WSTC Preliminary SR 99 Analysis Request Update

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Commissioner input resulted in the following request updates since presented at the December Commission meeting:

• Aligned proposed peak hours with SR 520 Bridge (all Options)
  – Added a AM peak hour shoulder from 6-7am to each option.
  – Changed 9-10am to a peak hour shoulder if previously included in the AM peak period.

• Cut Option 4 – Lower Initial Rates w/$0.10 Escalation Step
  – Same as proposed Option 5, but had a $0.10 rate escalation in FY 2025, instead of 5% rate increases in FY 2025 and FY 2030.

• Added Option with no overnight tolls (Option 6)
Option 6 – Peak Shoulders & Lower Mid-Day Rates with no overnight tolls

- Same peak period maximum tolls as IG-0
- AM Peak set at 7-9am ($1.75) with AM peak shoulders from 6-7am ($1.50) and 9-10am ($1.50)
- PM Peak shoulder toll rates higher than IG-0
- Midday and evening toll rates lower than IG-0, same as IG-1 at $1.00
- No overnight tolls (11pm – 5am)
- 2% escalation in FY 2025
Partner Agencies: Rate-Setting Feedback

Primary Rate-Setting Feedback

• Consider long-term rate escalation tied to cost inflation
• Set rates by time period that best mitigate diversion
• Consider near-term rate escalation to address “period of maximum constraint”

Additional Rate-Setting Feedback

• Exempt transit vehicles from paying tolls
• Exempt HOV, emergency/incident response, and maintenance vehicles
• Set freight (truck) rates that minimize diversion to other routes
Partner Agencies: Feedback Requiring Legislative Action

The following policy ideas differ from baseline assumptions, and would require legislative action to implement.

Primary Feedback

• Include toll funding to mitigate diversion impacts
  – Consensus support of mitigation for transit services
  – Additional support of mitigation for traffic management system improvements, including for freight movement

Additional Feedback

• Consider a 30 year debt repayment schedule
  – Standard repayment schedule of 25 years

• Consider having toll revenue fund only O&M costs in excess of current viaduct O&M costs
Questions?

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Additional Information
**Investment Grade T&R Study Assumed Toll Rates**

- **IG-0 | Financial Plan** — Designed to target the $200 M funding goal
- **IG-1 | Low Diversion** — Lower toll rates favored by the ACTT
- **IG-2 | Maximum Revenue** — Diagnostic scenario designed to inform rate setting

<table>
<thead>
<tr>
<th>Toll Scenario</th>
<th>Toll Rate Schedules*</th>
<th>Truck Toll Multipliers</th>
<th>Payment Method Distribution</th>
<th>Other Toll-Related Fees</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scenario IG-0</strong></td>
<td>Minimum $1.00</td>
<td>11 PM-5 AM Nights &amp; All Day on Weekends</td>
<td>75% Good To Go! Account and 25% Pay By Mail in FY 2020</td>
<td>$0.25 Fee for Pay By Plate, applied to 15% of total transactions (17-20% of Good To Go! transactions)</td>
<td>Financial Plan toll rates similar to ACTT Scenario 4 and in between preliminary Scenarios C and D; no toll escalation</td>
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<td></td>
<td>Off-Peak $1.50</td>
<td>5-6 AM, 9 AM-3 PM, &amp; 6-11 PM Weekdays</td>
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<td></td>
<td>Low Diversion toll rates same as ACTT Scenario 7 (except no toll escalation); also same as preliminary Scenario A</td>
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<tr>
<td></td>
<td>AM Peak $1.75</td>
<td>6-9 AM Weekdays</td>
<td>85% Good To Go! Account and 15% Pay By Mail in FY 2040</td>
<td>5.00 per statement Late Payment Rebilling Fee for all Pay By Mail transactions unpaid after first invoice</td>
<td>Maximum Revenue toll rates higher than the ACTT High Benchmark in FY 2019 and include toll escalation</td>
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<td>PM Peak $2.50</td>
<td>3-6 PM Weekdays</td>
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<tr>
<td><strong>Scenario IG-1</strong></td>
<td>Minimum $1.00</td>
<td>11 PM-5 AM Nights &amp; All Day on Weekends</td>
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<td>AM Peak $1.25</td>
<td>6-9 AM Weekdays</td>
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<td>PM Peak $1.25</td>
<td>3-6 PM Weekdays</td>
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<tr>
<td><strong>Scenario IG-2</strong></td>
<td>Minimum $1.10 in FY 2019 + 2.5% annual escalation</td>
<td>11 PM-5 AM Nights &amp; All Day on Weekends</td>
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<tr>
<td></td>
<td>Off-Peak $4.95 in FY 2019 + 2.5% annual escalation</td>
<td>5-6 AM, 9 AM-3 PM, &amp; 6-11 PM Weekdays</td>
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<td>AM Peak $5.80 in FY 2019 + 2.5% annual escalation</td>
<td>6-9 AM Weekdays</td>
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<tr>
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<td>PM Peak $6.80 in FY 2019 + 2.5% annual escalation</td>
<td>3-6 PM Weekdays</td>
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* Pay By Mail toll rates are $2.00 higher; Scenario IG-2 toll rates for FY 2019 are rounded to the nearest nickel.

Note: All three scenarios assume that buses are no longer allowed to use the 3rd Ave tunnel and that the Alaskan Way viaduct has been removed and the surface Alaskan Way is open with all improvements completed.
Toll Rate Scenarios for Consideration

Update: Peak Hours as Originally Defined in IG-0

Gaps reflect less willingness to pay the higher toll during these times of day.

Source: SR 99 Draft Investment Grade T&R report (Sept 2017)
Subcommittee Analysis Recommendations

Additional Recommendations

• Assess exemptions consistent with SR 520 Bridge.
• Assess truck toll rate multiplier consistent with all existing facilities.
• Identify options for distributing costs that further enable escalation options.
• Identify additional variables for possible sensitivity tests
Subcommittee Analysis Recommendations

Option 1a – Annual/Periodic Escalation

• Toll rates $0.25 lower than IG-0 except for overnight and weekends

• **AM Peak set at 7-9am ($1.50) with peak shoulder from 6-7am ($1.25)**

• 1% annual toll escalation assumed each year (could be implemented as 3% per year every three years), *rounded to $0.01*

• Chart shows FY 2020 and FY 2040 toll schedules
Option 1a Chart
Annual / Periodic Escalation

SR 99 Tunnel Toll | Weekday Toll Rate Schedule Scenarios

Test Option #1a

- Scenario IG-0 Toll Schedule
- Scenario IG-1 Toll Schedule
- 2040 Tolls for Test Option #1a
- 2020 Tolls for Test Option #1a

Washington State Transportation Commission
Subcommittee Analysis Recommendations

Option 2a – Peak Shoulders & Lower Mid-Day Rates

• Same peak period maximum tolls as IG-0

• *AM Peak set at 7-9am ($1.75) with AM peak shoulders from 6-7am ($1.50) and 9-10am ($1.50)*

• *PM Peak shoulder toll rates higher than IG-0*

• Midday and evening toll rates lower than IG-0, same as IG-1 at $1.00

• No toll escalation
Option 2a Chart
Peak Shoulders & Lower Mid-Day Rates

SR 99 Tunnel Toll | Weekday Toll Rate Schedule Scenarios

Tolls for Test Option #2a

- Scenario IG-0 Toll Schedule
- Scenario IG-1 Toll Schedule
- 2020 Tolls for Test Option #2a
Subcommittee Analysis Recommendations

Option 3a – Lower Initial Rates with Escalation Tied to Completion of Transportation Projects in Downtown Core

- Lower peak period, midday, and late evening toll rates than IG-0 in FY 2020

- **AM Peak set at 7-9am ($1.50) with AM peak shoulders from 6-7am ($1.25) and 9-10am ($1.25)**

- 20% escalation in peak shoulder, midday and evening toll rates distributed over the first five years (FY 2021-25); no change in overnight tolls or weekend tolls

- This equates to approximately 3.53% toll increases per year for the first five years, *with $0.05 rounding*

- No toll escalation after FY 2025
Option 3a Chart
Initial Escalation Tied to Completion of Transportation Projects in Downtown Core
Subcommittee Analysis Recommendations

Option 4 — Lower Initial Rates with $0.10 Escalation Step

- Peak, midday, and evening tolls $0.25 lower than IG-0 in FY 2020 except higher early evening shoulder toll ($1.75 from 6-7 pm)

- All toll rates increase by $0.10 in FY 2025

- No further toll escalation after FY 2025

- *The Transportation Commission agreed to eliminate this option from consideration*
Subcommittee Analysis Recommendations

Option 5a – Lower Initial Rates with 5% Escalation Steps

• Peak, midday, and evening tolls $0.25 lower than IG-0 in FY 2020 except higher early evening shoulder toll ($1.75 from 6-7 pm)

• *AM Peak set at 7-9am ($1.50) with peak shoulder from 6-7am ($1.25)*

• All toll rates increase by 5% with nickel rounding in FY 2025

• All toll rates increase by 5% with nickel rounding in FY 2030

• No further toll escalation after FY 2030
Option 5a Chart
Lower Initial Rates with 5% Escalation Steps

SR 99 Tunnel Toll | Weekday Toll Rate Schedule Scenarios

- Scenario IG-0 Toll Schedule
- Scenario IG-1 Toll Schedule
- Tolls for Test Option #5a
- 2020 Tolls for Test Option #5a