

Tacoma Narrows Bridge Toll Rate Setting

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Washington State Transportation Commission
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**Washington State
Department of Transportation**

TNB Traffic and Revenue

Projected and Reported through January 2010

	Projected Traffic	Reported Traffic	Variance	Projected Toll Revenue	Reported Toll Revenue	Variance	Reported Transponder Revenue	Reported Violation Revenue	Other Reported Revenue	Total Reported Revenue
Jul-09	1,209,709	1,306,609	96,900	\$ 3,782,879	\$ 4,293,278	\$ 510,399	\$ 63,286	\$ -	\$ 25,266	\$ 4,381,830
Aug-09	1,220,066	1,294,569	74,503	\$ 3,837,805	\$ 4,259,985	\$ 422,180	\$ 61,325	\$ 54,736	\$ 1,804	\$ 4,377,849
Sep-09	1,168,866	1,215,868	47,002	\$ 3,675,281	\$ 3,938,650	\$ 263,369	\$ 56,735	\$ 52,083	\$ 1,520	\$ 4,048,989
Oct-09	1,188,273	1,207,464	19,191	\$ 3,717,476	\$ 3,865,982	\$ 148,506	\$ 51,202	\$ 64,966	\$ 24,483	\$ 4,006,633
Nov-09	1,138,265	1,106,449	(31,816)	\$ 3,552,155	\$ 3,553,188	\$ 1,033	\$ 41,623	\$ -	\$ 600	\$ 3,595,411
Dec-09	1,199,741	1,178,283	(21,458)	\$ 3,728,516	\$ 3,500,015	\$ (228,501)	\$ 47,303	\$ 114,502	\$ 386	\$ 3,662,205
Jan-10	1,152,774	1,107,393	(45,381)	\$ 3,581,778	\$ 3,425,670	\$ (156,108)	\$ 48,806	\$ -	\$ 23,753	\$ 3,498,229
Year to Date	8,277,694	8,416,635	138,941	\$ 25,875,890	\$ 26,836,767	\$ 960,877	\$ 370,280	\$ 286,286	\$ 77,812	\$ 27,571,146
Feb-10	1,154,294			\$ 3,581,480	\$ -					\$ -
Mar-10	1,273,519			\$ 3,953,995	\$ -					\$ -
Apr-10	1,215,770			\$ 3,774,674	\$ -					\$ -
May-10	1,277,719			\$ 3,992,763	\$ -					\$ -
Jun-10	1,292,548			\$ 4,028,717	\$ -					\$ -
FY Total	14,491,544	8,416,635	138,941	\$ 45,207,519	\$ 26,836,767	\$ 960,877	\$ 370,280	\$ 286,286	\$ 77,812	\$ 27,571,146

Actual Revenue includes toll revenue, violations fees and transponder sales.

Reported Revenue aligns with Fund 511 Financial Statements.

July 2009-August 2009 projections based on the forecast dated June 2009.

September 2009-October 2009 projections based on the forecast dated September 2009.

November 2009-June 2010 projections based on the forecast dated November 2009.

TNB Revenue Forecast Update

Adopted February 12, 2010*

Revenue Changes from November 2009 Forecast

	<u>2010</u>	<u>2011</u>	<u>Biennium Total</u>
Toll Revenue**	(\$383,600)	\$0	(\$383,600)
Transponder/Shield Sales	(\$54,700)	(\$53,100)	(\$107,800)
Violations	\$0	\$4,900	\$4,900
Fees	\$0	\$0	\$0
Interest Earnings	<u>(\$165,700)</u>	<u>(\$106,900)</u>	<u>(\$272,600)</u>
Total Change	(\$604,000)	(\$155,100)	(\$759,100)

Notes:

*Scenario A – No Change on Toll Rates.

**There is no change to the toll revenue forecast from FY 2011 and beyond.

Financial Plan – TNB Account

Draft Financial Plan through 2015

WSTC Recommendation \$3.25 ETC/\$5.00 cash (CAC Scenario D) | Feb. 2010 Adopted Forecast

(dollars in thousands)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	Current 2010	2011	2012	2013	2014	2015	Total Through 2015
Toll Rate (ETC)						\$ 1.75	\$ 2.75	\$ 2.75	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	
Toll Rate (Cash)						\$ 3.00	\$ 4.00	\$ 4.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
Beginning Fund Balance	-	36,524	34,597	17,076	44,723	18,096	9,995	16,487	15,537	10,146	17,497	14,832	5,199	
3-month Debt Service								8,700	11,200	10,100	11,500	13,600	13,500	
Operations and Maintenance														
Sources of Funds ¹														
Interest Earnings from Tacoma Narrows Account (511) ²	-	-	-	8	57	250	290	473	380	409	478	296	-	2,641
Interest Earnings from Toll Collections Account (495) ²	-	-	-	-	-	3	115	120	147	152	156	159	162	1,015
Toll Revenue	-	-	-	-	-	29,960	44,323	46,168	56,699	58,672	60,141	61,335	62,527	419,825
Transponder Sales Revenue	-	-	-	-	-	760	608	643	682	707	726	740	755	5,621
Violations	-	-	-	-	-	467	598	687	724	751	771	786	801	5,585
Fees ³	-	-	-	-	-	1	56	104	104	104	104	104	104	679
Miscellaneous Revenue ⁴	-	-	-	-	913	279	0	-	-	-	-	-	-	1,191
Debt Service	-	-	-	-	-	(14,689)	(26,915)	(34,903)	(44,955)	(40,443)	(45,963)	(54,373)	(53,859)	(316,100)
Transfers from/(to) Other Accounts ⁵	-	-	-	1,300	5,288	-	(10)	-	(5,288)	-	-	-	-	1,290
Total Sources of Funds for Operations and Maintenance	-	-	-	1,308	6,258	17,030	19,064	13,292	8,492	20,352	16,413	9,047	10,490	121,747
Uses of Funds ⁶														
WSDOT Oversight & Admin. of Toll Operations ⁷	-	-	-	172	1,866	2,180	2,278	1,879	1,888	1,348	1,348	1,361	1,372	15,692
Toll Operator Contract	-	-	-	490	2,759	9,852	6,932	7,794	7,794	7,861	7,861	7,932	8,002	67,277
Insurance	-	-	-	-	-	2,680	1,339	2,534	2,534	2,534	2,534	2,534	2,534	19,223
Washington State Patrol	-	-	-	-	-	572	315	342	342	328	328	331	334	2,891
Maintenance of New Bridge	-	-	-	-	-	103	268	769	779	746	746	753	760	4,925
Preservation of New Bridge, Roadway & Toll Systems	-	-	-	-	-	-	-	136	546	185	503	13	3,072	4,455
Deferred Sales Tax	-	-	-	-	-	-	-	-	-	5,757	5,757	5,757	5,757	17,271
Total Uses of Funds for Operations and Maintenance	-	-	-	662	4,625	15,387	11,132	13,454	13,883	13,002	19,077	18,681	21,831	131,734
Current Year Balance for Ops. And Maint. (Sources - Uses)	-	-	-	646	1,632	1,643	7,932	(162)	(5,391)	7,350	(2,664)	(9,634)	(11,340)	(9,987)
Cumulative Balance for Ops. And Maint.	-	-	-	646	2,279	3,921	11,854	11,692	6,301	13,651	10,987	1,353	(9,987)	
Capital Improvements														
Sources of Funds														
Interest Earnings ²	2,125	1,239	774	1,523	1,797	805	390	-	-	-	-	-	-	8,653
Bond Proceeds	231,207	197,234	108,634	111,986	16,002	12,716	-	-	-	-	-	-	-	677,780
Capitalized Interest (Debt Service)	-	-	-	(1,792)	(2,580)	-	-	-	-	-	-	-	-	(4,372)
Charges for Services	-	-	4	2	145	-	-	-	-	-	-	-	-	152
Transfers from/(to) Other Accounts	39,000	-	-	-	-	-	-	-	-	-	-	-	-	39,000
Total Sources of Funds for Capital	272,332	198,473	109,412	111,720	15,364	13,522	390	-	-	-	-	-	-	721,212
Uses of Funds														
Capital Expenditures	235,808	200,400	127,046	84,720	43,623	23,319	2,230	788	-	-	-	-	-	717,934
Prior Period Recoveries	-	-	(113)	-	-	(54)	(400)	-	-	-	-	-	-	(567)
Total Uses of Funds for Capital	235,808	200,400	126,933	84,720	43,623	23,266	1,830	788	-	-	-	-	-	717,367
Current Year Balance for Capital (Sources - Uses)	36,524	(1,927)	(17,521)	27,001	(28,260)	(9,744)	(1,440)	(788)	-	-	-	-	-	3,845
Cumulative Balance for Capital Improvements	36,524	34,597	17,076	44,077	15,817	6,073	4,633	3,845	3,845	3,845	3,845	3,845	3,845	
Ending Fund Balance	36,524	34,597	17,076	44,723	18,096	9,995	16,487	15,537	10,146	17,497	14,832	5,199	(6,142)	
Debt Service Coverage = Annual Net Revenue / Annual Debt Service ⁸								99.9%	101.0%	118.6%	107.8%	92.9%	95.3%	
Coverage of All Expenditures = Net Revenue / All Expenditures ⁹								99.5%	89.4%	118.1%	94.9%	84.0%	81.9%	
Cumulative Percentage Coverage = (Beginning Fund Balance + Gross Revenue - Total Expenditures) / Debt Service ¹⁰								146.8%	122.6%	143.3%	132.3%	109.6%	88.6%	
Coverage with 3-Month Debt Service Set Aside = (Beginning Fund Balance - 3-month Debt Service + Net Revenue) / Debt Service ⁸								122.2%	110.6%	118.7%	120.9%	95.2%	79.9%	

Note: See handout for details

TNB Insurance

- Business Interruption Period = 10 days
- \$500 million maximum coverage on repairs per occurrence
- \$60 million maximum coverage on Loss of Revenue
- \$10 million “Deductible”

Coverage Calculation Methods

- Debt Service Coverage
= Net Revenue ¹ / Debt Service
- Coverage of All Expenditures
= Net Revenue ¹ / All Expenditures ²
- Cumulative Coverage Percentage
= (Beginning Fund Balance + Gross Revenue - Total Expenditures ³) / Debt Service
- 3-month Debt Service Set Aside
= (Beginning Fund Balance – 3-month Debt Service Reserve + Net Revenue ¹) / Debt Service

Footnotes:

1 "Net Revenue" does not include the expenses on (1) Preservation of New Bridge, Roadway and Toll Systems, (2) Deferred Sales Tax, and (3) the \$5.288 million repayment to Motor Vehicle Account.

2 "All Expenditures" include the expenditures not captured by Net Revenue, including: (1) Preservation of New Bridge, Roadway and Toll Systems; (2) Deferred Sales Tax; (3) the \$5.288 million repayment; and (4) Debt Service.

3 "Total Expenditures" include: (1) Operating Expenditures; (2) Preservation of New Bridge, Roadway and Toll Systems; (3) Deferred Sales Tax; and (4) the \$5.288 million repayment. It does not include debt service.

Coverage Calculation Comparison

Based on FY 11 Financial Plan | Assume Pay Back \$5.288 million as Scheduled

WSTC Recommendation \$3.25 ETC/\$5.00 cash (CAC Scenario D) | Feb. 2010 Adopted Forecast

	CAC Scenario D FY 2011	Debt Service Coverage	Coverage of All Expenditures	Cumulative Percentage Coverage	3-Month Debt Service Set Aside
Beginning Fund Balance	15,537			15,537	15,537
3-Month Debt Service Reserve (25% Annual Debt Service)	11,200				11,200
Gross Revenue					
Interest Earnings from Tacoma Narrows Account (511)	380				
Interest Earnings from Toll Collections Account (495)	147				
Toll Revenue	56,699				
Transponder Sales Revenue	682				
Violations	724				
Fees	104				
Subtotal	58,736			58,736	
Operating Expenditures					
WSDOT Oversight & Admin. of Toll Operations	1,888				
Toll Operator Contract	7,794				
Insurance	2,534				
Washington State Patrol	342				
Maintenance of New Bridge	779				
Subtotal	13,337				
Net Revenue (Gross Revenue - Operating Expenditures)	45,399	45,399	45,399		45,399
All Expenditures					
Preservation of New Bridge, Roadway & Toll Systems	546				
Deferred Sales Tax or Transfers to Other Accounts	5,288				
Debt Service	44,955	44,955		44,955	44,955
Subtotal	50,789		50,789		
Total Expenditures					
Operating Expenditures	13,337				
Preservation of New Bridge, Roadway & Toll Systems	546				
Deferred Sales Tax or Transfers to Other Accounts	5,288				
Subtotal	19,171			19,171	
Coverage Calculation		$\frac{45,399}{44,955} = 101.1\%$	$\frac{45,399}{50,789} = 89.4\%$	$\frac{15,537 + 58,736 - 19,171}{44,955} = 122.6\%$	$\frac{15,537 - 11,200 + 45,399}{44,955} = 110.6\%$

Tacoma Narrows Bridge

Draft

Annual Coverage Ratio | Feb. 2010 Adopted Forecast

Assume Pay Back \$5.288 million as Scheduled

\$ in thousands

		Fiscal Year					
		2010	2011	2012	2013	2014	2015
Scenario A ETC: \$2.75 Cash: \$4.00	Ending Balance	\$ 15,537	\$ 1,530	\$ (285)	\$ (12,415)	\$ (31,511)	\$ (52,196)
	Debt Service Coverage	99.9%	81.8%	96.0%	87.2%	75.5%	78.0%
	Coverage of All Expenditures	99.5%	72.4%	95.5%	69.7%	68.2%	67.0%
	Cumulative Percentage Coverage	146.8%	103.4%	99.3%	73.0%	42.0%	3.1%
	3-Month Debt Service Set Aside	122.2%	91.5%	74.8%	61.6%	27.6%	-5.6%
Scenario B ETC: \$3.00 Cash: \$4.00	Ending Balance	\$ 15,537	\$ 3,889	\$ 4,617	\$ (4,999)	\$ (21,531)	\$ (39,602)
	Debt Service Coverage	99.9%	87.1%	102.3%	92.7%	80.2%	82.8%
	Coverage of All Expenditures	99.5%	77.1%	101.8%	81.6%	72.5%	71.2%
	Cumulative Percentage Coverage	146.8%	108.7%	111.4%	89.1%	60.4%	26.5%
	3-Month Debt Service Set Aside	122.2%	96.7%	86.9%	77.7%	46.0%	17.8%
Scenario J ETC: \$2.75 Cash: \$5.00	Ending Balance	\$ 15,537	\$ 3,938	\$ 4,653	\$ (5,079)	\$ (21,862)	\$ (40,318)
	Debt Service Coverage	99.9%	87.2%	102.2%	92.4%	79.7%	82.1%
	Coverage of All Expenditures	99.5%	77.2%	101.8%	81.4%	72.1%	70.6%
	Cumulative Percentage Coverage	146.8%	108.8%	111.5%	88.9%	59.8%	25.1%
	3-Month Debt Service Set Aside	122.2%	96.8%	87.0%	77.5%	45.4%	16.5%
CAC Scenario C ETC: \$3.00 Cash: \$5.00	Ending Balance	\$ 15,537	\$ 7,359	\$ 11,715	\$ 5,881	\$ (7,060)	\$ (21,470)
	Debt Service Coverage	99.9%	94.8%	111.2%	100.9%	86.8%	89.6%
	Coverage of All Expenditures	99.5%	83.9%	110.7%	88.8%	78.5%	77.0%
	Cumulative Percentage Coverage	146.8%	116.4%	129.0%	112.8%	87.0%	60.1%
	3-Month Debt Service Set Aside	122.2%	104.4%	104.5%	101.4%	72.6%	51.5%
CAC Scenario D ETC: \$3.25 Cash: \$5.00	Ending Balance	\$ 15,537	\$ 10,146	\$ 17,497	\$ 14,832	\$ 5,199	\$ (6,142)
	Debt Service Coverage	99.9%	101.0%	118.6%	107.8%	92.9%	95.3%
	Coverage of All Expenditures	99.5%	89.4%	118.1%	94.9%	84.0%	81.9%
	Cumulative Percentage Coverage	146.8%	122.6%	143.3%	132.3%	109.6%	88.6%
	3-Month Debt Service Set Aside	122.2%	110.6%	118.7%	120.9%	95.2%	79.9%

CAC

WSTC

Tacoma Narrows Bridge

Draft

Annual Coverage Ratio | Feb. 2010 Adopted Forecast

Assume No Pay Back of \$5.288 million

\$ in thousands

		Fiscal Year					
		2010	2011	2012	2013	2014	2015
Scenario A ETC: \$2.75 Cash: \$4.00	Ending Balance	\$ 15,537	\$ 6,897	\$ 5,244	\$ (6,886)	\$ (25,983)	\$ (46,667)
	Debt Service Coverage	99.9%	82.0%	96.4%	87.2%	75.5%	78.0%
	Coverage of All Expenditures	99.5%	81.0%	95.9%	76.8%	68.2%	67.0%
	Cumulative Percentage Coverage	146.8%	115.3%	113.0%	85.0%	52.2%	13.4%
	3-Month Debt Service Set Aside	122.2%	91.6%	88.4%	73.6%	37.8%	4.7%
Scenario B ETC: \$3.00 Cash: \$4.00	Ending Balance	\$ 15,537	\$ 9,256	\$ 10,145	\$ 690	\$ (15,842)	\$ (33,913)
	Debt Service Coverage	99.9%	87.2%	102.7%	93.0%	80.2%	82.8%
	Coverage of All Expenditures	99.5%	86.2%	102.2%	81.9%	72.5%	71.2%
	Cumulative Percentage Coverage	146.8%	120.6%	125.1%	101.5%	70.9%	37.0%
	3-Month Debt Service Set Aside	122.2%	96.9%	100.6%	90.1%	56.5%	28.4%
Scenario J ETC: \$2.75 Cash: \$5.00	Ending Balance	\$ 15,537	\$ 9,305	\$ 10,181	\$ 609	\$ (16,174)	\$ (34,631)
	Debt Service Coverage	99.9%	87.4%	102.6%	92.8%	79.7%	82.1%
	Coverage of All Expenditures	99.5%	86.3%	102.2%	81.7%	72.1%	70.6%
	Cumulative Percentage Coverage	146.8%	120.7%	125.2%	101.3%	70.3%	35.7%
	3-Month Debt Service Set Aside	122.2%	97.0%	100.7%	89.9%	55.9%	27.0%
CAC Scenario C ETC: \$3.00 Cash: \$5.00	Ending Balance	\$ 15,537	\$ 12,726	\$ 17,244	\$ 11,575	\$ (1,366)	\$ (15,776)
	Debt Service Coverage	99.9%	95.0%	111.6%	101.3%	86.8%	89.6%
	Coverage of All Expenditures	99.5%	93.8%	111.1%	89.1%	78.5%	77.0%
	Cumulative Percentage Coverage	146.8%	128.3%	142.6%	125.2%	97.5%	70.7%
	3-Month Debt Service Set Aside	122.2%	104.6%	118.1%	113.8%	83.1%	62.0%
CAC Scenario D ETC: \$3.25 Cash: \$5.00	Ending Balance	\$ 15,537	\$ 15,514	\$ 23,025	\$ 20,527	\$ 11,064	\$ (115)
	Debt Service Coverage	99.9%	101.2%	119.0%	108.2%	93.2%	95.6%
	Coverage of All Expenditures	99.5%	99.9%	118.5%	95.2%	84.3%	82.2%
	Cumulative Percentage Coverage	146.8%	134.5%	156.9%	144.7%	120.3%	99.8%
	3-Month Debt Service Set Aside	122.2%	110.8%	132.4%	133.3%	105.9%	91.1%

CAC

WSTC

Questions?

For more information on Tacoma Narrows Bridge
Toll Rate Setting, please contact

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**Washington State
Department of Transportation**