2019 TNB Loan Report
Summary

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TNB Loan Legislation Recap

• In 2018, the Legislature passed legislation (SHB 2990) stating its intent to provide up to $85 million in loans for the TNB Account.

• Loans are meant to keep TNB toll rates at no more than $0.25 more than current levels until debt service, deferred sales tax, and loans are repaid (through about FY 2032).

• Assumes no more than a $0.25 rate increase, beginning on July 1, 2021 (FY 2022) or later.
Report to Legislature

• SHB 2990 directed the Transportation Commission to annually provide the Legislature a status report on the loan amounts necessary to meet the bill’s intent.
  – Report directed to the Transportation Committees of the Legislature.
  – Required annually through the end of debt service payments in FY 2030, followed by reports on the loan repayment.
Loans Needed for 2019-21 Biennium

• In alignment with the Legislature’s intent, the Legislature needs to approve the following loan amounts to the TNB Account for the 2019-21 biennium:

<table>
<thead>
<tr>
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<th>FY 2020</th>
<th>FY 2021</th>
<th>2019-21 Biennium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Loan Estimates</td>
<td>$ 6,511,000</td>
<td>$ 8,392,000</td>
<td>$ 14,903,000</td>
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</tbody>
</table>

Note: estimates rounded to nearest thousand.

• Without a loan (or other revenue source) for FY 2020, the Commission will need to initiate a rate-setting process for a toll rate increase July 1, 2019.
## Loans Needed for 2019-21 Biennium

### TNB Loan Estimates: 2019-2021 Biennium

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</thead>
<tbody>
<tr>
<td><strong>Current Loan Estimates</strong></td>
<td>$ 6,511,000</td>
<td>$ 8,392,000</td>
<td>$ 14,903,000</td>
<td>$ 81,818,000</td>
</tr>
<tr>
<td><strong>Original Loan Estimates (Spring ‘18)</strong></td>
<td>$ 15,290,000</td>
<td>$ 10,288,000</td>
<td>$ 25,577,000</td>
<td>$ 82,296,000</td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td>$ -8,779,000</td>
<td>$ -1,896,000</td>
<td>$ -10,674,000</td>
<td>$ -478,000</td>
</tr>
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</table>

*Note: estimates rounded to nearest thousand.*
# Required Loans for Remainder of Debt Service

## TNB Loan Estimates by Biennium

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</thead>
<tbody>
<tr>
<td><strong>Current Loan Estimates</strong></td>
<td>$14,903,000</td>
<td>$14,614,000</td>
<td>$14,646,000</td>
<td>$13,912,000</td>
<td>$21,657,000</td>
<td>$2,086,000</td>
<td>$81,818,000</td>
</tr>
<tr>
<td><strong>Original Loan Estimates</strong></td>
<td>$25,577,000</td>
<td>$8,151,000</td>
<td>$13,916,000</td>
<td>$12,064,000</td>
<td>$20,173,000</td>
<td>$2,414,000</td>
<td>$82,296,000</td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td>-$10,674,000</td>
<td>$6,463,000</td>
<td>$730,000</td>
<td>$1,848,000</td>
<td>$1,484,000</td>
<td>-$328,000</td>
<td>-$478,000</td>
</tr>
</tbody>
</table>

*Note: Loan estimates rounded to nearest thousand.*
Factors Contributing to 2019-21 Loan Estimates

• Projected TNB toll lane system and facility repair & replacement costs reduced by about $6.5 million for the 19-21 biennium.
  – WSDOT shifted majority of these costs shifted to the 2021-2023 biennium.

• Higher than projected FY 2020 starting fund balance for TNB Account with FY 2018 adjusted gross revenues exceeding forecasts by 2.3%.
  – FY 2018 traffic volumes were 0.7% higher than forecasted.
  – More transactions paid using higher revenue payment types (ex.: pay by mail, pay by plate) than forecasted.
Questions?