

SR 520 Update

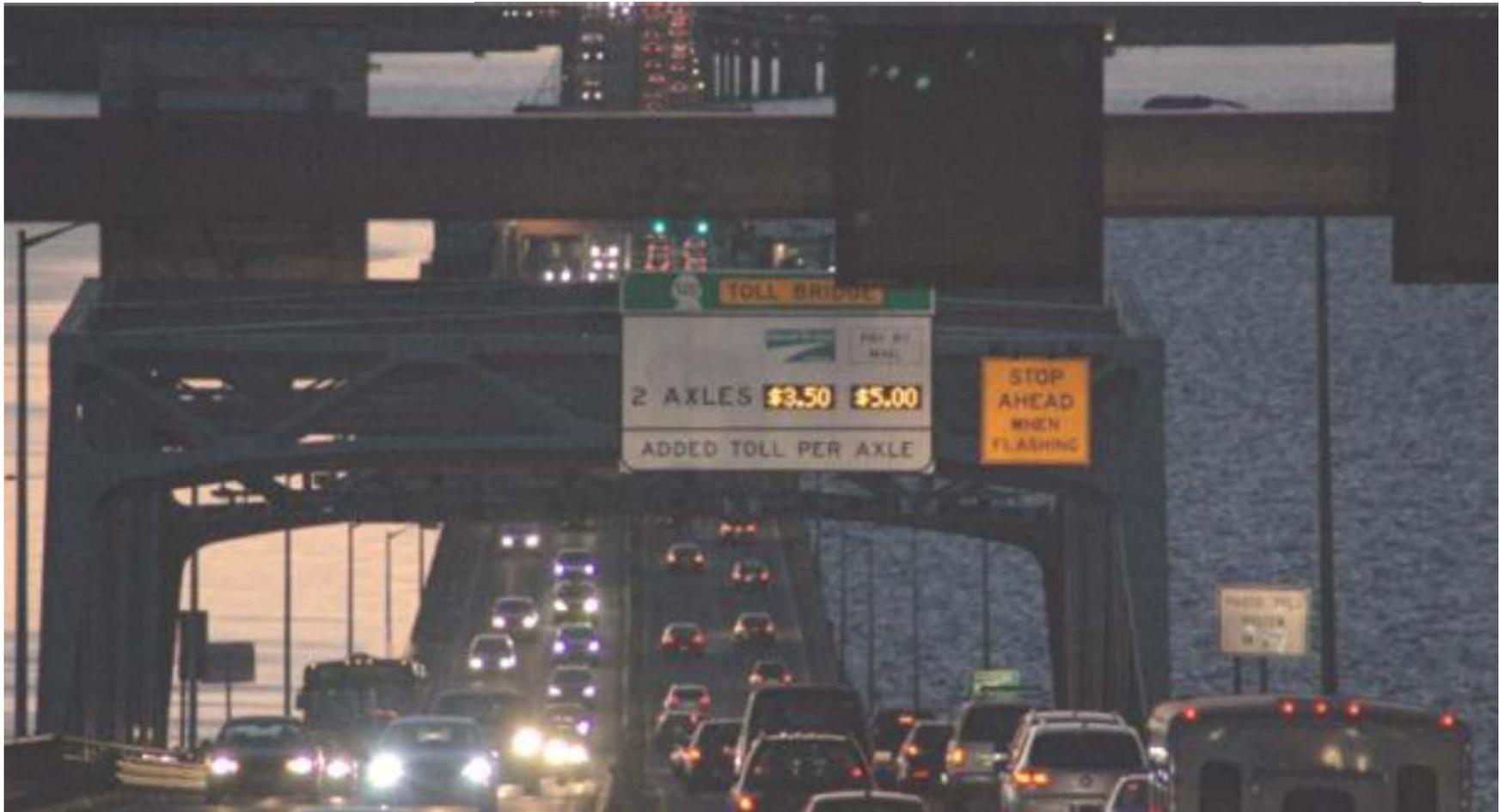
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Toll Operations

- **Tolling implementation**
 - On, December 29, 2011, WSDOT began tolling the existing SR 520 bridge.
- **SR 520 tolling is open road, variably-priced, and all electronic**
 - Allows all vehicles to travel through the corridor maintaining highway speeds
 - Variable pricing permits better traffic management during peak and off peak times
- **Tolls are collected in both directions with two primary payment methods:**
 - *Good To Go!* account: electronic, linked to a prepaid account. Options:
 - Transponder
 - Pay By Plate — pre-registered license plates captured via cameras
 - Pay By Mail: users without an account will have a bill mailed to them at an additional cost of \$1.50.

Early Indicators of Toll Success



- **Good To Go! accounts**
 - Goal was 100,000 new accounts by day of opening
 - 225,000 new accounts opened between February 2011 and the end of February 2012
- **Trips paid via Good To Go! accounts**
 - CDM Smith forecasted that 72% of transactions during the first year of tolling would be paid via *Good To Go!* accounts (transponder or Pay By Plate)
 - Early indications:
 - Through February, approximately 79% of all toll trips were made by *Good To Go!* account users (72% transponder, 7% Pay By Plate)
 - *Good To Go!* transponder market share regularly exceeds 80% during weekday AM and PM peak hours.

Initial Traffic Results – Through February 2012

- **Currently in a predicted ramp-up period**
 - Effects of ramp-up (duration and magnitude) cannot be identified in actual data.
- **Traffic on SR 520**
 - Toll traffic is generally at or above projected levels in the first two months of operations.
 - Initial traffic patterns reflect a more traditional peak/off-peak pattern compared to before tolling where the midday sustained near peak levels.
 - Travel is free-flowing.

Initial January 2012 Toll Traffic Results

JANUARY 2012 TOLL TRAFFIC	Actual ¹	Forecast <u>without</u> Ramp-Up ²	% <i>Variance</i>	Forecast <u>with</u> Ramp-Up ^{2,3}	% <i>Variance</i>
Average Weekday ⁴	49,895	56,395	-11.5%	53,575	-6.9%
Average Weekend ⁵	33,031	27,852	+18.6%	26,459	+24.8%
Average Daily ^{4,6}	45,076	47,926	-5.9%	45,530	-2.5%

- Average weekday daily traffic did not meet forecasts, in part due to inclement weather during the month of January.
- Average weekend daily traffic exceeded forecasts by as much as **+24.8%**⁷
- Overall, average daily traffic was between **-2.5%** to **-5.9%** below forecasts, depending on whether ramp-up was factored into the forecast.

¹ Traffic counts generated by in-lane toll collection equipment. Actual counts include transit buses and other toll-exempt vehicles.

² CDM Smith forecasts, inclusive of a monthly seasonal adjustment factor. Forecasts exclude transit buses and other toll-exempt vehicles.

³ Factors in a 5% reduction to reflect the overall ramp-up adjustment projected by CDM Smith for FY 2012.

⁴ Average weekday and average daily traffic excludes minor periods of equipment malfunction in January.

⁵ Average weekend daily traffic excludes planned weekend construction closures.

⁶ Average daily traffic across all weekdays and weekends, except as noted in (4) and (5) above.

Initial February Toll Traffic Results

FEBRUARY 2012 TOLL TRAFFIC	Actual ¹	Forecast <u>without</u> Ramp-Up ²	% <i>Variance</i>	Forecast <u>with</u> Ramp-Up ^{2,3}	% <i>Variance</i>
Average Weekday ⁴	62,775	59,332	+6%	56,366	+11%
Average Weekend ⁵	36,525	29,302	+25%	27,837	+31%
Average Daily ^{4,6}	56,941	50,422	+13%	47,901	+17%

- Average weekday daily traffic exceeded forecasts by as much as **+11%**.
- Average weekend daily traffic exceeded forecasts by as much as **+31%**.
- Overall, average daily traffic was between **+13%** to **+17%** above forecasts, depending on whether ramp-up was factored into the forecast.

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Initial Traffic Impacts Elsewhere

- **As projected, most of the diversion occurs during midday and other “off-peak” times.**
- **The nearest parallel free route is I-90; weekday traffic has increased there by 5 to 10%.**
 - Limited capacity on I-90 during peak periods
 - Congestion on I-5 and I-405 limits drivers’ ability to access I-90
 - Speeds on I-90 remain within normal ranges but weather and accidents have caused significant delays on a few days
- **SR 522 involves a longer detour and is a less attractive alternative; no significant change in traffic speed.**

Initial Revenue Results

- **Revenue results are preliminary**
- **Factors affecting actual revenue performance to forecast**
 - Period of inclement weather in January impacted travel throughout region.
 - High *Good To Go!* market share results in fewer Pay By Mail transactions.
 - Less revenue generated from the \$1.50 higher Pay By Mail toll.
 - Lower revenue “leakage” is expected with higher *Good To Go!* market share.
 - Share of transponder payments higher than original forecast.
 - Transponder transactions account for nearly 91% of *Good To Go!* transactions, while Pay By Plate accounts for remaining 9%.
 - Smaller share of Pay By Plate transactions results in less fee revenue from the \$0.25 higher Pay By Plate fee.

Initial January Revenue Results

JANUARY 2012 TOLL REVENUE	Actual	Forecast without Ramp-Up	% Variance	Forecast with Ramp-Up	% Variance
Gross Revenue Before Free Trip Incentives ¹	\$3,176,232	\$4,382,000	-28%	\$4,163,000	-24%
Adjusted Gross Revenue after Incentives and Allowance for Doubtful Accounts ³	\$3,071,896	\$3,763,000	-18%	\$3,550,000	-13%

- Gross revenue (before free trip incentives) ranges from **-24%** to **-28%** below forecasts, depending on whether ramp-up is factored into the forecast.
- Gross revenue adjusted for free trip incentives and an allowance for doubtful accounts ranges from **-13%** to **-18%** below forecasts.
- Values based on preliminary, un-reconciled database query data.⁴

¹ CDM Smith forecast inclusive of a monthly seasonal adjustment and a monthly average value for planned weekend construction closures; net of allowances for unreadable license plates / inability to identify vehicle owner; and inclusive of \$0.25 Pay By Plate fee revenues and \$0.50 customer initiated payment credits.

² Total revenue reduction due to free trip incentives was estimated to be \$1.5 million by the end of March 2012 and was assumed to be distributed equally over three months.

³ The allowance for doubtful accounts uses an accounting estimate of 10% of the amount of toll bills issued will be uncollectible. This amount results in a direct reduction to toll revenue for the facility.

⁴ The CSC vendor has not yet completed preparation of official financial reports.

Initial February Revenue Results

FEBRUARY 2012 TOLL REVENUE	Actual	Forecast without Ramp-Up	% Variance	Forecast with Ramp-Up	% Variance
Gross Revenue Before Free Trip Incentives ¹	\$4,330,197	\$4,610,000	-6%	\$4,379,000	-1%
Adjusted Gross Revenue after Incentives and Allowance for Doubtful Accounts ³	\$4,013,829	\$3,958,000	+1%	\$3,761,000	+7%

- Gross revenue (before free trip incentives) ranges from **-6%** to **-1%** below forecasts, depending on whether ramp-up is factored into the forecast.
- Gross revenue adjusted for free trip incentives and an allowance for doubtful accounts ranges from **+1%** to **+7%** above forecasts.
- Values based on preliminary, un-reconciled database query data.⁴

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Questions?

For additional information on SR 520 Tolling, please contact:

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