



Tacoma Narrows Bridge 2015 Toll Rate Proposal

Tacoma Narrows Bridge Rate Setting Requirements

What does the law require?

RCW 47.46.100 states the toll charges must be imposed in amount sufficient to:

- Provide for annual revenue sufficient to provide for annual operating and maintenance expenses, except as provided in RCW [47.56.245](#);
- Make payments required under RCW [47.56.165](#) and [47.46.140](#), including insurance costs and the payment of principal and interest on bonds issued for any particular toll bridge or toll bridges; and
- Repay the motor vehicle fund under RCW [47.46.110](#), [47.56.165](#), and [47.46.140](#).

Tacoma Narrows Bridge Rate Increase

Toll rates need to be set at a level to generate annual revenue sufficient to meet the financial commitments and costs of operating the Tacoma Narrows Bridge.

Why do tolls need to increase?

Escalating debt service payments are driving expenses up. The bonds sold to fund the construction of the bridge were structured with escalating debt service payments each fiscal year through FY 2030.

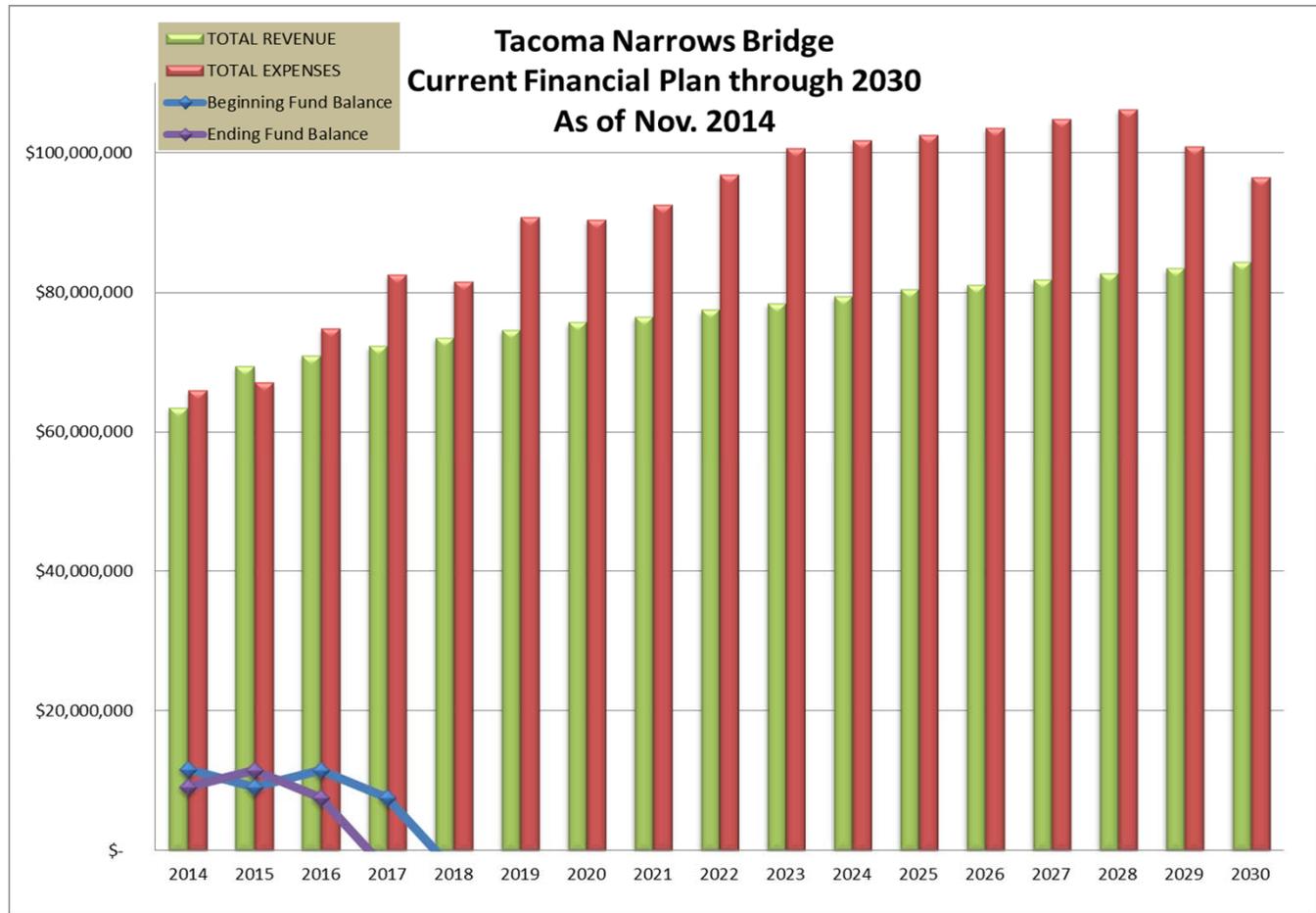
- For example, in FY15 debt service payments amount to \$54 million. They increase to \$62 million in FY16 and increase again in FY17 to \$70 million.
- Debt Service as a % of total fiscal year expenses:

FY15: 80% FY16: 82% FY17: 85% FY18: 85%

It should be noted the Office of the State Treasurer has refinanced all the bonds it could for Tacoma Narrows Bridge and has realized a total savings of \$9.446 million over the life of the bonds.

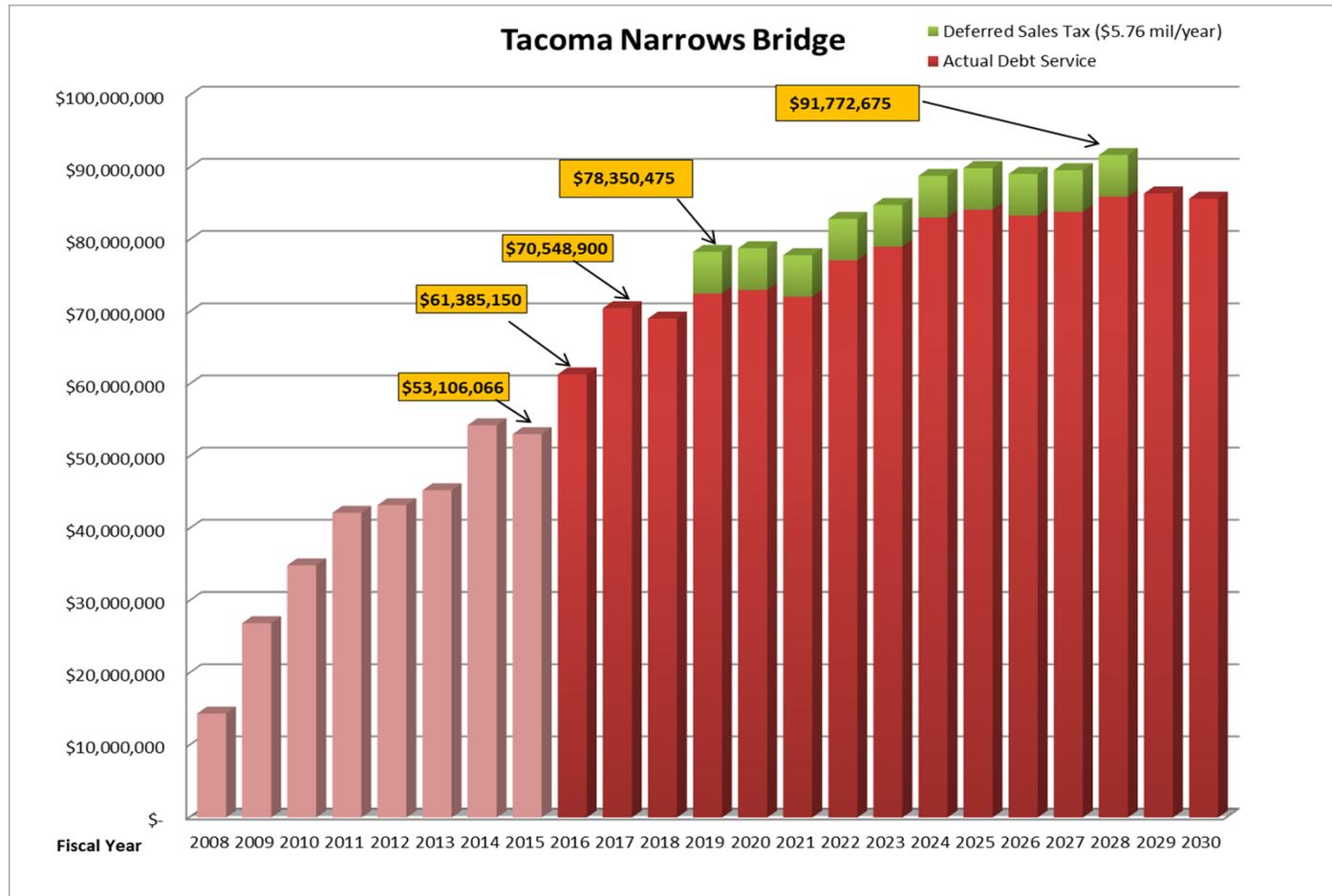
Tacoma Narrows Toll Bridge
 Financial Plan Under Current Rates
 Good To Go (GTG): \$4.50 Cash: \$5.50 Pay By Mail (PBM): \$6.50

- Total expenses exceed total revenues each year beginning in FY 2016.
- Fund balance drops below requirements in FY 2016.
- The Tacoma Narrows Account would end FY2017 in a deficit if the current rates were kept in place.



Tacoma Narrows Bridge Debt Service and Deferred Sales Tax

- 10 different bonds were issued to fund the construction of the bridge.
- The bonds that could be refinanced have been and **saved \$9.5 million over the life of the debt**
- Debt Service will increase by **\$8.27 million** from FY15 to FY16
- Debt Service will increase by **\$9.16 million** from FY16 to FY17
- Deferred Sales Tax repayments begin in FY2019 at \$5.76 mil per year for 10 years



Tacoma Narrows Bridge Reported Traffic Volume

Toll Increase History

Toll increases have occurred in:

- FY09
- FY13
- FY14
- FY15
- **Traffic volumes have remained relatively flat since 2008**
- July-December 2015: Traffic has positive growth.

Tacoma Narrows Bridge		
Fiscal Year	Actual Reported Traffic	Growth Rate of Actual Traffic %
2008	13,896,474	-
2009	13,933,956	0.27%
2010	14,261,331	2.35%
2011	14,063,498	-1.39%
2012	13,951,689	-0.80%
2013	13,827,983	-0.89%
2014	13,958,741	0.95%
2015 YTD (July-Dec.)	7,259,547	2.17%



Tacoma Narrows Bridge Citizen Advisory Committee Toll Rate Proposal

What is the Tacoma Narrows Bridge Citizens Advisory Committee (CAC) Toll Rate Proposal for 2-axle vehicles?

The CAC recommended a 50 cent rate increase in FY 2016 and FY 2017*

FY 2016: GTG: \$5.00 Cash: \$6.00 PBM: \$7.00

FY 2017: GTG: \$5.50 Cash: \$6.50 PBM: \$7.50

**The annual review process with the CAC will still occur and adjustments will be made if needed.*

Why set the rates for 2 years?

Setting rates for two years provides more predictability for toll payers and allows the public to anticipate and plan for known increases.

Tacoma Narrows Bridge

Washington State Transportation Commission

Toll Rate Proposal

The WSTC proposes a \$0.50 cent rate increase to take effect on July 1, 2015 (FY 2016) and second \$0.50 cent rate increase to take effect on July 1, 2016 (FY 2017).

Fiscal Year 2016:

GTG: \$5.00
Cash: \$6.00
PBM: \$7.00

FY 2017:

GTG: \$5.50
Cash: \$6.50
PBM: \$7.50

**The annual review process with the CAC will still occur and adjustments will be made if needed.*

FISCAL YEAR 2016						
Proposed	Toll Rate Structure					
Axles	Good To Go	Toll Booth	Pay By Mail	Pay By Plate	Short Term Account	
2	\$ 5.00	\$ 6.00	\$ 7.00	\$ 5.25	\$ 6.50	
3	\$ 7.50	\$ 9.00	\$ 10.50	\$ 7.75	\$ 10.00	
4	\$ 10.00	\$ 12.00	\$ 14.00	\$ 10.25	\$ 13.50	
5	\$ 12.50	\$ 15.00	\$ 17.50	\$ 12.75	\$ 17.00	
6	\$ 15.00	\$ 18.00	\$ 21.00	\$ 15.25	\$ 20.50	

FISCAL YEAR 2017						
Proposed	Toll Rate Structure					
Axles	Good To Go	Toll Booth	Pay By Mail	Pay By Plate	Short Term Account	
2	\$ 5.50	\$ 6.50	\$ 7.50	\$ 5.75	\$ 7.00	
3	\$ 8.25	\$ 9.75	\$ 11.25	\$ 8.50	\$ 10.75	
4	\$ 11.00	\$ 13.00	\$ 15.00	\$ 11.25	\$ 14.50	
5	\$ 13.75	\$ 16.25	\$ 18.75	\$ 14.00	\$ 18.25	
6	\$ 16.50	\$ 19.50	\$ 22.50	\$ 16.75	\$ 22.00	



Questions?

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