

# Tacoma Narrows Bridge Update

**Paula J. Hammond, P.E.**  
Secretary

**Steve Reinmuth**  
Chief of Staff

**Craig J. Stone, P.E.**  
Assistant Secretary  
Toll Division

**Washington State Transportation Commission**  
**January 23, 2013**

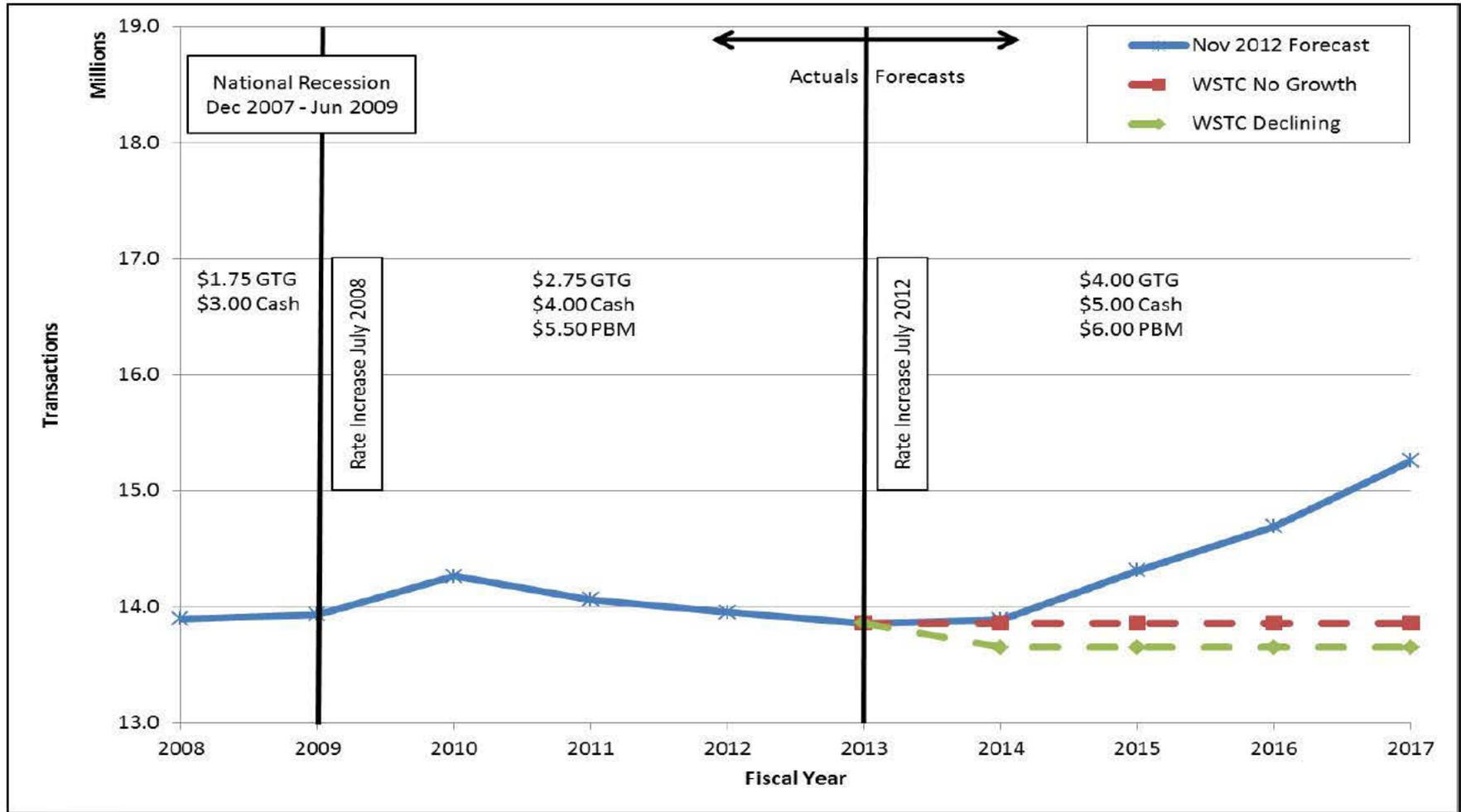
# TNB Rate Setting

- **Funding Target Direction**
  - Alternative Revenue Projections
  - Effect of Revised Guidance on Sufficient Minimum Balance Policy
- **Upcoming CAC Meeting Topics**
- **CAC Guidance**
- **Rate Setting Milestones**

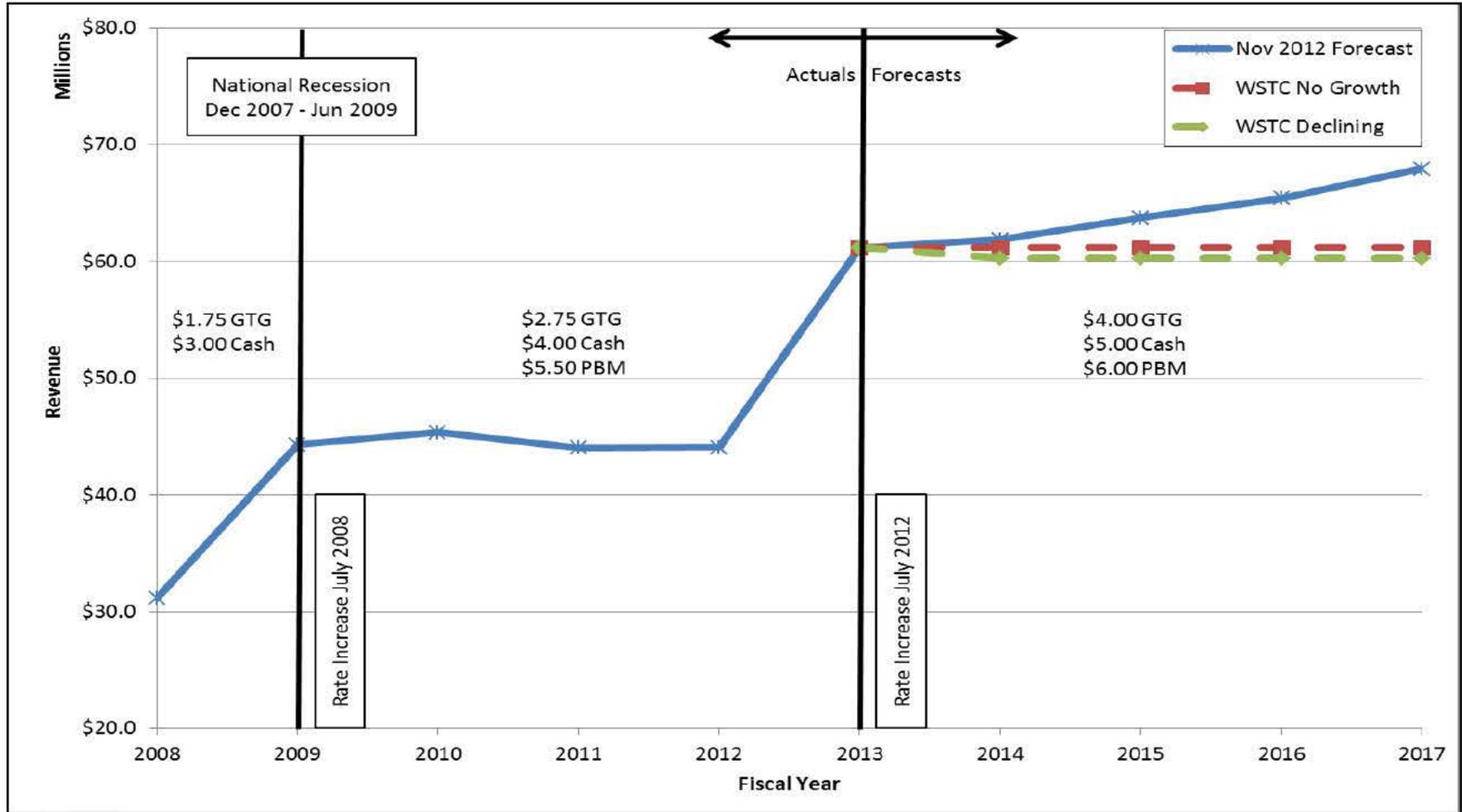
# Alternatives – Assumptions

- **Adopted Forecast (Nov 2012)**
  - Forecast provided by CDM Smith
  - Adopted by Washington State Forecast Council
  - Forecast factors include:
    - Population of the service area
    - Economic activity, employment
    - Gasoline prices
    - Alternative routes, modes, etc.
- **No Growth in Traffic Alternative**
  - Use Nov 2012 forecast for FY 2013 (mix of forecasts and actuals)
  - FY 2013 Traffic levels used for FY 2014 through FY 2017
- **Declining Traffic Alternative**
  - Nov 2012 forecast for FY 2013, reduced by 1.5%
  - FY 2013 Traffic levels (less 1.5%) used for FY 2014 through FY 2017

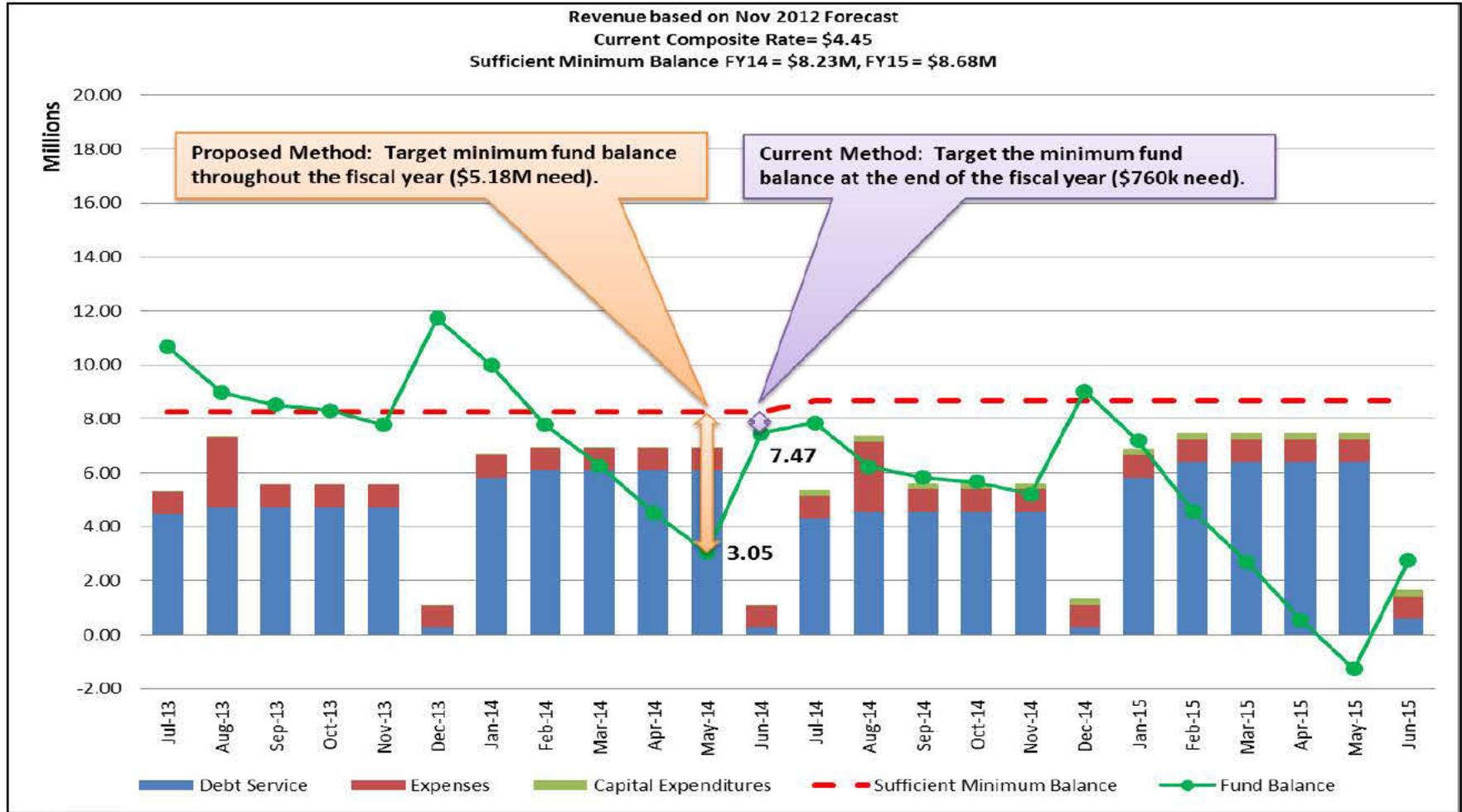
# Comparison of November 2012 Quarterly Forecast and Alternatives



# Comparison of November 2012 Quarterly Forecast and Alternatives

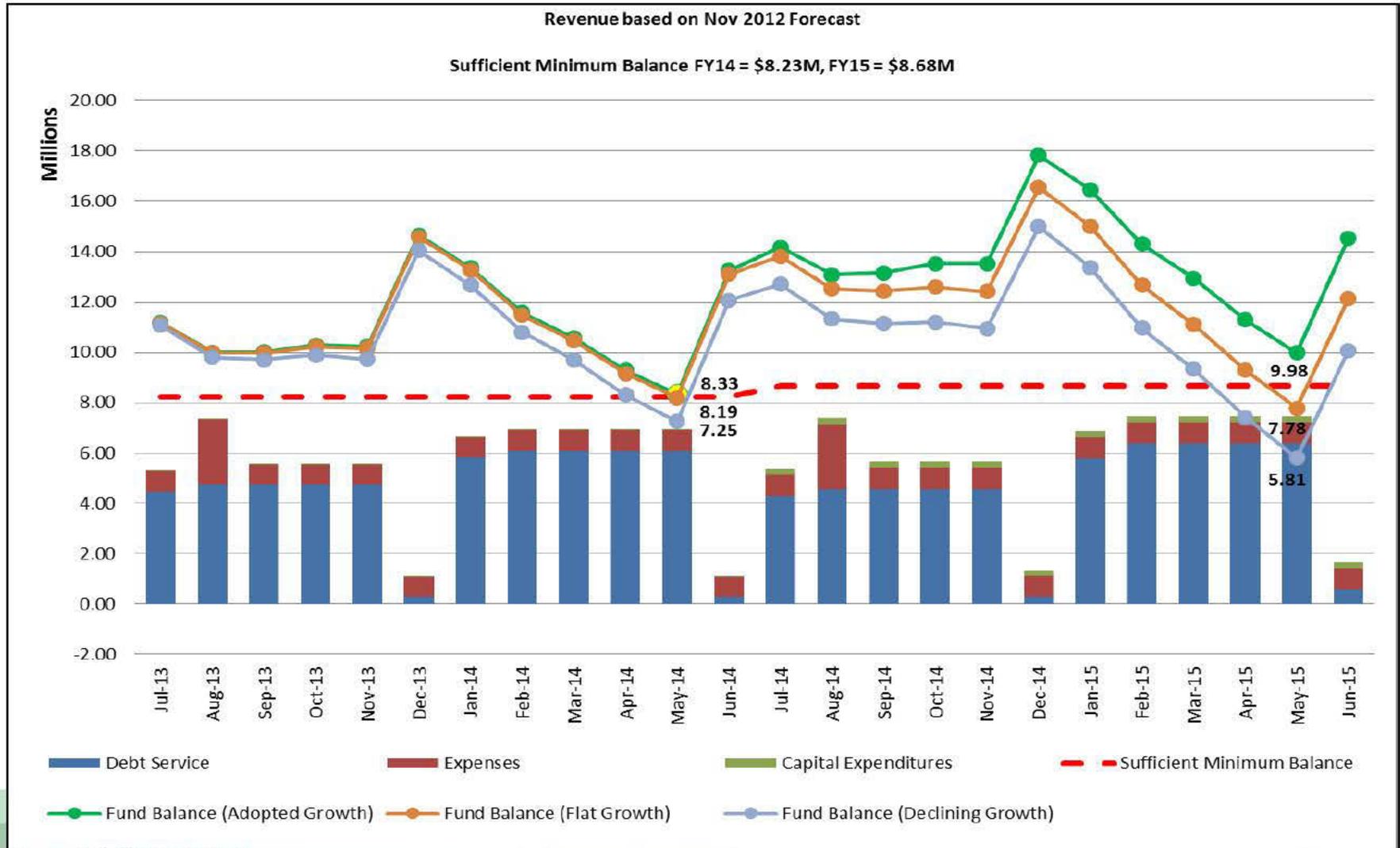


# TNB Fund Balance Monthly Look With Current Toll Rates



# TNB Fund Balance Monthly Look

## With \$0.49 Estimated Toll Rate Increase



# CAC Meeting Topics

- **Questions Posed by the CAC**
  - Removal of contingency
  - Incremental cost of payment methods
  - Two-year toll rate that meets the SMB
  - Cost of rate setting
- **Scenarios for CAC**
  - \$0.25 increase for each payment type
  - Amount needed for two years
- **Next steps**
  - February 5, CAC review of preliminary scenarios
  - February 19, CAC proposes toll rates
  - March 12, CAC proposes toll rates (if needed)
  - March 19-20, CAC recommendation to WSTC

# CAC Funding Target Guidance

- **What are financially responsible approaches to manage risk?**
  - Cost contingencies
  - Alternative revenue assumptions
  - Revised implementation of SMB policy
  - All of the above?
- **What guidance should be provided to the CAC on the funding target?**
- **Is there a preference to achieve a rate that can be maintained for two years, or is a one-year cycle appropriate?**

# TNB Rate Setting Milestones

- **November :** Rate setting kickoff meeting  
CAC Financial Plan Workshop
- **December:** Financial plan/funding needs  
CAC Q&A Session
- **January:** Preliminary scenarios

## Upcoming Commission Public Input Meetings and Action:

- **January:** File CR 101
- **March:** CAC rate recommendation  
WSTC proposed rates  
File CR 102
- **April:** Public input meeting
- **May:** Public Hearing  
Adopt toll rates  
File CR 103

# Questions?

Craig J. Stone, P.E.  
Assistant Secretary, Toll Division  
206-464-1222 or [StoneC@wsdot.wa.gov](mailto:StoneC@wsdot.wa.gov)