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July 20, 2009

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Honorable Mary Margaret Haugen
Chair, Transportation Committee
Washington State Senate
John A. Cherberg Building
MS: 40410
Olympia, WA 98504-0410

Honorable Judy Clibborn
Chair, Transportation Committee
Washington House of Representatives
John L. O'Brien Building
MS: 40600
Olympia, WA 98504-0600

Paula J. Hammond, PE
Secretary
Washington State Dept. of Transportation
PO Box 47316
Olympia, WA 98504-9710

Joni Earl
Chief Executive Officer
Central Puget Sound Regional Transit Authority
401 S. Jackson Street
Seattle, WA 98104-2826

Re: Independent Analysis to Value the I-90 Reversible Lanes for High Capacity Transit Use

Dear Sen. Haugen, Rep. Clibborn, Secretary Hammond and Ms. Earl:

Pursuant to the mandates set forth in ESSB 5352, we were retained by the Washington State Department of Transportation and the Central Puget Sound Regional Transit Authority to perform certain research, legal and policy review and analysis of certain agreements, federal and state laws, regulations and guidelines and to interview and consult with certain individuals and agencies. We were also retained to research and develop methodologies for performing valuation of the center roadway for use by high capacity transit and prepare recommendations and draft appraisal instructions.

Attached is our draft report entitled "An Analysis of Methodologies to Value the Reversible (Center) Lanes on Interstate 90 to be Used for High Capacity Transit Pursuant to Sound Transit Proposition I Approved by Voters in November 2008." Also enclosed is a CD with copies of the documents referenced in Appendix B.

Our report is identified as "Draft" because we have been unable to complete one of the key elements of our assigned task.

ESSB 5352 Section 204(3) requires consultation with the Federal Transit Administration and Federal Highway Administration concerning the federal investment in the center roadway facility, applicable guidance and practices. We were to interview the FTA and FHWA regional



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administrators or their designees to obtain information concerning those federal agencies' approaches and guidelines regarding the transfer of federally funded assets.

We have spoken on several occasions to representatives of those federal agencies to arrange for such consultations. Although the agencies have been cooperative and we believe wish to be of assistance, the agencies have been unable to complete the internal federal agency reviews necessary as a prerequisite to consult with us.

It is our understanding that FHWA internal review and consultation is underway but not yet completed. Once that internal FHWA process is complete, FHWA will consult with FTA to determine a joint federal agency position prior to making themselves available for consultation for this valuation process.

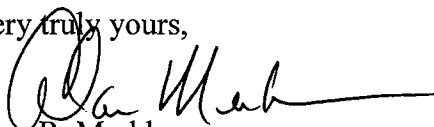
Unfortunately, that federal process is not completely synchronized with our required timetable for completion of Phase I work. Accordingly, we present this report without benefit of consultation with the federal agencies.

We intend to consult with the federal agencies as soon as they are available to do so and revisit any conclusions or recommendations we have made in this draft report which are appropriate to amend, if any, after such consultation.

We appreciate the opportunity to be of service to the State and region in this important task.

Mr. DiJulio and I look forward to meeting with you to discuss our findings and recommendations on Monday, July 27, 2009.

Very truly yours,


Alan R. Merkle

Enclosures

cc: Betty Ngan (w/encl.)
Jennifer Belk (w/encl.)
Katy Taylor (w/encl.)
Bryce Brown (w/encl.)
P. Stephen DiJulio (w/encl.)