39   | 0.09   | <b>17.89</b>   | (0.40)   | (0.30)  | (4.73)   | (1.62)   | (2.56)   | (0.90)   | (1.76)  | <b>5.61</b>  | (1.00)   | (9.79)  | 0.57   | (0.56)                          |  |  |  |   |
| 2023        | \$2.58                               | 9.72   | \$3.68  | 1.33  | <b>11.05</b>   | 25.07                                    | 4.88  | <b>29.94</b>  | 0.46  | (0.65)  | (0.62)  | (1.35)  | 0.12  | <b>27.90</b>  | 0.44  | 0.52   | 0.16   | <b>29.03</b>   | (0.68)   | (0.39)  | (5.05)   | (1.68)   | (3.02)   | (0.90)   | (1.80)  | <b>15.51</b>   | (0.11)   | (0.86)  | 0.78   | (0.70)                          |  |  |  |   |
| 2024        | \$2.90                               | 10.74  | \$4.02  | 1.47  | <b>12.21</b>   | 31.19                                    | 5.91  | <b>37.10</b>  | 0.50  | (0.99)  | (0.79)  | (1.76)  | 0.17  | <b>34.22</b>  | 0.49  | 0.58   | 0.22   | <b>35.52</b>   | (0.87)   | (0.44)  | (5.26)   | (2.68)   | (3.29)   | (0.91)   | (1.85)  | <b>20.22</b>   | -  | (3.66)  | 0.93   | (0.78)                          |  |  |  |   |
| 2025        | \$3.36                               | 19.32  | \$4.37  | 3.96  | <b>23.28</b>   | 64.99                                    | 17.31   | <b>82.30</b>  | 1.15  | (1.92)  | (1.56)  | (5.58)  | 0.37  | <b>74.76</b>  | 0.80  | 1.49   | 0.48   | <b>77.52</b>   | (1.99)   | (0.75)  | (9.23)   | (3.85)   | (6.25)   | (1.23)   | (2.72)  | <b>51.51</b>   | (12.52)  | (2.53)  | 1.78   | (1.87)                          |  |  |  |   |
| 2026        | \$3.41                               | 21.45  | \$4.63  | 4.25  | <b>25.70</b>   | 73.14                                    | 19.69   | <b>92.83</b>  | 1.27  | (2.10)  | (1.76)  | (5.94)  | 0.58  | <b>84.88</b>  | 0.89  | 1.66   | 0.75   | <b>88.18</b>   | (2.25)   | (0.85)  | (9.99)   | (3.86)   | (6.77)   | (1.22)   | (2.78)  | <b>60.45</b>   | (14.13)  | (4.90)  | 2.67   | (2.16)                          |  |  |  |   |
| 2027        | \$3.41                               | 25.71  | \$4.66  | 5.03  | <b>30.74</b>   | 87.69                                    | 23.42   | <b>111.10</b>   | 1.52  | (2.52)  | (2.10)  | (7.15)  | 0.67  | <b>101.52</b>   | 1.06  | 1.95   | 0.88   | <b>105.42</b>  | (2.70)   | (1.03)  | (10.88)  | (4.07)   | (7.93)   | (1.30)   | (2.85)  | <b>74.66</b>   | (1.84)   | (4.79)  | 3.03   | (2.61)                          |  |  |  |   |
| 2028        | \$3.44                               | 26.04  | \$4.70  | 5.12  | <b>31.17</b>   | 89.68                                    | 24.05   | <b>113.73</b>   | 1.54  | (2.58)  | (2.16)  | (7.37)  | 0.74  | <b>103.90</b>   | 1.08  | 2.01   | 0.97   | <b>107.96</b>  | (2.76)   | (1.06)  | (11.02)  | (4.21)   | (7.94)   | (1.21)   | (2.92)  | <b>76.84</b>   | -  | (3.74)  | 3.32   | (2.76)                          |  |  |  |   |
| 2029        | \$3.50                               | 26.32  | \$4.76  | 5.20  | <b>31.52</b>   | 92.17                                    | 24.75   | <b>116.92</b>   | 1.56  | (2.65)  | (2.22)  | (7.56)  | 0.76  | <b>106.81</b>   | 1.09  | 2.03   | 1.00   | <b>110.93</b>  | (2.83)   | (1.09)  | (10.97)  | (4.28)   | (7.98)   | (1.12)   | (3.34)  | <b>79.12</b>   | (3.98)   | (3.31)  | 3.37   | (2.86)                          |  |  |  |   |
| 2030        | \$3.60                               | 26.37  | \$4.84  | 5.26  | <b>31.64</b>   | 94.85                                    | 25.47   | <b>120.33</b>   | 1.56  | (2.73)  | (2.28)  | (7.76)  | 0.78  | <b>109.90</b>   | 1.11  | 2.06   | 1.03   | <b>114.09</b>  | (2.91)   | (1.11)  | (11.09)  | (4.69)   | (8.17)   | (1.08)   | (3.42)  | <b>81.62</b>   | (9.19)   | (10.08)   | 3.41   | (2.96)                          |  |  |  |   |
| 2031        | \$3.73                               | 26.91  | \$4.98  | 5.42  | <b>32.33</b>   | 100.32                                   | 27.00   | <b>127.32</b>   | 1.59  | (2.89)  | (2.41)  | (8.19)  | 0.82  | <b>116.24</b>   | 1.15  | 2.11   | 1.07   | <b>120.58</b>  | (3.08)   | (1.15)  | (11.37)  | (4.71)   | (8.56)   | (1.09)   | (3.50)  | <b>87.10</b>   | (9.25)   | (3.21)  | 3.48   | (3.12)                          |  |  |  |   |
| 2032        | \$3.78                               | 27.08  | \$5.04  | 5.51  | <b>32.59</b>   | 102.31                                   | 27.74   | <b>130.05</b>   | 1.60  | (2.94)  | (2.47)  | (8.48)  | 0.86  | <b>118.61</b>   | 1.18  | 2.15   | 1.11   | <b>123.05</b>  | (3.14)   | (1.18)  | (11.67)  | (5.03)   | (8.77)   | (1.11)   | (3.59)  | <b>88.55</b>   | (9.09)   | (7.82)  | 3.55   | (3.21)                          |  |  |  |   |
| 2033        | \$3.83                               | 27.25  | \$5.09  | 5.60  | <b>32.85</b>   | 104.35                                   | 28.50   | <b>132.84</b>   | 1.61  | (3.00)  | (2.54)  | (8.70)  | 0.88  | <b>121.10</b>   | 1.20  | 2.18   | 1.14   | <b>125.62</b>  | (3.21)   | (1.20)  | (12.49)  | (5.26)   | (9.10)   | (1.25)   | (3.68)  | <b>89.43</b>   | (19.85)  | (21.89)   | 3.61   | (3.41)                          |  |  |  |   |
| 2034        | \$3.88                               | 27.42  | \$5.14  | 5.69  | <b>33.12</b>   | 106.42                                   | 29.28   | <b>135.70</b>   | 1.63  | (3.06)  | (2.60)  | (8.93)  | 0.90  | <b>123.63</b>   | 1.23  | 2.21   | 1.17   | <b>128.25</b>  | (3.28)   | (1.23)  | (12.82)  | (5.27)   | (9.30)   | (1.28)   | (3.77)  | <b>91.31</b>   | (45.45)  | (27.28)   | 3.66   | (3.51)                          |  |  |  |   |
| 2035        | \$3.93                               | 27.59  | \$5.20  | 5.79  | <b>33.38</b>   | 108.53                                   | 30.08   | <b>138.62</b>   | 1.64  | (3.12)  | (2.67)  | (9.17)  | 0.93  | <b>126.22</b>   | 1.26  | 2.25   | 1.20   | <b>130.93</b>  | (3.34)   | (1.26)  | (13.16)  | (5.44)   | (9.73)   | (1.31)   | (3.87)  | <b>92.82</b>   | (31.57)  | (32.78)   | 3.72   | (3.62)                          |  |  |  |   |
| 2036        | \$3.99                               | 27.77  | \$5.25  | 5.89  | <b>33.65</b>   | 110.69                                   | 30.91   | <b>141.60</b>   | 1.65  | (3.18)  | (2.73)  | (9.41)  | 0.96  | <b>128.87</b>   | 1.29  | 2.28   | 1.23   | <b>133.68</b>  | (3.41)   | (1.29)  | (13.50)  | (5.62)   | (10.10)  | (1.34)   | (3.96)  | <b>94.44</b>   | (1.66)   | (4.57)  | 3.77   | (3.74)                          |  |  |  |   |
| 2037        | \$4.04                               | 27.94  | \$5.30  | 5.99  | <b>33.93</b>   | 112.89                                   | 31.75   | <b>144.65</b>   | 1.66  | (3.25)  | (2.80)  | (9.66)  | 0.98  | <b>131.58</b>   | 1.32  | 2.31   | 1.27   | <b>136.48</b>  | (3.48)   | (1.32)  | (13.86)  | (5.76)   | (10.40)  | (1.37)   | (4.06)  | <b>96.21</b>   | (1.23)   | (39.28)   | 3.83   | (3.85)                          |  |  |  |   |
| 2038        | \$4.09                               | 28.12  | \$5.36  | 6.09  | <b>34.21</b>   | 115.14                                   | 32.63   | <b>147.76</b>   | 1.67  | (3.31)  | (2.87)  | (9.92)  | 1.01  | <b>134.34</b>   | 1.35  | 2.35   | 1.30   | <b>139.34</b>  | (3.56)   | (1.35)  | (14.23)  | (5.91)   | (10.73)  | (1.41)   | (4.17)  | <b>98.00</b>   | (0.08)   | (6.94)  | 3.89   | (3.97)                          |  |  |  |   |
| 2039        | \$4.15                               | 28.30  | \$5.42  | 6.19  | <b>34.49</b>   | 117.43                                   | 33.52   | <b>150.95</b>   | 1.68  | (3.38)  | (2.94)  | (10.18)   | 1.04  | <b>137.16</b>   | 1.38  | 2.39   | 1.33   | <b>142.26</b>  | (3.63)   | (1.38)  | (14.60)  | (6.06)   | (11.00)  | (1.44)   | (4.27)  | <b>99.88</b>   | (4.87)   | (30.53)   | 3.95   | (4.10)                          |  |  |  |   |
| 2040        | \$4.19                               | 28.52  | \$5.46  | 6.31  | <b>34.83</b>   | 119.62                                   | 34.44   | <b>154.05</b>   | 1.69  | (3.44)  | (3.02)  | (10.47)   | 1.07  | <b>139.89</b>   | 1.42  | 2.43   | 1.37   | <b>145.10</b>  | (3.70)   | (1.42)  | (15.01)  | (6.21)   | (11.30)  | (1.48)   | (4.38)  | <b>101.60</b>  | (11.71)  | (12.32)   | 4.02   | (4.23)                          |  |  |  |   |
| 2041        | \$4.25                               | 28.70  | \$5.52  | 6.41  | <b>35.11</b>   | 122.00                                   | 35.38   | <b>157.38</b>   | 1.70  | (3.51)  | (3.09)  | (10.73)   | 1.10  | <b>142.85</b>   | 1.45  | 2.47   | 1.40   | <b>148.16</b>  | (3.71)   | (1.45)  | (15.41)  | (6.37)   | (11.65)  | (1.51)   | (4.49)  | <b>103.57</b>  | (1.71)   | (6.16)  | 4.08   | (4.36)                          |  |  |  |   |
| 2042        | \$4.31                               | 28.88  | \$5.58  | 6.52  | <b>35.40</b>   | 124.43                                   | 36.35   | <b>160.78</b>   | 1.71  | (3.58)  | (3.17)  | (11.01)   | 1.13  | <b>145.86</b>   | 1.48  | 2.50   | 1.44   | <b>151.28</b>  | (3.79)   | (1.48)  | (15.83)  | (6.53)   | (11.99)  | (1.55)   | (4.60)  | <b>105.51</b>  | (0.43)   | (9.43)  | 4.14   | (4.50)                          |  |  |  |   |
| 2043        | \$4.37                               | 29.06  | \$5.63  | 6.63  | <b>35.69</b>   | 126.90                                   | 37.35   | <b>164.25</b>   | 1.72  | (3.65)  | (3.25)  | (11.30)   | 1.16  | <b>148.93</b>   | 1.52  | 2.54   | 1.48   | <b>154.46</b>  | (3.87)   | (1.52)  | (16.25)  | (6.69)   | (12.33)  | (1.59)   | (4.71)  | <b>107.50</b>  | (24.58)  | (24.15)   | 4.21   | (4.63)                          |  |  |  |   |
| 2044        | \$4.43                               | 29.25  | \$5.69  | 6.74  | <b>35.99</b>   | 129.43                                   | 38.37   | <b>167.80</b>   | 1.73  | (3.72)  | (3.33)  | (11.61)   | 1.20  | <b>152.07</b>   | 1.55  | 2.58   | 1.52   | <b>157.72</b>  | (3.95)   | (1.55)  | (16.70)  | (6.90)   | (12.71)  | (1.63)   | (4.83)  | <b>109.44</b>  | (63.34)  | (38.04)   | 4.27   | (4.78)                          |  |  |  |   |
| 2045        | \$4.48                               | 29.43  | \$5.75  | 6.86  | <b>36.29</b>   | 132.01                                   | 39.42   | <b>171.43</b>   | 1.74  | (3.80)  | (3.42)  | (11.91)   | 1.23  | <b>155.27</b>   | 1.59  | 2.62   | 1.55   | <b>161.04</b>  | (4.03)   | (1.59)  | (17.16)  | (7.14)   | (13.05)  | (1.67)   | (4.95)  | <b>111.45</b>  | (40.41)  | (23.54)   | 4.34   | (4.92)                          |  |  |  |   |
| 2046        | \$4.55                               | 29.58  | \$5.81  | 6.89  | <b>36.47</b>   | 134.48                                   | 40.04   | <b>174.52</b>   | 1.75  | (3.87)  | (3.47)  | (12.11)   | 1.26  | <b>158.08</b>   | 1.63  | 2.64   | 1.59   | <b>163.93</b>  | (4.11)   | (1.63)  | (17.60)  | (7.37)   | (13.44)  | (1.72)   | (5.07)  | <b>113.00</b>  | (2.22)   | (0.44)  | 4.38   | (5.06)                          |  |  |  |   |
| 2047        | \$4.61                               | 29.73  | \$5.87  | 6.93  | <b>36.66</b>   | 137.01                                   | 40.66   | <b>177.67</b>   | 1.76  | (3.94)  | (3.53)  | (12.30)   | 1.28  | <b>160.94</b>   | 1.66  | 2.65   | 1.61   | <b>166.86</b>  | (4.18)   | (1.66)  | (18.06)  | (7.56)   | (13.81)  | (1.77)   | (5.20)  | <b>114.63</b>  | (2.21)   | (37.04)   | 4.41   | (5.20)                          |  |  |  |   |
| 2048        | \$4.67                               | 29.88  | \$5.93  | 6.97  | <b>36.84</b>   | 139.58                                   | 41.30   | <b>180.87</b>   | 1.77  | (4.02)  | (3.59)  | (12.49)   | 1.31  | <b>163.85</b>   | 1.70  | 2.66   | 1.64   | <b>169.85</b>  | (4.26)   | (1.70)  | (18.53)  | (7.75)   | (14.16)  | (1.82)   | (5.33)  | <b>116.32</b>  | (1.38)   | (17.69)   | 4.43   | (5.35)                          |  |  |  |   |
| 2049        | \$4.74                               | 30.03  | \$5.99  | 7.00  | <b>37.03</b>   | 142.20                                   | 41.94   | <b>184.14</b>   | 1.78  | (4.09)  | (3.65)  | (12.69)   | 1.33  | <b>166.82</b>   | 1.74  | 2.68   | 1.66   | <b>172.89</b>  | (4.33)   | (1.74)  | (19.01)  | (7.94)   | (14.52)  | (1.87)   | (5.46)  | <b>118.01</b>  | (5.30)   | (52.99)   | 4.45   | (5.50)                          |  |  |  |   |
| 2050        | \$4.80                               | 30.18  | \$6.05  | 7.04  | <b>37.22</b>   | 144.87                                   | 42.59   | <b>187.46</b>   | 1.79  | (4.17)  | (3.71)  | (12.90)   | 1.36  | <b>169.84</b>   | 1.78  | 2.69   | 1.69   | <b>175.99</b>  | (4.41)   | (1.78)  | (19.52)  | (8.14)   | (14.95)  | (1.93)   | (5.60)  | <b>119.67</b>  | (12.37)  | (0.64)  | 4.   |                                 |  |  |  |   |

**Interest Rate Cushion By State Fiscal Year**

|      |       |
|------|-------|
| FY23 | 1.50% |
| FY25 | 1.50% |
| FY27 | 1.50% |
| FY38 | 1.50% |

**Assumed Spread to AAA MMD For Each Credit**

|                        | CIB   | TRB    |
|------------------------|-------|--------|
| MVFT/VRF GO Bonds      | 0.25% | 1.250% |
| Toll Revenue (1-30yrs) | 2.00% |        |
| Toll Revenue (31+yrs)  | n/a   |        |

| Current MMD<br>(as of 7/21/2021) | AAA MMD 10-Year Average |              |            |                          | AAA Modeling Curve |                   |                   |                   | Cushion to Current MMD |                   | MVFT/VRF GO Bonds<br>Current Interest Modeling Curves |              |              |              |
|----------------------------------|-------------------------|--------------|------------|--------------------------|--------------------|-------------------|-------------------|-------------------|------------------------|-------------------|---|--------------|--------------|--------------|
|                                  | Year                    | Avg.         | Difference | Max of Avg. &<br>Current | Avg. +<br>Cushion  | Avg. +<br>Cushion | Avg. +<br>Cushion | Avg. +<br>Cushion | FY23                   | FY24 and<br>After | FY23  | FY25         | FY27         | FY38         |
|                                  |                         |              |            |                          | FY23               | FY25              | FY27              | FY38              | FY23                   |                   | FY23  | FY25         | FY27         | FY38         |
| 0.06%                            | 1                       | 0.58%        | 0.52%      | 0.58%                    | 2.08%              | 2.08%             | 2.08%             | 2.08%             | 2.02%                  | 2.02%             | 2.33%   | 2.33%        | 2.33%        | 2.33%        |
| 0.10%                            | 2                       | 0.71%        | 0.61%      | 0.71%                    | 2.21%              | 2.21%             | 2.21%             | 2.21%             | 2.11%                  | 2.11%             | 2.46%   | 2.46%        | 2.46%        | 2.46%        |
| 0.18%                            | 3                       | 0.85%        | 0.67%      | 0.85%                    | 2.35%              | 2.35%             | 2.35%             | 2.35%             | 2.17%                  | 2.17%             | 2.60%   | 2.60%        | 2.60%        | 2.60%        |
| 0.27%                            | 4                       | 0.99%        | 0.72%      | 0.99%                    | 2.49%              | 2.49%             | 2.49%             | 2.49%             | 2.22%                  | 2.22%             | 2.74%   | 2.74%        | 2.74%        | 2.74%        |
| 0.37%                            | 5                       | 1.15%        | 0.78%      | 1.15%                    | 2.65%              | 2.65%             | 2.65%             | 2.65%             | 2.28%                  | 2.28%             | 2.90%   | 2.90%        | 2.90%        | 2.90%        |
| 0.47%                            | 6                       | 1.31%        | 0.84%      | 1.31%                    | 2.81%              | 2.81%             | 2.81%             | 2.81%             | 2.34%                  | 2.34%             | 3.06%   | 3.06%        | 3.06%        | 3.06%        |
| 0.58%                            | 7                       | 1.48%        | 0.90%      | 1.48%                    | 2.98%              | 2.98%             | 2.98%             | 2.98%             | 2.40%                  | 2.40%             | 3.23%   | 3.23%        | 3.23%        | 3.23%        |
| 0.67%                            | 8                       | 1.64%        | 0.97%      | 1.64%                    | 3.14%              | 3.14%             | 3.14%             | 3.14%             | 2.47%                  | 2.47%             | 3.39%   | 3.39%        | 3.39%        | 3.39%        |
| 0.77%                            | 9                       | 1.78%        | 1.01%      | 1.78%                    | 3.28%              | 3.28%             | 3.28%             | 3.28%             | 2.51%                  | 2.51%             | 3.53%   | 3.53%        | 3.53%        | 3.53%        |
| 0.83%                            | 10                      | 1.89%        | 1.06%      | 1.89%                    | 3.39%              | 3.39%             | 3.39%             | 3.39%             | 2.56%                  | 2.56%             | 3.64%   | 3.64%        | 3.64%        | 3.64%        |
| 0.88%                            | 11                      | 1.99%        | 1.11%      | 1.99%                    | 3.49%              | 3.49%             | 3.49%             | 3.49%             | 2.61%                  | 2.61%             | 3.74%   | 3.74%        | 3.74%        | 3.74%        |
| 0.92%                            | 12                      | 2.08%        | 1.16%      | 2.08%                    | 3.58%              | 3.58%             | 3.58%             | 3.58%             | 2.66%                  | 2.66%             | 3.83%   | 3.83%        | 3.83%        | 3.83%        |
| 0.95%                            | 13                      | 2.17%        | 1.22%      | 2.17%                    | 3.67%              | 3.67%             | 3.67%             | 3.67%             | 2.72%                  | 2.72%             | 3.92%   | 3.92%        | 3.92%        | 3.92%        |
| 0.98%                            | 14                      | 2.24%        | 1.26%      | 2.24%                    | 3.74%              | 3.74%             | 3.74%             | 3.74%             | 2.76%                  | 2.76%             | 3.99%   | 3.99%        | 3.99%        | 3.99%        |
| 1.01%                            | 15                      | 2.31%        | 1.30%      | 2.31%                    | 3.81%              | 3.81%             | 3.81%             | 3.81%             | 2.80%                  | 2.80%             | 4.06%   | 4.06%        | 4.06%        | 4.06%        |
| 1.04%                            | 16                      | 2.37%        | 1.33%      | 2.37%                    | 3.87%              | 3.87%             | 3.87%             | 3.87%             | 2.83%                  | 2.83%             | 4.12%   | 4.12%        | 4.12%        | 4.12%        |
| 1.07%                            | 17                      | 2.43%        | 1.36%      | 2.43%                    | 3.93%              | 3.93%             | 3.93%             | 3.93%             | 2.86%                  | 2.86%             | 4.18%   | 4.18%        | 4.18%        | 4.18%        |
| 1.10%                            | 18                      | 2.48%        | 1.38%      | 2.48%                    | 3.98%              | 3.98%             | 3.98%             | 3.98%             | 2.88%                  | 2.88%             | 4.23%   | 4.23%        | 4.23%        | 4.23%        |
| 1.13%                            | 19                      | 2.53%        | 1.40%      | 2.53%                    | 4.03%              | 4.03%             | 4.03%             | 4.03%             | 2.90%                  | 2.90%             | 4.28%   | 4.28%        | 4.28%        | 4.28%        |
| 1.16%                            | 20                      | 2.58%        | 1.42%      | 2.58%                    | 4.08%              | 4.08%             | 4.08%             | 4.08%             | 2.92%                  | 2.92%             | 4.33%   | 4.33%        | 4.33%        | 4.33%        |
| 1.19%                            | 21                      | 2.62%        | 1.43%      | 2.62%                    | 4.12%              | 4.12%             | 4.12%             | 4.12%             | 2.93%                  | 2.93%             | 4.37%   | 4.37%        | 4.37%        | 4.37%        |
| 1.22%                            | 22                      | 2.66%        | 1.44%      | 2.66%                    | 4.16%              | 4.16%             | 4.16%             | 4.16%             | 2.94%                  | 2.94%             | 4.41%   | 4.41%        | 4.41%        | 4.41%        |
| 1.25%                            | 23                      | 2.70%        | 1.45%      | 2.70%                    | 4.20%              | 4.20%             | 4.20%             | 4.20%             | 2.95%                  | 2.95%             | 4.45%   | 4.45%        | 4.45%        | 4.45%        |
| 1.28%                            | 24                      | 2.73%        | 1.45%      | 2.73%                    | 4.23%              | 4.23%             | 4.23%             | 4.23%             | 2.95%                  | 2.95%             | 4.48%   | 4.48%        | 4.48%        | 4.48%        |
| 1.31%                            | 25                      | 2.75%        | 1.44%      | 2.75%                    | 4.25%              | 4.25%             | 4.25%             | 4.25%             | 2.94%                  | 2.94%             | 4.50%   | 4.50%        | 4.50%        | 4.50%        |
| 1.32%                            | 26                      | 2.76%        | 1.44%      | 2.76%                    | 4.26%              | 4.26%             | 4.26%             | 4.26%             | 2.94%                  | 2.94%             | 4.51%   | 4.51%        | 4.51%        | 4.51%        |
| 1.33%                            | 27                      | 2.78%        | 1.45%      | 2.78%                    | 4.28%              | 4.28%             | 4.28%             | 4.28%             | 2.95%                  | 2.95%             | 4.53%   | 4.53%        | 4.53%        | 4.53%        |
| 1.34%                            | 28                      | 2.79%        | 1.45%      | 2.79%                    | 4.29%              | 4.29%             | 4.29%             | 4.29%             | 2.95%                  | 2.95%             | 4.54%   | 4.54%        | 4.54%        | 4.54%        |
| 1.35%                            | 29                      | 2.80%        | 1.45%      | 2.80%                    | 4.30%              | 4.30%             | 4.30%             | 4.30%             | 2.95%                  | 2.95%             | 4.55%   | 4.55%        | 4.55%        | 4.55%        |
| 1.36%                            | 30                      | 2.81%        | 1.45%      | 2.81%                    | 4.31%              | 4.31%             | 4.31%             | 4.31%             | 2.95%                  | 2.95%             | 4.56%   | 4.56%        | 4.56%        | 4.56%        |
| <b>Average</b>                   |                         | <b>2.10%</b> |            |                          | <b>3.60%</b>       | <b>3.60%</b>      | <b>3.60%</b>      | <b>3.60%</b>      | <b>2.68%</b>           | <b>2.68%</b>      | <b>3.85%</b>  | <b>3.85%</b> | <b>3.85%</b> | <b>3.85%</b> |

## INTERIM

# Appendix B Stakeholder Engagement

### ***Presentations***

June 8th EAG: <https://wsdot.wa.gov/sites/default/files/2021/06/08/I-405SR167-EAG-June-Presentation-06082021.pdf>

August 24th EAG: <https://wsdot.wa.gov/sites/default/files/2021/09/03/I-405SR167-EAG-Aug2021-Presentation.pdf>





## Summary

### I-405/SR 167 Executive Advisory Group Meeting

Tuesday, June 8, 2021

Zoom

10:30 a.m. – noon

#### Executive Advisory Group members and elected officials in attendance:

- Secretary of Transportation Roger Millar, Chair
- Deputy Mayor Jay Arnold, City of Kirkland
- Mayor Nancy Backus, City of Auburn
- Commissioner Shiv Batra, Washington State Transportation Commission
- Mayor Angela Birney, City of Redmond
- Councilmember Randy Corman, City of Renton
- Mayor Daryl Eiding, City of Edgewood
- Senator Phil Fortunato, Washington State Senate
- Ric Ilgenfritz, Community Transit
- Mayor Gary Harris, City of Woodinville
- Dan Mathis, Federal Highway Administration (FHWA)
- Kelly McGourty, Puget Sound Regional Council
- Mayor Linda Newing, City of Newcastle
- Mayor Dana Ralph, City of Kent
- Councilmember Mason Thompson, City of Bothell
- Councilmember Janice Zahn, City of Bellevue
- Rep. Davina Duerr, Washington State House of Representatives
- Rep. Kelly Chambers, Washington State House of Representatives
- Rep. Debra Entenman, Washington State House of Representatives
- Rep. David Hackney, Washington State House of Representatives
- Rep. Shelley Kloba, Washington State House of Representatives
- Senator Patty Kuderer, Washington State Senate
- Rep. Bill Ramos, Washington State House of Representatives
- Rep. Eric Robertson, Washington State House of Representatives
- Rep. Vandana Slatter, Washington State House of Representatives
- Rep. My-Linh Thai, Washington State House of Representatives
- Rep. Amy Walen, Washington State House of Representatives
- Terry White, King County Metro

#### Guests in attendance:

- Victor Bishop, Eastside Transportation Association
- Erica Bramlet, Transportation Committee, Washington State Senate
- Jeff Brauns, City of Newcastle
- Jon Cantalini, King County Council (on behalf of Councilmember Dunn)
- Lesly Chan, I-405/SR 167 Program
- Nguyen Dang, WSDOT
- Vinh Dang, WSDOT
- Kevin Dayton, WSDOT
- April Delchamps, City of Kent
- Samantha DeMars-Hanson, I-405/SR 167 Program
- Brian Doennebrink, Community Transit
- Lars Erickson, WSDOT
- Ingrid Gaub, City of Auburn
- Emily Glad, WSDOT
- Reema Griffith, Washington State Transportation Commission



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- Katie Kuciemba Halse, I-405/SR 167 Program
- Aaron Halbert, Washington State Transportation Commission
- Dave Hamilton, Bellevue Chamber of Commerce Transportation Committee
- Diana Hart, City of Woodinville
- Peter Heffernan, King County Metro
- Heather Hernandez, WSDOT
- Chris Johnson, Bellevue Chamber of Commerce
- Ron Judd, WSDOT
- Luke Lamon, Sound Transit
- Erin Leonhart, City of Bothell
- Doug Levy, City of Renton
- Robin Mayhew, WSDOT
- Megan McPhaden, Transportation Committee, Washington State House of Representatives
- Victoria Miller, I-405/SR 167 Program
- Steve Morikawa, City of Bothell
- Sydney Oliver, Washington State House of Representatives (on behalf of Rep. Roger Goodman)
- Ryan Olson, WSDOT
- Loren Othón, House Democratic Caucus
- Martin Pastucha, City of Renton
- Le Nguyen, WSDOT
- Joel Pfundt, City of Kirkland
- Ruth Roberson, Office of Financial Management
- Jim Seitz, City of Renton
- Carl See, Washington State Transportation Commission
- Charla Skaggs, WSDOT
- Craig Smiley, I-405/SR 167 Program
- Travis Snell, WSDOT
- Brenda Snyder, Washington State Treasurer's Office
- Kelly Snyder, Snohomish County
- Jeff Storrar, WSDOT
- Ariel Taylor, Sound Transit
- Wendy Taylor, I-405/SR 167 Program
- Blake Trask, Office of King County Council Chair Claudia Balducci
- Bernard van de Kamp, Sound Transit
- Doug Vaughn, WSDOT
- Curt Warber, King County Parks
- Rob Woeck, I-405/SR 167 Program
- Lacey Jane Wolfe, City of Bellevue
- Todd Woosley, Eastside Transportation Association
- Peter Wu, Washington State House of Representatives (on behalf of Rep. Harris-Talley)

## Presenters:

- Ed Barry, Toll Division Director, WSDOT
- Kimberly Farley, Deputy CEO, Sound Transit
- Lisa Hodgson, Program Administrator, I-405/SR 167 Program, WSDOT
- Robin Mayhew, Management of Mobility Division Director, WSDOT
- Julie Meredith, Deputy Assistant Secretary, Megaprograms and Urban Mobility and Access, WSDOT
- Secretary of Transportation Roger Millar, Chair
- Jason Richter, Deputy Treasurer, Office of State Treasurer

**Note:** These meeting notes are intended to capture the discussion at the meeting, including questions and comments from the group. This is not intended to be a formal testimony or a complete transcript of the meeting. Meeting materials, including the PowerPoint presentation, are available on the web at:

<https://wsdot.wa.gov/Tolling/EastsideCorridor/EAG2013.htm>



# Corridor Program

## I. Introductions and Agenda Review

Roger Millar, Secretary of Transportation, welcomed the Interstate 405/State Route 167 Executive Advisory Group (EAG) members. He introduced Jason Richter, Deputy Treasurer of Debt Management of Washington and Kimberly Farley, Deputy CEO of Sound Transit. Secretary Millar then acknowledged Dan Mathis from Federal Highway Administration's upcoming retirement and thanked him for his years of service. Secretary Millar covered the agenda at a high level and briefly recapped the January 2021 EAG. He noted that WSDOT heard the questions and concerns from the group's members about delays to both WSDOT and Sound Transit's investments in the I-405/SR 167 corridor. Secretary Millar added that as we meet today, the situation has not changed significantly. While we have seen more traffic in March and April, it will take several years for revenues that were anticipated in 2019 to fund our programs to recover.

Then, Secretary Millar acknowledged the tremendous investments in transportation that are coming to the Eastside including East Link, Renton to Bellevue Express Toll Lanes, and SR 167 Improvements. He also highlighted the work of Representative Duerr and Representative Slatter to apply \$32.9 million of the American Rescue Plan Act (ARPA) funds to the state of Washington that were used to make up for lost toll revenue in the I-405/SR 167 toll accounts. He assured the group that WSDOT will continue to communicate the need to fund maintenance and preservation at sustainable levels, identify funding to complete projects after the 23-25 biennium and fully fund the injunction requirements to remove fish barriers. Secretary Millar stated that WSDOT's role during the legislative session is to provide information and deliver the program, not to advocate for project funding or policy direction. WSDOT will continue to be transparent and share information as we have it with the EAG and the public. Secretary Millar welcomed Julie Meredith, Assistant Secretary of Urban Mobility and Access (UMA) and the Megaprograms, reminding the group of her role and availability to meet with the group if he was unavailable.

Secretary Millar reminded the group of the corridor's importance to the state and region. When COVID-19 hit, the impacts presented unique challenges for everyone, including the program. WSDOT is now in a position where we must collectively respond to the impacts of the pandemic. WSDOT's commitment is to work with EAG members, the Office of the State Treasurer, and the Washington State Transportation Commission to be creative, identify all possible solutions, communicate where help from others is needed, and have an open dialogue with EAG members as we work to respond to legislative direction in the budget.

## II. Public comment

Dave Hamilton, President of Delivery Express and Chair of the Bellevue Chamber of Commerce Transportation Committee, provided a verbal public comment about anticipated growth in the eastside and how I-405 is considered an economic lifeline. With new jobs headed to Bellevue and the eastside in the next couple of years, development needs to balance transportation needs across the state. He said the greatest needs are on the I-405 corridor. He emphasized it is critical that up-to-date data is used to guide future decision making. His goal is to keep people and goods moving, and he asked for the EAG's help to do that.

Colleen Gants, I-405/SR 167 Communicator and Meeting Facilitator, noted that the project team received a comment via email as the meeting was starting, and the team will pass that on electronically to EAG members after the meeting.



### III. Sound Transit Partnership Update

Julie Meredith, WSDOT Assistant Secretary of Urban Mobility and Access (UMA) and the Megaprograms, expressed her enjoyment meeting with some attendees during the last IWG meeting and being able to continue the open dialogue. She reinforced that these groups are an opportunity for us to actively engage our local partners. WSDOT has been working with Sound Transit to determine how our two vital and interconnected transportation systems could be delivered together. She reminded that it is not a matter of if we deliver Bus Rapid Transit but when.

Kimberly Farley, Sound Transit Deputy CEO, echoed Julie's comments, saying that the shared vision from the I-405 Master Plan has been coming together over the years. Their network expansion includes 37 miles of BRT along I-405 with 11 stations. By 2042, we will have 26,000 people daily boarding BRT alone. It's an exciting future which is part of the plan that lives up to the region's priorities. However, due to the impacts from COVID-19, Sound Transit is facing a \$7.9 billion gap. Sound Transit is working through this challenge with their Board of Directors via a realignment process to make sure they can deliver their expanded transit network within this financial reality. This could include potentially delivering projects in phases, reducing project scopes or suspending projects. Sound Transit's Board is aiming to take action in July on a flexible framework to let some projects move forward in development. Additionally, they will also likely ask staff to do additional check-ins which will include financial plan updates more regularly. She thanked the group for the invitation to speak today and looks forward to continuing to have these conversations.

#### **Discussion:**

- Bothell Councilmember Mason Thompson asked for Kimberly to confirm her comment about Sound Transit potentially suspending projects so they would no longer have a timeline.
  - Kimberly Farley said the only projects that have discussed related to suspension are the bus on shoulder projects where they did not have additional projects already in the queue.
  - Councilmember Thompson suggested that the City of Bothell is available to help as a resource and they want to be part of the solution. Transportation is already the biggest problem in the area near Canyon Park. This is the same community that has been paying tolls for years. Bothell is housing the bus base north which is taking up nine acres of their regional growth center. They have continuously worked to be a good partner and make sacrifices because they know transportation serves the greater good.
- Kirkland Deputy Mayor Jay Arnold said he concurred with Councilmember Thompson's comments. Kirkland's station area planning is already underway, and regional growth centers continue to grow. BRT is a critical part of the solution.
- Representative Davina Duerr asked for clarification on where the \$32.9 million American Rescue Plan Act funding is going within the corridor.
  - Lisa Hodgson, I-405/SR 167 Program Administrator, said it does make an impact. Jason Richter with the Office of the State Treasurer will get into that later in the presentation.
  - Representative Duerr mentioned that her larger concern is that the north end project relies on Sound Transit and WSDOT to work together. She is concerned that Sound Transit and WSDOT will point at each other as a reason to not do that project. She thought it seemed like Bothell gets all the pain and none of the gain.
- Auburn Mayor Nancy Backus spoke as a Sound Transit Board member, saying the Board is not taking realignment issues lightly. They are aware of projects and timelines are most likely going to shift to ensure the affordability moving forward.
- Renton Councilmember Randy Corman expressed his appreciation for the last comment and said that Renton's concerns are very much in line with Bothell's concerns. They have been paying taxes for many years and there is a lot of infrastructure going in, which has been 20 years in the making. The new





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infrastructure improvements are coming together and will have a huge impact on Renton just like it does Bothell. He urged everyone to recognize that this is important to Renton, and it could be an early win for Sound Transit since they are so far long.

- Woodinville Mayor Gary Harris added that as a Woodinville resident living just a few miles from Bothell, they have yet to see any transportation improvements for their contributed dollars. He does not find mentions of "future possible extensions" very encouraging.

## IV. WSDOT update

Lisa Hodgson, I-405/SR 167 Program Administrator, provided an update on how WSDOT is addressing the financial challenges and how WSDOT can work with the EAG to do that. She stated that two weeks ago, we met with members of the Interagency Working Group (IWG) to ask for their priorities in a listening session to hear how your priorities could play into system-wide benefits, and to inform today's EAG agenda. The project team met with several EAG members in follow-up conversations leading up to today's meeting to gain additional feedback. A strong partnership with our corridor agencies is critical to delivering on the I-405 Master Plan and SR 167 Corridor Plan moving forward as we face one of our biggest challenges yet.

Lisa gave an update on what came out of the legislative session, legislative direction through the provisos, and the project team's work plan moving forward. Since traffic and tolling is down, the timing and ability to bond has changed. The Legislature has adjusted some project timing and provided proviso language for some further analysis. The 2021-23 transportation budget included changes to the I-405/SR 167 Corridor Program delivery plans (as seen in the schedule on slide 16 in the slide deck). WSDOT will look at a variety of ways we can optimize the 2019-funded projects as close to the original schedule as possible. Lisa explained that WSDOT is looking at all the funding options available, including opportunities to participate in joint grant submittals with corridor partners. We are also looking at federal loan programs like TIFIA.

The second proviso directs WSDOT to look at how bond proceeds can cover the funded projects in the LEAP list. WSDOT plans to engage the EAG and stakeholders in identifying the proviso needs and developing the alternatives that will be presented to policymakers for their consideration. After development of alternatives and initial analysis, WSDOT will come back to the group for feedback and any necessary adjustments before finalizing alternatives to be presented to the legislature.

## V. Financial update

Jason Richter, Office of the State Treasurer, discussed financing terms and risk balances for the State as we look at bonded toll revenue. In addition to traffic decline and toll revenue impacts associated with the pandemic, there are other variables that influence project financing. Earlier this year, WSDODT asked the Office of the State Treasurer to do a financial analysis of the projects listed in Engrossed Substitute Senate Bill (ESSB) 5825 from 2019, keeping as close to the desired dates as possible.

Jason walked through the financing parameters and outcomes of that initial pre-current law budget analysis. In the last analysis that WSDOT asked OST to run, they calculated a funding gap of approximately \$360-\$400 million. ETL toll revenues were perhaps hit harder by COVID than any other transportation sector. In addition to the COVID hit to revenue, project costs have increased by around \$100 million.

Given the projected shortfall, OST recommends considering prioritizing projects that will result in the largest increases in toll revenue, to increase the ability to provide pay-go funding for more of the program, as well as exploring alternative funding resources. He also mentioned TIFIA as being another tool in the toolbox. It is a direct



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loan program offered by the FHWA that offers subsidized interest rates and certain other favorable terms. As the project moves forward, WSDOT and OST will evaluate and consider TIFIA as a potential strategy.

### **Discussion:**

- Representative Davina Duerr asked for clarification on the project for the proviso. She also asked if the \$32.9 million would go toward other projects along the corridor rather than the north end project on I-405 to get increased toll revenue started.
  - Jason Richter with the Office of the State Treasurer said that he does not have a role in prioritizing the projects; he only offers comments on prioritizing projects that produce revenue for stakeholders' consideration.
- Rep. Duerr asked if there could be a follow-up meeting to better understand the funding gap. She also emphasized that we need to keep inflation in consideration. She reiterated that the delay of the north end project on I-405 from 2025 to 2027 is a \$30 million cost alone. She said that by delaying the project, we are incurring much more debt in the future.
  - Jason with OST agreed with Rep. Duerr and said that these circumstances could lead to increases due to inflation. Rep. Duerr thanked Jason for helping herself and Rep. Slatter to better understand the complications around bonding and how the group can find solutions.
  - Secretary Roger Millar reminded the group that they had talked about inflation back in 2019. He said that they recognize the challenges at hand and that there is a \$400 to \$600 million dollar hole, which is a significant change from the 2019 conditions. He also acknowledged that there would need to be budgets put together for future biennia. Rep. Duerr emphasized that she is concerned about her community and the damage that they are facing due to these complications and changes. Secretary Millar reminded the group that that is why the Executive Advisory Group coalition exists. In 2019, he said, the group thought they had good news, but the global pandemic has "thrown things for a loop." He assured that the same people who found the solution in 2019 are working on solutions moving forward.
- Bellevue Councilmember Janice Zahn agreed with Rep. Duerr's comments, saying that Bellevue "feels the pain" from Bothell. She said the Bellevue is the hub between the north and the south of bus rapid transit so having 30,000 workers coming into the area within the next three years and not having the north end project complete is untenable. She emphasized the partnership and work between Sound Transit and WSDOT and that the communities would like to see that continue, as well as working together along the entire corridor now that we have a better sense of the current financial shortfalls. She asked if we could push for the TIFIA terms to be more favorable and said that we need to explore options for alternative funding because the projects that were funded in 2019 will work together as a system and we can't let them slip.
  - Lisa Hodgson, I-405/SR 167 Program Administrator, answered Councilmember Zahn's concerns by telling her that WSDOT is actively working with local, regional, and state agencies and communities as we move forward. Hodgson also said that the group is looking at multiple options and that the solution would not be a simple "one size fits all." Councilmember Zahn reiterated to please use the stakeholders and their staff.
- Representative Vandana Slatter echoed Rep. Duerr's and Councilmember Zahn's comments. She then asked a clarifying question about the \$360 to \$400 million and if there was also a gap in 2019 regarding bonding.
  - Jason with OST said that in 2019, we were not able to fully bond to the authorized amount, but the cost in 2019 was \$939 million versus the cost today being \$1.22 billion. He added that the project cost has moved away, which has put us in this position. Rep. Slatter said that she stands ready to work with everyone and that the EAG meeting is a tribute that WSDOT came together with OST. She said that the group is moving forward in a direction where they want to find



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solutions, such as hearing about the TIFIA loan. She emphasized that the north end is a chokepoint for the whole corridor and that everyone along the corridor will be impacted if they don't make the improvements up north.

- Kirkland Deputy Mayor Jay Arnold said that the cities in the meeting have sent a joint letter to Sound Transit about the importance on bus rapid transit and how it needs to complete as close to the 2025 timeline as possible. He said that development is already happening on this matter, and he appreciates the time to make everyone aware of the financial details. The City of Kirkland would like to be involved in helping to find a solution and asked to be more involved because today's meeting was not long enough.
  - Lisa Hodgson, I-405/SR 167 Program Administrator, answered Deputy Mayor Arnold that the group's goal is to take the information from today's meeting and develop some preliminary analysis and work with the I-405/SR 167 Interagency Working Group in mid-July. Then the EAG will come back together for a meeting in August with the intent of gathering feedback and making final adjustments before reporting back to the Legislature in September.
- Bothell Councilmember Mason Thompson asked for clarification on what the \$360 to \$400 million funding gap means.
  - Lisa Hodgson, I-405/SR 167 Program Administrator, said that it includes all the projects that were listed, and this is the closest we can get to the original dates. Councilmember Thompson asked if there has been any discussion about turning the Express Toll Lanes into a bus-only lane since the tolling is underutilized and transit needs the right of way. Lisa responded that the underutilized space that Councilmember Thompson was referring to means that people are moving faster in those lanes.
- Secretary Roger Millar began to wrap up the discussions by saying the Executive Advisory Group is doing what it is supposed to do. They are getting information out and they will act with as much speed as they can. He said that there were many good ideas during the meeting about moving forward, but that the group needs to think about Congress and what the House and Senate Transportation Committees are considering. He assured the group that the timing is good and that we have had a revenue gap larger than this prior to the 2019 legislative session.
- Lisa Hodgson, I-405/SR 167 Program Administrator, ended the meeting by saying the current framework is on "Slide 33" of the meeting presentation and that the EAG members would receive an email with that information.

## VI. Wrap up

The project team plans for an additional IWG and EAG meeting later this summer. Lisa said they would post the slide deck online so the group could see the portions of the presentation they did not get time for due to the robust question and answer section. Secretary Millar and Lisa thanked the group for their continued partnership and participation.



## Summary

### I-405/SR 167 Interagency Working Group Meeting

Tuesday, July 13, 2021

Zoom

2 - 3:30 p.m.

#### Interagency Working Group members in attendance:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Jennifer Barnes, Puget Sound Regional Council                           | <input checked="" type="checkbox"/> Megan McPhaden, Transportation Committee, Washington State House of Representatives |
| <input checked="" type="checkbox"/> Robert Brown, City of Kent  | <input checked="" type="checkbox"/> Jeremy Metzler, City of Edgewood  |
| <input checked="" type="checkbox"/> Jon Cantalini, King County Council, Office of Councilmember Reagan Dunn | <input checked="" type="checkbox"/> Jim Morgan, City of Pacific   |
| <input checked="" type="checkbox"/> Ken Davies, City of Puyallup  | <input checked="" type="checkbox"/> Steve Morikawa, City of Bothell   |
| <input checked="" type="checkbox"/> Steve Dickson, Snohomish County   | <input checked="" type="checkbox"/> Muhammad Musa, City of Tukwila  |
| <input checked="" type="checkbox"/> Ingrid Gaub, City of Auburn   | <input checked="" type="checkbox"/> Loren Othón, House Democratic Caucus  |
| <input checked="" type="checkbox"/> Aaron Halbert, Washington State Transportation Commission               | <input checked="" type="checkbox"/> Martin Pastucha, City of Renton   |
| <input checked="" type="checkbox"/> Diana Hart, City of Woodinville   | <input checked="" type="checkbox"/> Ruth Roberson, Office of Financial Management                                       |
| <input checked="" type="checkbox"/> Hans Hunger, City of Puyallup   | <input checked="" type="checkbox"/> Carl See, Washington State Transportation Commission                                |
| <input checked="" type="checkbox"/> Ron Kessack, City of Bellevue   | <input checked="" type="checkbox"/> Noah Tunick, Community Transit  |
| <input checked="" type="checkbox"/> Cyndy Knighton, City of Tukwila   | <input checked="" type="checkbox"/> Julie Underwood, City of Kirkland   |
| <input checked="" type="checkbox"/> Michael Kosa, City of Sumner  | <input checked="" type="checkbox"/> Curt Warber, King County Parks  |
| <input checked="" type="checkbox"/> Katie Kuciemba Halse, City of Bellevue                                  | <input checked="" type="checkbox"/> Ryan Wheaton, Pierce Transit  |
| <input checked="" type="checkbox"/> Doug Levy, City of Renton   |   |
| <input checked="" type="checkbox"/> Eddie Low, City of Bothell  |   |

#### I. IWG Legislative Proviso Workplan

Rob Woeck, WSDOT I-405/SR 167 Deputy Program Administrator, started out by reviewing some background information and talking about the preliminary work plan to address the provisos.

#### *Discussion:*

- Doug Levy, City of Renton, asked if WSDOT can look at a variety of funding mechanisms?
  - Rob Woeck answered that yes, we have been asked to be as creative as possible, including unusual sources, to figure out a path forward.

#### II. SR 522 to SR 527 Phasing Options

Barrett Hanson, WSDOT I-405/SR 167 Deputy Program Manager, provided a SR 522 to SR 527 project overview before reviewing four SR 522 to SR 527 phasing options outside of delivering it as one project. WSDOT identified the benefits and challenges of phasing for each option, qualitatively looking at how phasing could affect the following:

- System performance/operations



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- Toll system
- BRT system infrastructure
- Connections to transit and growth center nodes
- Fatal flaws

The four options were:

- Option 1: Separate local improvements at 527
- Option 2: North/South contracts
- Option 3: SR 522 interchange
- Option 4: Advance fish passage construction

### ***Option 1 Discussion:***

- Regarding Option 1, Martin Pastucha, City of Renton, asked on what basis were Phase 1 and Phase 2 devised?
  - Barrett answered that this was the first brainstorm and they started with mainline vs local streets.

### ***Option 2 Discussion:***

- Steve Morikawa, City of Bothell asked what is the cost split of the phases?
  - Barrett answered that we didn't do a detailed estimate but we anticipate that for Option 2 Phase 1 would be a little more than 50% of the costs.
- Diana Hart, City of Woodinville, asked how much time would be between these two phases?
  - Barrett answered we don't have the time frame yet.
- Ron Kessack, City of Bellevue, asked if WSDOT's fish passage funding will help pay for this?
  - Barrett said the project pays for these improvements and we are not looking at the funding source for these phases. The assumption is that the project would pay for it.
  - Rob added that the agency's existing overall fish passage delivery plan for 2030 does not include the fish crossings in these projects as they were already part of the scope and that there would be challenges in shifting any of those dedicated funds to help with fish passage in our projects. However, it is not an absolute no, and we are continuing to explore this as a possibility.
- Eddie Low, City of Bothell, asked what is the order of magnitude for increased cost with this option?
  - Barrett said the timeline affects the escalation. When we had looked at a similar option it was likely in the \$30M increase when we have five years between the projects.

### ***Option 3 Discussion:***

- Eddie Low, City of Bothell, asked if this option could include the inline station at Canyon Park station?
  - Barrett responded that it could, but as with Option 1 the option would then provide minimal financial benefit of phasing since the vast majority of the costs would be in the first phase.
- Eddie also asked at what point could we put up the blue busses and run it as BRT? How much of the WSDOT improvements on the north end need to be in place before Sound Transit would consider running BRT between Lynnwood and Bellevue?
  - Paul Cornish, Sound Transit, answered that the Sound Transit Board and WSDOT are looking at this now. Some are in Tier 1 and the rest are in Tier 2, due to where WSDOT is with the infrastructure. The ST BRT Line S1 (I-405 south from Bellevue to Burien) and Line S3 (SR 522/145th BRT) show up the most in the Board's Tier 1 (minimum delay) while S2 sits in Tier 2



# Corridor Program

(up to a 5-year delay). They don't have the answer to this yet, but they recognize the dependence on the I-405 North End project, which is subject to its own delay.

- Eddie added that when ST3 started, the travel times were not as great as what we are seeing now.
  - Paul Cornish commented that the original work was to be interim until we waited for WSDOT and it depends on where the WSDOT work lands. If this gets delayed, we need to figure out how to route 522 BRT. The ST and WSDOT schedules are driving this. We don't want to put a BRT line on the street that doesn't provide what we would consider a true BRT service. That's why Sound Transit and WSDOT coordination is key.
- Eddie said these challenges are impacting the Canyon Park area. They are trying to move traffic through the corridor and transit is critical. We have a big group here today with lots of questions. He suggested breaking up into a smaller group to meet outside of these IWG larger group meetings to work on North End issues separately.
- Carl See, WSTC, asked how these different options measure up for toll revenue potential?
  - **ACTION:** Barrett answered that we haven't looked at each option for the revenue potential. We can look into that more broadly.
- Steve Dickson, Snohomish County, asked if options 1 through 3 provide the same relief for southbound morning ETL users between I-5 and SR 527? In addition to BRT this is an important consideration.
  - Barrett replied that for option 1 and 3, the answer is generally yes. It provides additional capacity to the south and are more likely to have the same benefits. There is a traffic nuance and weaving with or without direct access at SR 527, but we would expect similar benefits from I-5 to SR 527 if delivered as the full project. For Option 2, it would not be the same level of traffic relief because that option does not have the additional southbound capacity north of SR 522.
- Steve also said that for SR 522 to SR 527, \$10 tolls were a huge issue. When can we get the next piece between SR 527 and I-5? We shouldn't limit our consideration to SR 522 to SR 527. Need to look at the southbound ETL benefit as well.
  - Barrett said in developing Option 3 we did take that into consideration with having the southbound additional capacity in Phase 1 and northbound in Phase 2.

## **Option 4 Discussion:**

- Eddie Low, City of Bothell, said that Option 4 is not a transportation project.
  - Rob said that the question would be separating the fish passage and funding it separately in order to decrease the gap in the North End transportation projects by approximately \$50M. In order to maintain compliance with the fish passage injunction, these crossings would need to be delivered no later than the transportation project permits that triggered them.

## **Overall Discussion:**

- Diana Hart, City of Woodinville, asked if we could afford phase 1 of the first 4 proposals?
  - Barrett said this may help minimize the gap, but would not eliminate the gap.
- Carl See, WSTC, said we should think through how those are prioritized; toll revenue from the ETLs will repay debt service on bonds sold supporting the construction of these projects.
- Eddie Low, City of Bothell, asked if someone could explain the traffic information on each option, such as travel times and mobility?
  - Barrett answered that qualitatively we have gone through them all related to the full system. With option 3 you get all SB and some NB, so the whole system benefits.
- Julie Underwood, City of Kirkland, asked if all of these options will be shovel-ready with your environmental review?



## Corridor Program

- Rob answered that we are advancing the entire project with a NEPA document being signed this week. The various phased approaches may require modifications of our existing environmental permits and documentation. We have not done a full analysis of potential environmental schedule impacts of the various phased approaches.
- Julie Underwood also asked what is the anticipated construction timeline, as planned pre-COVID vs now?
  - Barrett said we are looking at the funding side of things to be able to have a better answer about the timeline. The SR 522 interchange could take around 3 construction seasons and SR 527 by itself would be a two-to-three-year construction timeframe. So, it could be at least five years of construction if not combined.
- Doug Levy, City of Renton, asked if either WSDOT, Governor's Office or OFM - or combo thereof - have done any analysis on the amount of money state DOTs would receive if Congress passed either the compromise infrastructure measure being negotiated by 10 bi-partisan senators, or the "INVEST" bill passed by the US House?
  - **ACTION:** Wendy Taylor, GEC Program Manager, said they would need to check with the HQ Finance team on that question.
- Steve Morikawa, City of Bothell, asked if there is a short term or long-term impact on the revenue? Lower usage in the long-term? Is the demand still there for it?
  - Wendy answered that the demand is still be there for the toll lanes but the toll rates are currently not as high as pre-pandemic because the current demand and value of time is not the same. We have a traffic analysis chart (similar to the revenue analysis chart on the slide) that we will send out to the group with the notes.
- Eddie Low asked if we could talk about revenues at the next meeting? Toll rate increases may be outside this group's purview, but could be an option. Is there an opportunity to increase tolls to pay now so we don't have to pay as much later? Time is our enemy on this. Revenue has been down because of the pandemic.
  - Karl Westby, I-405/SR 167 Traffic Manager, clarified that tolling on this corridor is for managing traffic. It is different than a toll bridge, we can't just raise the tolls. We would have to re-think the entire ETL concept. Toll rates are driven by demand and therefore we can't easily increase toll revenue.
  - Carl See, WSTC, agreed with Karl and said that if/when traffic returns, we could look at a change in toll rates. We can't say what the effect would be until we get projections. If no one is choosing to use the lanes, then we wouldn't raise the toll as it would have no effect.
  - Carl See commented that once drivers have a more consistent reason to use the ETLs, the WSTC could consider changing the toll rate. This is reliant on being able to run better traffic and revenue forecasts. We are looking at large structural financial needs on 405/167 here, and adjusting the project timing and scope will be much more impactful. The idea is to use toll rates to manage traffic first and generate revenue second.



## Summary

### I-405/SR 167 Interagency Working Group Meeting

Tuesday, July 27, 2021

Zoom

2 - 3:30 p.m.

#### Interagency Working Group members in attendance:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Erica Bramlet, Senate Transportation Committee | <input checked="" type="checkbox"/> Kelly McGourty, Puget Sound Regional Council         |
| <input checked="" type="checkbox"/> Ken Davies, City of Puyallup                   | <input checked="" type="checkbox"/> Jim Morgan, City of Pacific                          |
| <input checked="" type="checkbox"/> April Delchamps, City of Kent                  | <input checked="" type="checkbox"/> Steve Morikawa, City of Bothell                      |
| <input checked="" type="checkbox"/> Ingrid Gaub, City of Auburn                    | <input checked="" type="checkbox"/> Muhammad Musa, City of Tukwila                       |
| <input checked="" type="checkbox"/> Diana Hart, City of Woodinville                | <input checked="" type="checkbox"/> Loren Othón, House Democratic Caucus                 |
| <input checked="" type="checkbox"/> Peter Heffernan, King County Metro             | <input checked="" type="checkbox"/> Martin Pastucha, City of Renton                      |
| <input checked="" type="checkbox"/> Hans Hunger, City of Puyallup                  | <input checked="" type="checkbox"/> Joel Pfundt, City of Kirkland                        |
| <input checked="" type="checkbox"/> Ron Kessack, City of Bellevue                  | <input checked="" type="checkbox"/> Ruth Roberson, Office of Financial Management        |
| <input checked="" type="checkbox"/> Cyndy Knighton, City of Tukwila                | <input checked="" type="checkbox"/> Carl See, Washington State Transportation Commission |
| <input checked="" type="checkbox"/> Michael Kosa, City of Sumner                   | <input checked="" type="checkbox"/> Jim Seitz, City of Renton                            |
| <input checked="" type="checkbox"/> Katie Kuciemba Halse, City of Bellevue         | <input checked="" type="checkbox"/> Jacob Sweeting, City of Auburn                       |
| <input checked="" type="checkbox"/> Tam Kutzmark, City of Redmond                  | <input checked="" type="checkbox"/> Noah Tunick, Community Transit                       |
| <input checked="" type="checkbox"/> Doug Levy, City of Renton                      |  |
| <input checked="" type="checkbox"/> Eddie Low, City of Bothell                     |  |
| <input checked="" type="checkbox"/> Hannah McCarty, Senate Democratic Caucus       |  |

#### I. Welcome and recap of last meeting

Rob Woeck, WSDOT I-405/SR 167 Deputy Program Administrator, started out by reviewing the action items from the previous IWG meeting. One of the action items was for WSDOT to check if either WSDOT, Governor's Office or OFM has done any analysis on the amount of money state DOTs would receive if Congress passed either the compromise infrastructure measure being negotiated by 10 bi-partisan senators, or the "INVEST" bill passed by the US House. Regarding the first action item, Rob said this process is very fluid and we do not have an analysis on the amount each DOT would expect to be awarded from these bills.

The other action item was for WSDOT to look into the revenue potential for each phasing option which will be included in today's presentation.

#### II. SR 522 to SR 527 phasing options follow-up

As a follow-up from the last meeting, WSDOT did a qualitative review of the phases and how toll revenue may be affected.

The four options were:

- Option 1: Separate local improvements at 527
- Option 2: North/South contracts





# Corridor Program

- Option 3: SR 522 interchange
- Option 4: Advance fish passage construction

In general, Option 3 would likely have the closest revenue to the full project. Options 2 and 4 were shown to have minimal to no revenue increase compared to the existing system. Option 1 would take a little more work to analyze because of the complexity.

## **Discussion:**

- Carl See, WSTC, asked if these add to the revenue gap that we are looking at or if the phasing is already included in considerations for the revenue gap? Does that create a larger challenge for the revenue gap that we are looking at for funding these projects than what the team has already estimated?
  - Rob Woeck answered that in general, phasing would make the gap more challenging to fill. We can presume that it pushes out some of the gap farther in time and there could be more availability based on how everything falls out. We don't have those details yet.
- Carl also asked if there was any thought on how phasing this project might affect other parts of the system outside of the north end?
  - Rob answered that yes, at a high level, we are trying to consider all the system benefits and impacts.

## **III. Alternative financing/funding sources**

Rob Woeck provided a refresher on the program's current funding state and what has changed since 2019. What recent analysis showed was the gap isn't only during the current year, but across the future funding timeline. We are looking for funding approaches that best use the available revenue to utilize the limited resources we have.

Nguyen Dang, WSDOT Financial Planning Assistant Director, went over the potential funding options WSDOT and the State Treasurer are reviewing. He emphasized that these are options and not recommendations. It is up to the Legislature to decide how the money would be used. The four options he went more in-depth on were TIFIA loans, GARVEE bonds, Motor Vehicle Fund (MVFT) loans, and deferred sales tax. All options require Legislative action.

## **Discussion:**

- Hans Hunger, City of Puyallup, asked if they would need to pay service tax on these improvements?
  - Wendy Taylor, I-405/SR 167 GEC Program Manager, and Barrett Hanson, I-405/SR 167 Deputy Program Manager, answered that you need to pay sales tax separately for improvements that are in the state right of way, but not for improvements in local right of way where it is included in the contractor's bid price.
- Carl See, WSTC, asked if there is anything in the current considerations for the federal infrastructure about streamlining GARVEE or using GARVEE or TIFIA financing to enhance financing?
  - Jason Richter, OST, answered that both are an option but GARVEE requires the federal aid stream to be repaid because you are bonding against future federal aid. With TIFIA you will be bonding against future revenues. Both are beneficial but I don't think they will address the problem which is a shortage of toll revenue or other financing sources.
- Eddie Low, City of Bothell, asked if there were differences in the rates between GARVEE and bonding?
  - Nguyen said the TIFIA rate is 1.9 percent. On the last G.O. bond sale for Connecting Washington, it was around 2.5 percent. GARVEE is slightly different.



# Corridor Program

- Jason added GARVEE has a credit rating that is generally lower than the state credit rating so they will have a higher cost than triple pledge bonds. The difference between TIFIA and triple pledge bonds is that there are structuring parameters that are placed on those transactions. The takeaway is that the interest rate differential is not as high as it has been between TIFIA and triple pledge bonds.
- Eddie said the terms that you issue on loans could sometimes stretch further but the interest rate does play into it. It seems we are at a time with the lowest rates we could ever get so if we continue to delay, those rates could change over time. It seems like the trend is that we have more construction because rates are low. Lower rates are probably favorable. Does that play into this?
  - Jason responded that he did not think there are any plans to borrow prior to 2023. While interest rates are at the lowest points historically, the facility is not in a position to borrow this year or next year. There is more work to be done and likely a bit more stability that will need to come back to the corridor before we go back to the market to issue bonds of any type. There are other considerations above and beyond interest rates.
- Ron Kessack, City of Bellevue, said that when the city does an interfund loan, which is similar to a MVF loan, it has a lower interest rate. Is that the same for WSDOT? Also, on the deferred sales tax, is there interest that needs to be paid too or is it just accrued tax?
  - Nguyen answered that it is up to the Legislature so we have not had to pay interest on the ones we've done for the tolled facilities. There is no interest on the balance, we just pay it at a later date.

## IV. Scenarios for financial analysis

Rob Woeck discussed the system benefits and anticipated toll revenue implications of the projects. These are the project levers we can move around to minimize the gap. He emphasized that as we look at opportunities to reduce the gap, we are trying to find the balance between available funds and the timing of the projects. Given the projected revenue shortfall, the OST has mentioned considering prioritizing projects that could result in the largest increases in toll revenue, to increase the ability to provide pay-go funding for more of the program.

Rob reviewed four scenarios for consideration: the phased delivery scenario (directional SR 522 to SR 527), the current law budget scenario, the uniform 10-year delay scenario, and the modified delivery scenario.

### **Discussion:**

- Eddie Low, City of Bothell, asked if the projects that say they have “significant time savings” on them are relative?
  - Rob Woeck said that yes, they are relative. We are trying to compare specific system benefits across the projects. We only said “significant time savings” on the projects where we noticed that benefit.
- Eddie asked about the order of magnitude on overall revenue when a project moves out in time.
  - Rob said one of the upcoming slides will address that more. When we push certain projects out in time, it affects when we can start collecting toll revenue whereas, a traditional interchange project would not have that consideration.
- Carl See, WSTC, asked if, looking back at SR 522 to SR 527 with an increase in forecasted revenue, would the other projects not be affected as much?
  - Rob said that is a fair way to look at it. Option 3 delivers the project upfront.



# Corridor Program

- Wendy Taylor clarified that the 10-year delay gap still just has a sizeable gap. She also clarified that the analysis that has been done so far on the 10-year delay is all in-house and the other scenarios/options we moved forward with would be analyzed by the OST, which we should have by the next IWG.
- Eddie asked if the project team could translate the project benefits to the economic and climate change benefits? There are benefits that are not clear.
  - Rob said that, although outside the scope of our specific discussion today, those are great points and they are not lost on us. There are equity issues, efficient travel, economic development, and others that we are not touching on today but were considered on all of these projects.
- Carl asked for clarification that this all assumes the current projects in Renton to Bellevue will continue and there won't be a change to what is contracted to move forward?
  - Wendy said that is correct – Renton to Bellevue Contract 2 is Connecting Washington funded and under construction. Contract 1 was the Direct Connector. Contract 3 is part of the conversation today.
- Paul Cornish, Sound Transit, reminded the group that the Sound Transit Board is scheduled to take action on the re-alignment process on August 5.

## **Other Discussion:**

- Hans Hunger, City of Puyallup, asked if there were going to be any IWG meetings that focus on the southern end of SR 167?
  - Rob Woeck answered that one proviso is specifically focused on SR 522 to SR 527 and BRT so that is why we are spending a lot of time on that project specifically, but the southern end is also very important and it is a big part of the second proviso, which is a system-wide discussion.
  - Wendy Taylor reviewed the projects and highlighted the ones that were in the south end.
- Hans asked a clarifying question about the Renton to Bellevue interchange improvements, listed on the project benefits slide of the slide deck, and what that entailed.
  - Wendy answered those are Coal Creek and the NE Sixth Street extension, they are not south end projects. The southern corridor projects include the 167 Toll Upgrade and Auxiliary Lane, 167 Master Plan Update, and the SR 167 ETL Extensions.
- Erica Bramlet, Senate Transportation Committee, asked if the 167 Improvements Project will continue to be grouped under the Renton to Bellevue Contract 3 heading, or if it will be a separate project request since the Legislature didn't fund that increase this year?
  - Wendy said the 167 Toll Upgrade will not be a separate budget request. It will stay within Renton to Bellevue but the project team may request an advancement to better line up with the opening of Renton to Bellevue.
- Eddie Low, City of Bothell, asked if we are safe to say that if we don't do the north end, then we aren't going to get BRT on the system in the north end? There are some benefits to phasing, but we don't know if BRT will function. Is that right?
  - Rob answered that he would defer to Paul Cornish with Sound Transit on that, but he had to drop off. As far as we know, that is still an open question because of how much infrastructure would be in place for ST to make BRT effective. It's tough to know where ST will land on that until the realignment is completed.
  - Barrett Hanson added that with the modified delivery scenario the full project would be constructed and open in 2026.
- Carl See, WSTC, commented that Gateway has its own shortfalls in terms of toll revenue and asked if those delays will have an additional impact on the I-405/SR 167 project?



## Corridor Program

- **ACTION:** Rob answered that he has not been involved with that conversation but someone on the project team could get back to him on that.
- Katie Kuciamba Halse, City of Bellevue, expressed interest in learning more about what the modified delivery scenario meant when it said it attempts to minimize the gap and asked if the group will learn more about that at future meetings.
  - Rob answered that the next meeting will be focused on the analysis of the scenarios.
- Katie asked how upcoming dates, such as the next IWG meeting on August 10 and the Sound Transit board meeting on August 5, will play together and if there will be a role for IWG members to provide information to the project team or other members?
  - Rob responded that the more we communicate, the better the outcome for our corridor. There are a lot of moving pieces right now and until we see what the ST Board decides to do, we can't get out ahead of them. We strive for the IWG meetings to be a place for meaningful back-and-forth conversation, so please utilize opportunities to talk to one another. We need to all work together for the benefit of the system.
- Katie referenced the two different due dates for the provisos and asked if they will be sequenced or if the project team is aiming to get it all done in September?
  - Rob answered that the final version of the first proviso is due on Sept. 15th and the second one is due in January, but they are trying to get answers to both provisos complete in one Sept. 15 report. Doing the work together could provide information that the Legislature could utilize in the fall and potentially be ready if there is a special session or funding then. If there is more analysis that needs to be done, they can amend and have it ready in January.



## Summary

### I-405/SR 167 Interagency Working Group Meeting

Tuesday, August 10, 2021

Zoom

2 - 3:30 p.m.

#### Interagency Working Group members in attendance:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Jennifer Barnes, Puget Sound Regional Council                 | <input checked="" type="checkbox"/> Megan McPhaden, Washington State House of Representatives Transportation Committee |
| <input checked="" type="checkbox"/> Erica Bramlet, Senate Transportation Committee                | <input checked="" type="checkbox"/> Jim Morgan, City of Pacific  |
| <input checked="" type="checkbox"/> Jeff Brauns, City of Newcastle                                | <input checked="" type="checkbox"/> Loren Othón, House Democratic Caucus   |
| <input checked="" type="checkbox"/> Rob Brown, City of Kent                                       | <input checked="" type="checkbox"/> Martin Pastucha, City of Renton  |
| <input checked="" type="checkbox"/> Jon Cantalini, King County Councilmember Reagan Dunn's Office | <input checked="" type="checkbox"/> Joel Pfundt, City of Kirkland  |
| <input checked="" type="checkbox"/> April Delchamps, City of Kent                                 | <input checked="" type="checkbox"/> Ruth Roberson, Office of Financial Management                                      |
| <input checked="" type="checkbox"/> Steve Dickson, Snohomish County                               | <input checked="" type="checkbox"/> Carl See, Washington State Transportation Commission                               |
| <input checked="" type="checkbox"/> Ingrid Gaub, City of Auburn                                   | <input checked="" type="checkbox"/> Jim Seitz, City of Renton  |
| <input checked="" type="checkbox"/> Diana Hart, City of Woodinville                               | <input checked="" type="checkbox"/> Jacob Sweeting, City of Auburn   |
| <input checked="" type="checkbox"/> Ron Kessack, City of Bellevue                                 | <input checked="" type="checkbox"/> Ariel Taylor, Sound Transit  |
| <input checked="" type="checkbox"/> Cyndy Knighton, City of Tukwila                               | <input checked="" type="checkbox"/> Noah Tunick, Community Transit   |
| <input checked="" type="checkbox"/> Katie Kuciemba Halse, City of Bellevue                        |  |
| <input checked="" type="checkbox"/> Tam Kutzmark, City of Redmond                                 |  |
| <input checked="" type="checkbox"/> Eddie Low, City of Bothell                                    |  |

#### I. Welcome and recap of last meeting

Rob Woeck, WSDOT I-405/SR 167 Deputy Program Administrator, reviewed the purpose of today's meeting was to discuss OST results and prepare IWG members to brief their EAG members.

He also reviewed the action item from the July 27 IWG meeting, confirming the Gateway program is not experiencing any schedule delays related to tolling.

#### II. Sound Transit update

Paul Cornish, Sound Transit BRT Program Director, provided a recap of board action from the August 5 Sound Transit board meeting. He reviewed the schedules and tiers for the East Corridor projects to highlight the BRT projects, as shown on slide 5 in the slide deck. He clarified that the Earliest Potential Schedule column is where the projects were trending pre-COVID. Now we are focusing on the Affordable Schedule column and the Initial Target Schedule column.

Tier One is 1 or 2 years delayed. Tier Two is 6 years delayed. Tier Three is 9 years delayed and Tier Four is 10+ years delayed. For BRT, all the projects stay on the same early-delivery schedule. BRT has always been in Tier 1 or 2. The target schedule for the south end projects is 2026, but that does not include parking; that has been pushed out later in the program. The sister project on SR 522 BRT is set to open in 2026 as well. We want to



# Corridor Program

open those together. This chart also shows NE 85th moved up to 2026. I-405 Stride North is slated for 2027 and we are in lock step with what is happening on WSDOT's North End project.

### III. Legislative briefing recap

Rob Woeck mentioned the project team had a briefing with legislators since the group last met and reviewed the delivery schedule comparing the ESSB 5825 to the current law delivery, outlining the projects that shifted out in time due to funding constraints. Rob then introduced Doug Vaughn, WSDOT CFO, to review the high-level results of the OST analysis for the current law scenario. The funding gap for the current law scenario would be around \$454 million.

### IV. SR 522 to SR 527 Phasing Options (Proviso 306)

Rob Woeck reviewed the four phased North End delivery options discussed at the last IWG meeting. He stated that WSDOT identified Option 3 (the directional phased approach) to have the greatest system benefit and sent that option to the OST office for analysis.

Doug Vaughn reviewed key assumptions and results of the OST analysis for the phased scenario. OST identified a funding gap of \$431 million. Rob highlighted the difference in funding gaps for this scenario and the current law scenario (\$431 million and \$454 million respectively).

#### **Discussion:**

- Carl See, WSTC, asked about the timeline for setting assumptions for these provisos so he can make sure the project team is having discussions with WSTC staff and Commissioners about this process. The sooner we can move this conversation forward, the better.
  - Rob noted that WSDOT needed to start with some assumptions. WSDOT will continue conversations with WSTC so that we are in sync.

### V. Scenarios for financial analysis (Proviso 209)

Rob Woeck reviewed the Modified Delivery scenario which adjusts the delivery schedule by prioritizing delivery of the BRT, ETL system, and revenue-generating projects. Doug Vaughn reviewed the results of this scenario analysis and highlighted the \$175 million gap. It clearly does not close the gap, but it is much closer than the current law scenario.

#### **Discussion:**

- Eddie Low, City of Bothell, asked for clarification on the graph on slide 17 that seems to indicate that with the Modified Delivery scenario, wouldn't the revenue in 2029 be even higher when the south and north end are combined?
  - Rob answered that this scenario brings revenue producing projects online sooner. Each of the bumps in the line graph is one of those projects coming online.

### VI. Discussion and next steps

Rob Woeck asked the group what else they need to brief their EAG members before the next EAG meeting on August 24 and if another IWG meeting on August 17 is needed or not.



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## **Discussion:**

- Eddie Low, City of Bothell, said that for Bothell, it seems like we could do a separate meeting just in case there are more questions between now and then. He pointed out that the slide deck mentioned a \$200 million funding gap for the Modified Delivery option, but an earlier table said \$175 million. He asked if they rounded up for those numbers.
  - Rob Woeck answered that WSDOT had concerns internally about showing a specific number, because they are still preliminary estimates. The \$200M includes a buffer in the hopes the projects would come in under that number.
- Ron Kessack, City of Bellevue, thanked the team for all their hard work on this analysis. He commented that Bellevue has some work that would be in the Renton to Bellevue Contract 3 under interchange improvements. They appreciate being able to continue to work with WSDOT and possibly advance some of that interchange work ahead of the 2029 schedule. He also mentioned that at previous IWG meetings we talked about possible alternative funding sources to review at the EAG. He asked if that is a subject that we could get into a little bit now that we have a better understating of the financial situations.
  - Doug Vaughn answered that we can do estimates on some of the options but the challenge we run into with GARVEE, for example, is that if we use that without additional federal revenue, you must make choices on what won't get done. Instead, we are providing options to frame the size of the gap. We can estimate what the sales tax might yield. GARVEE is the challenging one to estimate as other projects would lose the funds if we put it into this program.
- Carl See, WSTC, asked about the Bergquist amendment regarding 2+ for Renton to Bellevue, specifically how that has been addressed in this analysis and if there has been an effort to address that.
  - Rob Woeck said our assumption is based on 3+. With limited time to run multiple scenarios, we went with 3+ for the entire corridor.
  - Pani Saleh, WSDOT Toll Division Business Administration Director added that there is time to model and code other options. They want to talk to WSTC staff to discuss what seems realistic to consider leverage the time that the consultants will be incorporating these into the assumptions.
  - Carl See asked if there has been a discussion with legislative staff around what level of analysis is needed to support a decision, or if they are looking to WSTC to weigh in on that?
  - Pani answered that they are trying to get an internal meeting scheduled with WSTC for the week of August 16<sup>th</sup>.
- Eddie Low, City of Bothell, echoed what Bellevue's Ron Kessack said. While a lot of these options have limitations, we should do estimates to keep the conversation going. He assumed that we could bring options or estimates if we have caveats. We can bring forward some of those options when we speak with the Legislature. We can have caveats, but we need to make some assumptions so we can get the work done.
  - Rob answered that with more detail, the more caveats we need to add. The legislature would need to act and it will come with difficult timing scenarios. Trying to get everyone on the same page will not be easy.
- Katie Kuciamba Halse, City of Bellevue, pointed out the 2024 date for the SR 167 projects and asked if we need to start thinking about timing for a financial option to move those projects forward as well as about legislative action to get those projects moved forward.
  - Rob answered the sooner, the better. We are trying to answer these provisos. How can we make this as affordable as possible while knowing that we will have sacrifices? The IWG and EAG can work together to move above that baseline, that would be great. IWG members are already helping us do that, and if legislative staff can lead us to better outcomes, we are all ears.
  - Wendy Taylor, I-405/SR 167 Program Manager, added that to make that 2024 date, we would have to start the design build Ad process in the spring of 2022.



## Corridor Program

- Steve Dickson, Snohomish County, asked, in terms of discussing this with members of the EAG, how do we explain that this process has come close to closing the gap, but it appears we still have a significant lower gap of \$200 million? How do we explain that and where does it lead us?
  - Rob said we are hopeful that we provided enough information in this meeting and previous meetings to tell a story regarding the numbers so that you can walk them through thoroughly. IWG members can explain where we're at with current law, show the reduced revenues, and use that to explain where the gap came from. And then explain how we moved the levers with a goal of closing the funding gap.
- Eddie Low, City of Bothell, said we need to show options for what we do when we get to that smaller gap. We need to start thinking about what that solution could look like.
  - Rob reminded the group that all those pieces are intended to get to the same goal to deliver a functional system as soon as possible. We are providing data and information to the legislature as they have tough decisions to make. We have been asked if there is a way we can bring in private money. There are lots of ways we can chip away at this gap to deliver the corridor projects.
- Jim Seitz, City of Renton, asked for clarification that the 10-year move out was necessary because of the deficit.
  - Rob said yes, but these are broad strokes. We didn't have a lot of time to divide this up into many slices. We created bookends: current law versus minimum gap. What's the gap and what's the minimum that we think we can reach? But it's not for us to decide, the legislature will decide. This is a qualitative estimate.
- Eddie Low, City of Bothell, asked how IWG members can help and what they can do next to prepare for the EAG meeting.
  - Rob said we need to ensure that we have provided all the information to answer these provisos by September. The EAG can ask questions and add comments that help in preparing a comprehensive proviso response.
  - Wendy added that if we need to meet as a follow-up after the September 15 proviso response submittal to do some fine tuning before the final report is due in January, we can do that.
- Katie Kuciamba Halse, City of Bellevue, asked if the project team will be showing the different financial options at the EAG (like how much sales tax could produce).
  - Wendy answered that it feels like we would have that info by the 24th.
  - Doug Vaughn agreed and said that we can share that as well as an estimate for what it might raise – it gets to be more challenging with some of the other options.

Rob Woeck closed the meeting by saying that we can take questions throughout the week, and if there's a theme, we can hold next week's IWG on 8/17 and address those group questions. At the time this summary was written, WSDOT has had requests to hold the 8/17 EAG run-through meeting.





## Summary

### I-405/SR 167 Interagency Working Group Meeting

Tuesday, August 17, 2021

Zoom

12:30 - 2 p.m.

#### Interagency Working Group members in attendance:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Jennifer Barnes, Puget Sound Regional Council             | <input checked="" type="checkbox"/> Katie Kuciemba Halse, City of Bellevue   |
| <input checked="" type="checkbox"/> Jeff Brauns, City of Newcastle                            | <input checked="" type="checkbox"/> Doug Levy, City of Renton  |
| <input checked="" type="checkbox"/> Rob Brown, City of Kent                                   | <input checked="" type="checkbox"/> Eddie Low, City of Bothell   |
| <input checked="" type="checkbox"/> Ken Davies, City of Puyallup                              | <input checked="" type="checkbox"/> Hannah McCarty, Senate Democratic Caucus   |
| <input checked="" type="checkbox"/> April Delchamps, City of Kent                             | <input checked="" type="checkbox"/> Megan McPhaden, Washington State House of Representatives Transportation Committee |
| <input checked="" type="checkbox"/> Ashley Duber, Community Transit                           | <input checked="" type="checkbox"/> Jeremy Metzler, City of Edgewood   |
| <input checked="" type="checkbox"/> Ingrid Gaub, City of Auburn                               | <input checked="" type="checkbox"/> Loren Othón, House Democratic Caucus   |
| <input checked="" type="checkbox"/> Aaron Halbert, Washington State Transportation Commission | <input checked="" type="checkbox"/> Martin Pastucha, City of Renton  |
| <input checked="" type="checkbox"/> Erik Hansen, Office of Financial Management               | <input checked="" type="checkbox"/> Joel Pfundt, City of Kirkland  |
| <input checked="" type="checkbox"/> Diana Hart, City of Woodinville                           | <input checked="" type="checkbox"/> Jim Seitz, City of Renton  |
| <input checked="" type="checkbox"/> Ron Kessack, City of Bellevue                             | <input checked="" type="checkbox"/> Ariel Taylor, Sound Transit  |

#### I. Welcome and recap of last meeting

Rob Woeck, WSDOT I-405/SR 167 Deputy Program Administrator, reviewed the purpose of today's meeting was to preview the EAG slide deck and prepare IWG members to brief their EAG members.

He also reviewed the action items from the August 10 IWG meeting. One action item was for the project team to show more information on the financial options at the Aug. 24 EAG. Rob answered we are planning on sharing this information today and at the EAG.

The other question that came out of the IWG meeting was for WSDOT to clarify what is the ask for EAG members on Aug. 24 and how can IWG members best prepare them? Rob answered that we need to make sure we have a common understanding of the challenges we're facing and that OST and WSDOT have provided the necessary analysis to allow elected officials to make informed decisions.

#### II. EAG presentation overview

Rob Woeck reviewed the draft EAG slides and clarified that most of these have been shown at previous IWG meetings so there should not be many surprises. The agenda will include introductory remarks by Roger Millar, a public comment period, a Sound Transit partnership update, and an update on the status of the proviso work.

Sound Transit will provide an update on realignment and BRT, similar to what Paul Cornish presented at the August 10 IWG meeting.



# Corridor Program

Rob mentioned that one of the new slides is a “what we are hearing” slide that includes common themes that have come up as we have had discussions with IWG members and legislative officials/staff. He asked the group for feedback.

Doug Levy, City of Renton, commented that we should try to address expedited delivery of projects without negatively impacting other projects in the process. Key criteria should be not injuring other projects in order to move other ones up, which is what he feels he is seeing with the modified delivery schedule. The project team added this item to the slide in real time.

Rob reviewed the legislative work plan slides, which the IWG has seen before, and walked through the scenarios. Nguyen Dang, WSDOT Financial Planning Assistant Director, provided an overview of the analysis slides OST will be presenting.

## ***Legislative Work Plan and Scenarios Discussion:***

- Doug Levy, City of Renton, said that, at the EAG meeting, Renton will have concerns with the modified delivery scenario slide and sacrificing projects just to make one better. The 8th Street Direct Access project was identified as beneficial in the first Sound Transit plan in 1996. Renton and the south end of the corridor have been waiting a long time. Adjusting this to delay the project another decade would be a significant change. When you put these things on paper, they take on a life of their own.
  - Rob answered that the project team understands this and they are not making this recommendation. They are trying to find the lowest gap. They do not hope to have to move forward with this delivery schedule but they need to set bookends to see the smallest gap they were able to get to. In order to deliver these projects, it is going to take new or shifted money somehow.
- Erik Hansen, Office of Financial Management, asked about the OST slides and if the difference in pushing them out is the difference in funding gaps? He asked if OST could show one slide with all three options.
  - Barrett Hanson, WSDOT I-405/SR 167 Deputy Program Manager, answered that we can still incur those costs, just at a different time.
  - Jason Richter, Deputy Treasurer, added the three analyses have different amounts for different project funds requested. He added that they could put together a summary page to show the timeline and delay in delivery.
  - Doug Levy added that this is just the math of moving projects out. It doesn't take into effect the cost of delay. We need to show more than just the gap, but also other negative impacts.
- Eddie Low, City of Bothell, said he understands there are other impacts that we have not been able to look at. He hopes that by the end of this exercise, WSDOT is trying to show the bookends for the scenarios. That doesn't mean it is perfect. No one wants projects delayed. None of these scenarios produce all the money. Still up in the air are questions like how do we fill the gap and what are the sources that are available to fill the gap? What are the decisions that need to be made? From an EAG standpoint, these are the questions that many members are still trying to focus on.
  - Rob added that we are trying to help decision makers make the best out of a difficult funding situation.

Next, Nguyen Dang walked through the alternative financing/funding slides, which IWG members have seen before.



# Corridor Program

## **Alternative Financing/Funding Sources Discussion:**

- Ron Kessack, City of Bellevue, said they have one representative that thinks GARVEE is the option at this point. What is the capability of using the 520 GARVEE funds for this purpose at this time? Or are those funds restricted to the 520 project at this point?
  - Nguyen added that they met with the Legislature last week and that at this point it is a tradeoff conversation. If the Legislature decides to issue another GARVEE, you would have to pay for the debt service. They would have to make a decision on which projects to use.
- Doug Levy, City of Renton, followed up on Ron's comment and said that his understanding of the GARVEE is that it has funded a good portion of the 520 floating bridge project. The decision to reprogram them to another use, whether it is maintenance and preservation or addressing the gap in this corridor, is a legislative decision, correct? That should be more explicitly stated. It is currently not very well outlined.
  - Rob expressed appreciation for Doug's comment and said the team will try to clarify those decision points to make them clearer.
- Eddie Low, City of Bothell, asked if there is a range or an unlimited amount for the GARVEE and TIFIA?
  - Nguyen answered that when you look at some of these sources, it is hard to provide a range. If the Legislature comes back and says they want to try to issue \$400M in GARVEE, we can tell what the debt service is. It is hard to say how much it should be.
  - Jason added that it might be helpful to delineate the difference between a MVF and a GARVEE, and deferred sales tax and TIFIA. They are different in what they would produce and they would not have the same dramatic impact that upfront delivery of cash would have. The four are different in what they can achieve.
  - Eddie added that the issue for him is when we start showing the alternate funding sources, they all have limitations, but the tradeoffs aren't clear here. What is the order of magnitude? That is the part where we ask how we move forward.

### **III. Discussion and next steps**

Rob Woeck asked the group if they had any additional themes to add to the "what we are hearing" slide.

#### **Discussion:**

- Doug Levy, City of Renton, said he had a revision to the last bullet he brought up previously. He suggested refining it to "without negatively impacting delivery timing of other projects."
- Jeff Brauns, City of Newcastle, commented that he saw an article today indicating that Sound Transit staff were looking at reducing non-motorized access to Stride stations. He is strongly against this short-sighted idea.
- Eddie Low, City of Bothell, added to the slide with the themes about what we're hearing, saying that an important part of delivering Renton to Bellevue is trying to complement BRT all the way from Burien to Lynnwood, not just Renton to Bellevue.
- Jeremy Metzler, City of Edgewood, asked if anyone has looked at advancing the SR 167 SB ETL Extension in the name of more revenue?
  - Wendy Taylor, I-405/SR 167 Program Manager, referenced the revenue generation graphic in the slide deck. Each one of those inclinations is each project coming online, and the last one is the SB 167 extension. We have generally kept it in that current law scenario but it is a beneficial project for system benefits and toll revenue.



## Corridor Program

- Eddie asked if WSDOT is looking for the EAG to write a letter to the Legislature? What is the ultimate goal we want to achieve at the end of the EAG meeting?
  - Rob answered the goal of the meeting is to make sure EAG members have all the information they need to have a clear understanding of next steps.
- Diana Hart, City of Woodinville, asked what the Legislature asked to get out of this? What could the EAG do in response to that request?
  - Rob answered that WSDOT received two specific provisos (referenced in the slide deck). The first proviso is specific to the north end and BRT and how we can pull that forward on to an earlier schedule than current law. The second proviso is focused on how we can make current law more affordable. There is a significant financial gap with current law, which is based on shortcomings of toll revenue.
  - Diana followed-up by asking if the EAG is being asked to influence the report? Or is this presentation a summary of the report you will be finishing/submitting?
  - Rob answered the report includes the same information you're seeing here today, and the same content we will be presenting at the EAG meeting and should reflect the feedback we've heard through the summer IWG meetings.



## Summary

### I-405/SR 167 Executive Advisory Group Meeting

Tuesday, Aug. 24, 2021

Zoom

3:30 – 5:30 p.m.

#### Executive Advisory Group members and elected officials in attendance:

- Secretary of Transportation Roger Millar, Chair
- Deputy Mayor Jay Arnold, City of Kirkland
- Mayor Nancy Backus, City of Auburn
- Commissioner Shiv Batra, Washington State Transportation Commission
- Roland Behee, Community Transit
- Mayor Daryl Eidinger, City of Edgewood
- Rep. Davina Duerr, Washington State House of Representatives
- Mike Griffus, Pierce Transit
- Rep. David Hackney, Washington State House of Representatives
- Mayor Gary Harris, City of Woodinville
- Rep. Shelley Kloba, Washington State House of Representatives
- Senator Patty Kuderer, Washington State Senate
- Kelly McGourty, Puget Sound Regional Council
- Councilmember Jared Mead, Snohomish County
- Councilmember Valerie O'Halloran, City of Renton
- Mayor Dana Ralph, City of Kent
- Rep. Eric Robertson, Washington State House of Representatives
- Senator Rebecca Saldaña, Washington State Senate
- Rep. My-Linh Thai, Washington State House of Representatives
- Councilmember Mason Thompson, City of Bothell
- Senator Lisa Wellman, Washington State Senate
- Councilmember Janice Zahn, City of Bellevue

#### Guests in attendance:

- Jennifer Barnes, Puget Sound Regional Council
- Ed Barry, WSDOT
- Victor Bishop, Eastside Transportation Association
- Jeff Brauns, City of Newcastle
- Dirk Brier, WSDOT
- Rob Brown, City of Kent
- Nguyen Dang, WSDOT
- Ken Davies, City of Puyallup
- Samantha DeMars-Hanson, I-405/SR 167 Program
- Augusta DeVries, I-405/SR 167 Program
- Ingrid Gaub, City of Auburn
- Emily Glad, WSDOT
- Austin Goble, Office of State Treasurer
- Reema Griffith, Washington State Transportation Commission
- Katie Kuciemba Halse, City of Bellevue
- Aaron Halbert, Washington State Transportation Commission
- Barrett Hanson, I-405/SR 167 Program
- Diana Hart, City of Woodinville
- Peter Heffernan, King County Metro
- Daniel Hoyt, WSDOT
- Michael Kosa, City of Sumner
- Tam Kutzmark, City of Redmond
- Luke Lamon, Sound Transit
- Doug Levy, City of Renton



# Corridor Program

- ☑ Eddie Low, City of Bothell
- ☑ Robin Mayhew, WSDOT
- ☑ Lorrie McKay, City of Kirkland
- ☑ Hannah McCarty, Senate Democratic Caucus
- ☑ Megan McPhaden, Transportation Committee, Washington State House of Representatives
- ☑ Victoria Miller, I-405/SR 167 Program
- ☑ Muhammad Musa, City of Tukwila
- ☑ Ryan Olson, WSDOT
- ☑ Loren Othón, House Democratic Caucus
- ☑ Martin Pastucha, City of Renton
- ☑ Ruth Roberson, Office of Financial Management
- ☑ Peter Rogoff, Sound Transit
- ☑ Jim Seitz, City of Renton
- ☑ Carl See, Washington State Transportation Commission
- ☑ Andrew Singelakis, City of Bellevue
- ☑ Craig Smiley, I-405/SR 167 Program
- ☑ Kelly Snyder, Snohomish County
- ☑ Ariel Taylor, Sound Transit
- ☑ Wendy Taylor, I-405/SR 167 Program
- ☑ Blake Trask, Office of King County Council Chair Claudia Balducci
- ☑ Noah Tunick, Community Transit
- ☑ Curt Warber, King County Parks
- ☑ Karl Westby, I-405/SR 167 Program
- ☑ Rob Woeck, I-405/SR 167 Program
- ☑ Lacey Jane Wolfe, City of Bellevue

## Presenters:

- ☑ Paul Cornish, BRT Program Director, Sound Transit
- ☑ Lisa Hodgson, Program Administrator, I-405/SR 167 Program, WSDOT
- ☑ Karen Kitsis, Deputy Director, Planning, Environment and Project Development, Sound Transit
- ☑ Julie Meredith, Deputy Assistant Secretary, Megaprograms and Urban Mobility and Access, WSDOT
- ☑ Secretary of Transportation Roger Millar, Chair
- ☑ Jason Richter, Deputy Treasurer, Office of State Treasurer
- ☑ Doug Vaughn, CFO, WSDOT

Note: These meeting notes are intended to capture the discussion at the meeting, including questions and comments from the group. This is not intended to be a formal testimony or a complete transcript of the meeting. Meeting materials, including the PowerPoint presentation, are available on the web at:

<https://wsdot.wa.gov/Tolling/EastsideCorridor/EAG2013.htm>



## I. Introductions and Agenda Review

Roger Millar, Secretary of Transportation, welcomed the Interstate 405/State Route 167 Executive Advisory Group (EAG) members. He introduced Jason Richter, Deputy Treasurer of Debt Management of Washington, Office of the State Treasurer (OST) and Sound Transit (ST) presenters, Karen Kitsis, Deputy Director, Planning, Environment and Project Management and Paul Cornish, Bus Rapid Transit (BRT) Manager. He then acknowledged retiring Renton Councilmember Randy Corman for his 27 years of service in the region and 23 years on the EAG. While Randy couldn't attend today, Roger thanked him for his service and welcomed Randy's successor, Councilmember Valerie O'Halloran to her first EAG meeting as the Renton representative.

Roger reviewed the agenda, starting with an update from Sound Transit on recent realignment decisions and the impact on I-405 STRIDE, followed by a joint presentation from the WSDOT leadership and the OST on the draft response to two legislative provisos relating to funding and phasing on the corridor. He pointed out the challenges the state is facing related to revenue shortfalls and the needs to take care of urgent preservation and maintenance needs while balancing discussions about a new state transportation investment package. He reiterated the sense of urgency WSDOT has been receiving from EAG members to continue investing in the corridor and multimodal partnership with ST to meet unprecedented job growth facing our region. Roger reminded the EAG there are two things WSDOT does not do: appropriate money and make policy decisions; that's a task for the Legislature.

### Financial Update

Roger reported the agency is hopeful a federal infrastructure package will go through. After months of behind-the-scenes negotiations, the U.S. Senate moved decisively to pass a \$1.2 trillion Bipartisan Infrastructure Bill followed by a \$3.5 trillion partisan Budget Resolution just prior to starting recess on August 11, 2021. The House went back to session on Monday, August 23. While WSDOT remains hopeful, we can't count on those funds to solve for all the funding challenges our state is facing. Roger pointed out that only about 12% of WSDOT budget is federal money. The Washington State Legislature would need to hold a special session to determine the use of any federal funds. Discussions continue with legislators on the timing of a possible special session this fall.

Roger closed with a reminder to be creative, flexible and consider trade-offs in identifying possibly solutions to take care of the state's needs. Today's meeting is intended to review the work done this summer in response to legislative provisos and provide information to policymakers to help them make tough decisions in the near future.

## II. Public comment

Colleen Gants, I-405/SR 167 Communicator and Meeting Facilitator, noted that the project team did not receive any public comments or requests for verbal public comment.

Julie Meredith then provided a welcome, pausing before going into the financial work done to date and pointing out work that is moving forward on the I-405/SR 167 corridor noting it was recapped in the one-pager sent out ahead of the meeting. She reviewed that active construction on Renton to Bellevue express toll lanes continue, with early deliverable opening a portion of the 2.5 mile stretch of the King County Eastrail earlier this summer with more to open this fall. WSDOT awarded the I-405 & 132<sup>nd</sup> NE interchange project and the contractor is moving toward construction early next year. The North End (SR 522-SR 527) project team achieved a significant milestone, receiving a Finding of No Significant Impact (FONSI) on July 29, keeping this project shovel ready. The SR 167 Master Plan is underway with a goal of being completed by 2023. WSDOT and Sound Transit move forward with interchange designs of the Brickyard, 85<sup>th</sup> Interchange, and Tukwila International Blvd Stations.



Julie thanked everyone for their involvement and hard work over the past couple of months, specifically EAG members, Interagency Working Group (IWG) members, the WSDOT team, partners at ST and the OST for preparing today's materials. She acknowledged these are not easy decisions the Legislature is facing, and she appreciates the creativity and partnership to seek out solutions to deliver as much of the planned improvements as soon as funding is available to do so. Julie then introduced the ST presenters.

### III. Sound Transit Partnership Update

Karen Kitsis reviewed the recent ST board decision that passed a realignment resolution. ST is now working towards an initial target schedule with the affordable schedule as a safety net. The target and affordable schedules for Bus Rapid Transit (BRT) are the same.

Paul reviewed that BRT performed well in the realignment process, with strong support from stakeholders and EAG members. He walked through the target timeline for BRT which depends on board approval for preliminary designs for the bus base and I-405 and SR 522 BRT: 2025 for the bus base north; 2026 I-405 South STRIDE, SR 522 STRIDE and NE 85<sup>th</sup> Street Interchange BRT Station portion of I-405 North STRIDE; 2027 I-405 North STRIDE with I-405 parking facilities moving out to 2034 and 2035.

#### **Discussion:**

- Secretary Roger Millar noted, from his Sound Transit Board role, that ST is exploring ways to get people to the BRT and to the Sounder beyond driving and parking. Eighty percent of people get to the system by walking, biking, and transit, which includes parking – but parking is expensive to build and serves significantly small number of customers.
- Bothell Councilmember Mason Thompson asked what form the multimodal options would take and whether ST and WSDOT would be working with cities to develop solutions?
  - Paul Cornish replied there are many ways to move forward that they have not yet determined a next step on that.
  - Peter Rogoff amplified what Roger said, that when ST opens high-capacity transit connections, we work closely with partners to rerack Community Transit (CT) and King County Metro Transit (KCM) bus networks to better serve the network. Where there are connections to be made to BRT, we will work with those agencies to facilitate that as well.
- Auburn Mayor Nancy Backus commented that in South King County, I don't know that walking and biking is as easy in every location. In her region, that might be a little bit of an oversimplification.
  - Peter Rogoff answered that ST seeks to model by station what the access rates are and we are happy to put those together and bring that data forward.
  - Karen Kitsis commented that we do have more info for stations that are open. Parking is complicated – where whatever you build will likely be filled. It has a cap where you can grow further ridership.
  - Roger Millar acknowledged Mayor Backus' point, that each individual station has different access. As policymakers recommend investments in public transportation, communities need to respond by transforming to respond to the investments. Where there isn't robust transportation, we need to look at complementing parking that already exists.
  - Kent Mayor Dana Ralph agreed with Mayor Backus. South King County does not have a robust east-west connection. We are cities in between hills. Bike ridership becomes complicated as well as getting people to the stations. She argued we need to look at what's available and parking will remain a key factor in people being able to access and use the system.





# Corridor Program

## IV. Legislative Proviso Workplan

Lisa Hodgson, I-405/SR 167 Program Administrator, provided context on how WSDOT has had briefing and working sessions with legislators and IWG members since the June 2021 EAG meeting to prepare the material she'd review today. A key role for IWG members was keeping their EAG members informed, so thank you. Lisa also reviewed the summer schedule to respond to the provisos and noted how they are interlinked. She noted the intent is to have a draft report ready by September 15, 2021, allowing time to do additional work before the final report to the Legislature is due January 1, 2022.

Before reviewing the financial analyses, Lisa reiterated that toll revenue is down and is not anticipated to return to pre-covid levels for many years. Additionally, the bonding capacity to fund many of the projects on the I-405/SR 167 program is 65% of the pre-covid capacity in 2019. Due to the reduction in toll revenue and bonding moving out to 2023 from 2022, there is not enough toll revenue to complete the projects that were appropriated in 2019. This led the Legislature to include two provisos for WSDOT to coordinate with the OST to examine ways to fund and phase the six projects being affected.

Lisa reviewed the differences from pre-covid 2019 schedule and current law and summarized that there is a gap in the current law budget of \$450M.

Jason Richter, Deputy Treasurer reviewed key assumptions in the financial analysis that contribute to the gap; it's a balancing act between the timing of funds available and when projects are delivered.

### **Discussion**

- Kirkland Deputy Mayor Jay Arnold commented that we can't actually make the current law schedule because there is a \$450M gap.
  - Lisa responded that this is what the provisos are directing WSDOT to explore – ways to close that gap.
  - Representative Davina Duerr thanked Deputy Mayor Jay Arnold for the question and agreed she thought the provisos were trying to find a solution to move the (SR 522 to SR 527) project up earlier than Current Law, but now she is disappointed to learn that she's just working to keep the Current Law schedule. She felt that was key information that was not highlighted in the presentations to date.
  - Lisa responded we'd get into that with the review of the proviso response and analyses later in the meeting.
- Representative Davina Duerr confirmed with Jason that the Current Law did not include the \$33M of tolling backfill that was allocated in the 2021 session and the RSA coverage ratio was 2.5 coverage ratio.
- Bellevue councilmember Janice Zahn clarified with Jason why the uptick in revenue in 2029 doesn't help solve the problem. He explained there are challenges in accessing funds that are later out in time.
- Bellevue councilmember Janice Zahn asked about other funding sources like TIFIA and GARVEE and is eager to see what it would take to stay on the current law schedule as much as possible.
  - Washington State Transportation Commissioner (WSTC) Shiv Batra is on record saying that bonding wasn't the right method and this may not be the best option, there could be a shortage, and here we are. Tolling can't fill in the gap; it's too large. We should be looking at other funding options and not just count on WSTC to raise funds and toll rates. If we don't do revenue-generating improvements, we won't raise more funds. We need other ways to raise money to meet the obligations.
  - Roger Millar pointed out ST's BRT is less expensive than light rail because it relies on a heavy investment from WSDOT. We can't make those investments until we have the resources available to us.



# Corridor Program

- Auburn Mayor Nancy Backus reminded the EAG about the south end needs around SR 167 that haven't even been identified by the SR 167 Master Plan process yet. SR 167 will need some of the funding that has not been identified yet as well.
- Kent Mayor Dana Ralph concurred and pointed out that SR 167 didn't see nearly the dip in traffic that I-405 did during covid. She then asked if WSDOT had performed the analysis for the funding gap to follow the pre-covid ESSB 5825 schedule with the ability to bond? We need to expedite as much as possible and need all data points to inform decisions.
  - Lisa responded that we haven't done that analysis but it's probably close to current law. We will show the modified current law scenario today.
- Representative David Hackney expressed concern with the further delay of the I-405/ N 8<sup>th</sup> access ramp, that he would continue to watch that project.

## V. SR 522 to SR 527 Phasing Options (Proviso 306)

Lisa then reviewed the phased and other bundles for the SR 522 to SR 527 project in response to Legislative Proviso 306. The options included outside of delivering the North End as one project, separating local improvement at SR 527, a geographical north/south phasing option, Directional phasing option (northbound and southbound) and only advancing fish passage construction first followed by infrastructure. WSDOT compared these based on system performance and operations looking at toll system, BRT system infrastructure, connections to transit and growth center nodes, fatal flaws and toll revenue potential. The directional phasing option was moved forward to the OST for analysis.

The North End phased delivery scenario keeps all projects on the current law schedule with one change being the phased approach to the SR 522 to SR 527 project. Phase 1 includes SR 522 direct access and inline stations at Brickyard and SR 522 and connects to SR 522 BRT with a transit hub, as well as constructing an additional express toll lane in southbound direction from SR 527 to NE 160<sup>th</sup> in Kirkland. Phase 1 would be delivered in 2025 (2 years earlier than current schedule). Phase 2 constructs northbound additional express toll lane from SR 522 to SR 527 and direct access at SR 527 and BRT inline station; this phase would be delivered in 2030 (three years later than current law). This North End phased delivery scenario reduces the current law gap by \$20M.

Jason reviewed the assumptions OST outlined for running this scenario, and noted it is similar to current law – just slightly better.

## IV. Scenarios for financial analysis (Proviso 209)

Lisa reviewed the work done to respond to the second legislative proviso which directs WSDOT to look at the entire corridor and how bond proceeds can cover the funded projects in the current law budget, due January 1, 2022. This "Modified Delivery Scenario" balances when revenue is available and when projects are delivered to close the gap. The Treasurer evaluated adjusting the delivery timing based on the system benefits achieved and advancement (higher infusion) of toll revenue sooner in time. This scenario closes the gap to about \$200M from \$450M, moves some projects up earlier, but significantly delays others. Lisa then outlined the schedule for when funds would be needed to move forward with this scenario, pointing out there is a process to get to bonding in mid to late 2023.

### **Discussion:**

- Renton Councilmember Valerie O'Halloran noted the desire to expedite delivery without negatively impacting timing of other projects. This scenario clearly moves out certain projects that would not allow BRT, SR 167, and ETLs to work to their full capacity.
  - Lisa confirmed this is a datapoint to understand what reducing the gap does to program delivery.



# Corridor Program

- Bothell Councilmember Mason Thompson asked what happens if the interchange improvements are not delayed what would the gap be?
  - Lisa noted that OST has not run that scenario officially, but estimates it would be roughly the same gap, around \$450M.
- Renton Councilmember Valerie O'Halloran highlighted the need for and the proposed delay of the I-405/ N 8<sup>th</sup> Street interchange and direct access. Renton has been waiting 25 years; people need to get through Renton and further delay doesn't seem right.
- Representative David Hackney asked if we could cover the \$450M gap with GARVEE bonds?
  - Lisa noted we'd cover the different options for financing in the next meeting segment.
- WSTC Commissioner Shiv Batra pointed out that reducing the \$450M gap creates hardship for stakeholders along the corridor by not having projects built. Can we go back to gas tax-backed bonds instead of tolling?
  - Lisa responded that Shiv's gap comment is correct and that, today, we're outlining options that attempt to close the gap.

## V. Alternative financing/funding sources

Doug Vaughn, WSDOT CFO, reviewed alternative funding options that WSDOT has identified to possibly help fill the funding gap. WSDOT is working with OST to explore GARVEE bonds, Motor Vehicle Fund (MVF) loans, deferred sales tax, and TIFIA loans. All these options require legislative action (and TIFIA requires federal approval). It will likely take a combination of new funding sources and strategies to bridge the gap, not just one option.

### **Discussion:**

- Bellevue Councilmember Janice Zahn commented that Bellevue has a TIFIA loan and they recently asked for better interest terms. It is now half of what the original rate was, so there is some flexibility with that option. She asked that as we look at different sources, what combination would create a scenario to make up the gap? She would like to see what that looks like. What package of funding options would actually get us to meet the gap so we can get a better understanding of what is needed from the Legislature?
  - Jason answered that this is going to be a legislative priority question. GARVEE could solve the whole thing, but then it creates a new problem for the Legislature to solve. Deferred sales tax could help to reduce the gap as could TIFIA. Federal funding, if available, could reduce the gap. Other things such as transportation budget loans could help reduce the gap. It will be a legislative decision to look at what funding is available and if we can re-arrange the deck chairs to make this work.
  - Doug added that WSDOT will be looking at a full transportation budget statewide and will need to balance these projects with other things so they would defer to the Legislature for direction.
- Kent Mayor Dana Ralph asked how often toll revenue is updated in these projects?
  - Doug answered that it is updated quarterly with other revenue forecasts. WSDOT will see the next one in September for a forecast adjustment.
- Bothell Councilmember Mason Thompson agreed with what Councilmember Zahn said earlier. He added that he does not want to delay any project in Bothell and would like to see a combination of funding options proposed that would meet that end. He understands it is a legislative decision but showing them something specific that would erase the gap would be helpful, such as specific dollar amounts and where the money would come from. Phasing improvements only saves so much, and they do not seem like a good idea. He would like to see more focus on additional revenues rather than pushing back projects.
- Renton Councilmember Valerie O'Halloran echoed Councilmember Zahn's and Thompson's comments. She would like to hear more about how GARVEE could solve the problem. She agreed that we need to



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move these projects forward and stick to the original schedule. If GARVEE is the answer, we should be looking at those numbers.

- Representative Davina Duerr agreed with the previous points her fellow EAG members made about providing alternatives in the report and what the potential funding could provide. Even though the Legislature makes the decisions, the more information they have, the more they can weigh the pros and cons. She asked what the cost of the delay is. If there is a delay, there is also inflation, greenhouse gas emissions, and less opportunity for transit.
- Kirkland Deputy Mayor Jay Arnold emphasized what has been said. He said it is nice to hear that GARVEE is at a scale where it could help solve the problem and keep us on a 2027 schedule. He would like to see a more concrete proposal. If there is a doable combination, cities would like to be involved.
- Secretary Millar commented that the input EAG members have been providing is just what WSDOT and decision makers need to hear. He added that Jason is right about being able to solve the problem with GARVEE, but there are tradeoffs, such as preservation needs. This is about tradeoffs and priorities. Our role after this is to let the elected officials make the tough calls.
- Commissioner Shiv Batra added that we have heard from stakeholders how important it is to have the corridor up and running and function properly with traffic, to maximize tolling without negatively impacting the management of the traffic system. Relying on tolls only will not be enough to fill the gap. Keep in mind that more businesses are moving to Bellevue and that will impact traffic, and COVID could further impact toll revenue. GARVEE is one option, but MVF is probably the best option.
- Representative Shelley Kloba added that every single one of our decisions involves tradeoffs. Along with the tradeoff of GARVEE bonds, to delay or not do preservation, what level of risk do we feel we would leave Washington or WSDOT with if we choose to defer maintenance even more? What level of legal risk is there? And is that being thought about when it comes to considering tradeoffs?
  - Secretary Millar answered that our system is on a glide path to failure. Bridges are not doing well, we are not doing paving, and we have reduced speed limits. We are doing inspections and closing bridges when needed. We will keep the state out of liability situations moving forward but we will not be able to stay out of economic consequences. We are hoping to see new revenue for state of good repair. WSDOT will give the subject matter experts what we know, and they will take it from there.
- Bellevue Councilmember Janice Zahn emphasized the importance of working with the WSTC to review the options.
- Bothell Councilmember Mason Thompson asked about road wear and tear for additional transit users as opposed to someone in a SOV. He asked what kind of maintenance benefit that would give us, and if it is enough for the Legislature to consider.
  - Secretary Millar answered that we do not run on the infrastructure we want but on the infrastructure we have. Buses account for .86% of traffic but they carry 20% of the people on the corridor. As we debate tradeoffs, we have to come back and see that people have invested \$2 billion on statewide projects. We should be spending money to preserve it. This needs to be considered in tradeoffs.
- Bothell Councilmember Mason Thompson asked the group to look at the future they want since what we have now is not working.
- Renton Councilmember Valerie O'Halloran added that on the Eastside they are one corridor and unit of moving people and goods. To sacrifice any one piece of that to benefit the other piece is not in their nature. She also added that with the transit statistics on I-5, we need this corridor funded and flowing.

**VI. Wrap up:** Lisa thanked the group for the robust discussion and reminded everyone that since we last met with the EAG in June, the project team has reviewed initial funding and phasing options with the



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IWG and the Legislature. WSDOT will deliver a response to both provisos on Sept. 15. The EAG will have an opportunity to preview an early draft report around Sept. 8. The report will include similar content that WSDOT has presented at today's EAG meeting so there should be no surprises. In addition, the agency will look at timing of and need for another EAG meeting this year. Secretary Millar and Lisa thanked the group for their continued partnership and participation.

## INTERIM

- 1** I-405, SR 522 Vicinity to SR 527 Express Toll Lanes Improvement Project (design completion and construction)
- 2** I-405, Renton to Bellevue Widening and Express Toll Lanes Project (construction of Phase 3)
- 3** SR 167 Master Plan Update (planning)
- 4** Northbound and Southbound SR 167 Stage 6 Extension Project (design and construction)
- 5** I-405/North 8th Street Direct Access Ramp Project in Renton (design and construction)
- 6** NE 85th Street toll equipment through the I-405, NE 85th Street Interchange and Inline Bus Rapid Transit Station Project (toll infrastructure construction)

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