



Washington State
Transportation Commission



SR 99 Tunnel Toll Rates Public Hearing

Carl See

Senior Financial Analyst

Washington State

Transportation Commission

WSTC Commission Meeting
October 16, 2018

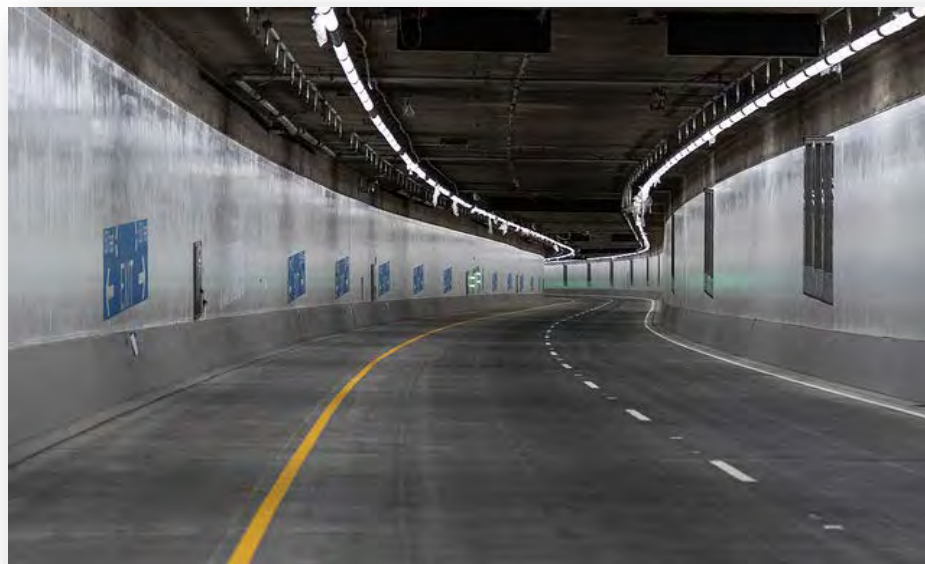


Photo Courtesy WSDOT: Northbound lanes in the SR 99 Tunnel (August 12, 2018)

SR 99 Tunnel Toll Rates Public Hearing Agenda

1. Review Rate Setting Process & Proposal
2. Public Comment on Proposal
3. Commission Discussion & Action on Proposal



Tolling Roles & Responsibilities

	Washington State Legislature	Transportation Commission	Department of Transportation	Office of the State Treasurer (OST)
Responsibility	Establish tolling, designate toll corridors and use of toll revenues	Set toll rates and related fees	Plan, analyze and construct facilities, collect tolls, build and operate toll collection systems	
Roles	<ul style="list-style-type: none"> • Establish legal toll framework • Authorize tolling in designated corridors • Approve financing plans • Enable tolling practices • Appropriate toll operation budget 	<ul style="list-style-type: none"> • Set toll rates within funding requirements • Set toll exemptions • Establish advisory committees 	<ul style="list-style-type: none"> • Develop toll collection systems and procedures • Collect tolls • Finance improvements • Operate tolled corridors • Assess financial feasibility of toll projects 	<ul style="list-style-type: none"> • Conducts all financings for the State of Washington • Responsible for the issuance of toll debt

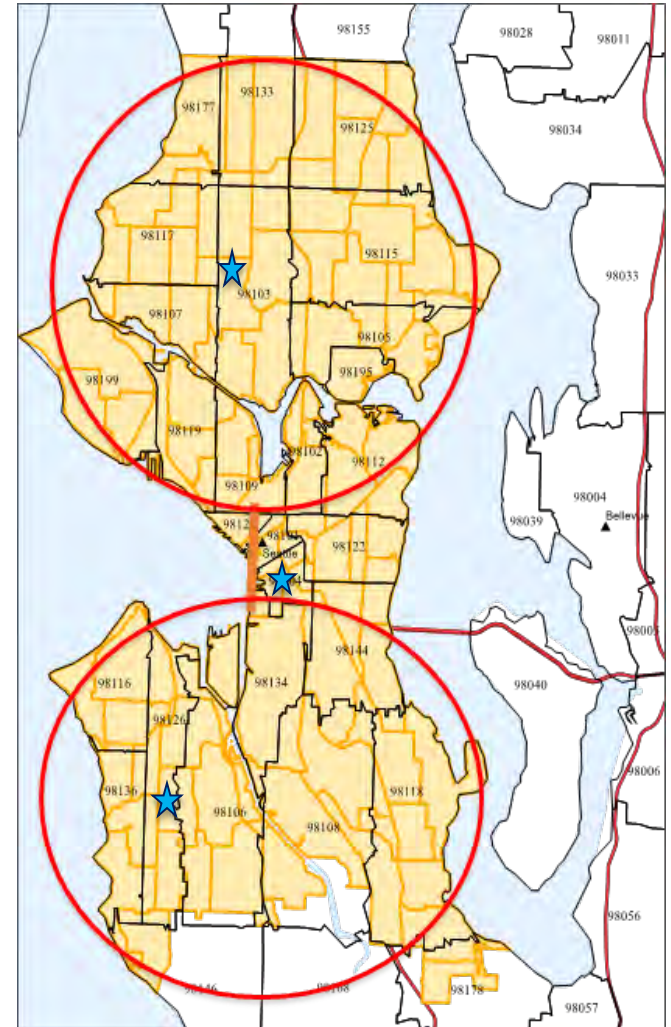
Recap of Rulemaking Process

- December 2017 – April 2018
 - Commission selected three Toll Rate Options.
- May – June 2018
 - Public comment period.
 - Public input meetings on Toll Rate Options.
- July – October 2018
 - Commission approved preferred Toll Rate Option on July 17th (Option A).
 - Public comment period.
 - [Proposed rule](#) published in WA State Register on September 5th.

➤ Today

- **Public hearing.**
- **Commission action on final rule.**

WSTC Commission Meeting
October 16, 2018



Locations of public input meetings, June 2018

SR 99 Tunnel Rate Setting Goals

Set goals consistent with statewide transportation goals and tolling guidelines:

- Meet all required funding and financial obligations.
- Minimize toll rates and diversion.
- Set exemptions and initial peak toll rate hours consistent with like facilities.

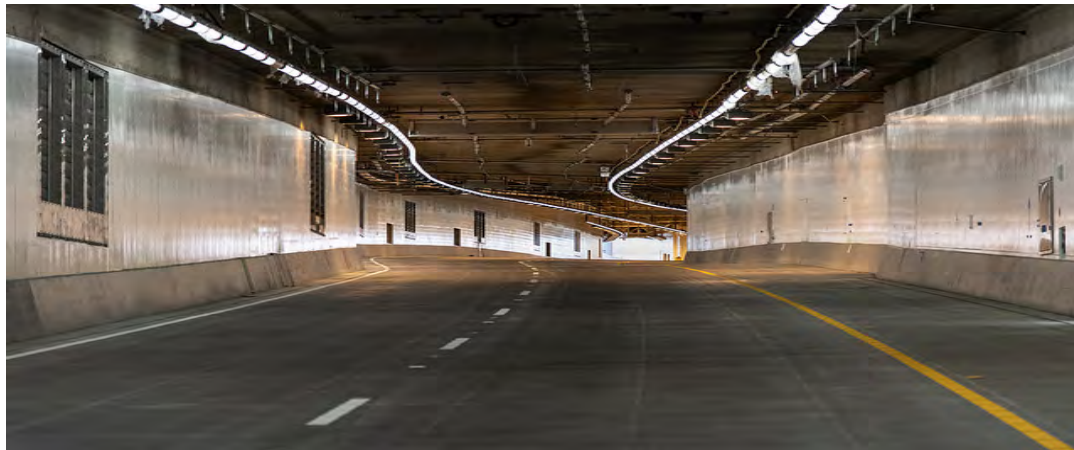


Photo Courtesy WSDOT: Northbound lanes in the SR 99 Tunnel, looking south to southern portal (August 12, 2018)

Proposed Toll Rate Options

The Washington State Transportation Commission considered three options in the spring of 2018 for how tolls* would change at specific times of day in the future on the SR 99 Tunnel:

*Rates listed are the price for customers with a *Good To Go!* pass. Drivers without a *Good To Go!* account will pay an extra \$2 per toll.

Option A

WEEKDAYS

6am - 7am	\$1.25
7am - 9am	\$1.50
9am - 3pm	\$1.25
3pm - 6pm	\$2.25
6pm - 11pm	\$1.25
11pm - 6am	\$1.00

WEEKENDS	\$1.00
----------	--------

Option B

WEEKDAYS

6am - 7am	\$1.25
7am - 9am	\$1.50
9am - 10am	\$1.25
10am - 2pm	\$1.00
2pm - 3pm	\$1.50
3pm - 6pm	\$2.25
6pm - 8pm	\$1.50
8pm - 6am	\$1.00

WEEKENDS	\$1.00
----------	--------

Option C

WEEKDAYS

6am - 7am	\$1.25
7am - 9am	\$1.50
9am - 3pm	\$1.25
3pm - 6pm	\$2.25
6pm - 7pm	\$1.75
7pm - 11pm	\$1.25
11pm - 6am	\$1.00

WEEKENDS	\$1.00
----------	--------

Option A

Tolls increase 3 percent every three years starting 2022 (including nights & weekends).

Option B

Tolls increase 3.5 percent a year from 2020 - 2024 (no change to nights & weekends).

Option C

Tolls increase 5 percent in 2024, 2029, and 2034 (including nights & weekends).

Notes:

- All rates are for 2 axle vehicles with *Good to Go!* pass. Rates increase per additional axle.
- Exemptions proposed to be consistent with system-wide non-HOV exemptions adopted by WSTC on July 17, 2018.
- Toll rate increases assume \$0.05 rounding. This may result in variations of the % increases by time of day.
- Toll rates and increases assume current financial assumptions – reviewed annually.

Public Comment Recap on Toll Rate Options

- Over 1,970 email comments.
- About 15 comments from the 3 public input meetings.
- Partner agency input letters
 - City of Seattle
 - Seattle City Council
 - King County Metro
 - Port of Seattle
- Stakeholder presentation feedback



SR 99 Tunnel Rate Setting Feedback

Public Comment: Primary Rate Setting Feedback

- Keep daily rate structure simple.
- Maintain initial toll rates for as long as possible.
- Tolling and/or rate increases should have end date.

Stakeholders: Primary Rate Setting Feedback

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

Commission Toll Rate Proposal

Good to Go! Toll Rates (2 Axles)



Why Toll Rate Option A:

- Best addresses funding obligations and financial requirements.
- Limits toll rate increases during initial years.
- Fewest toll rate changes each day.
- Proposed rate increases (escalation) less than projected inflation.

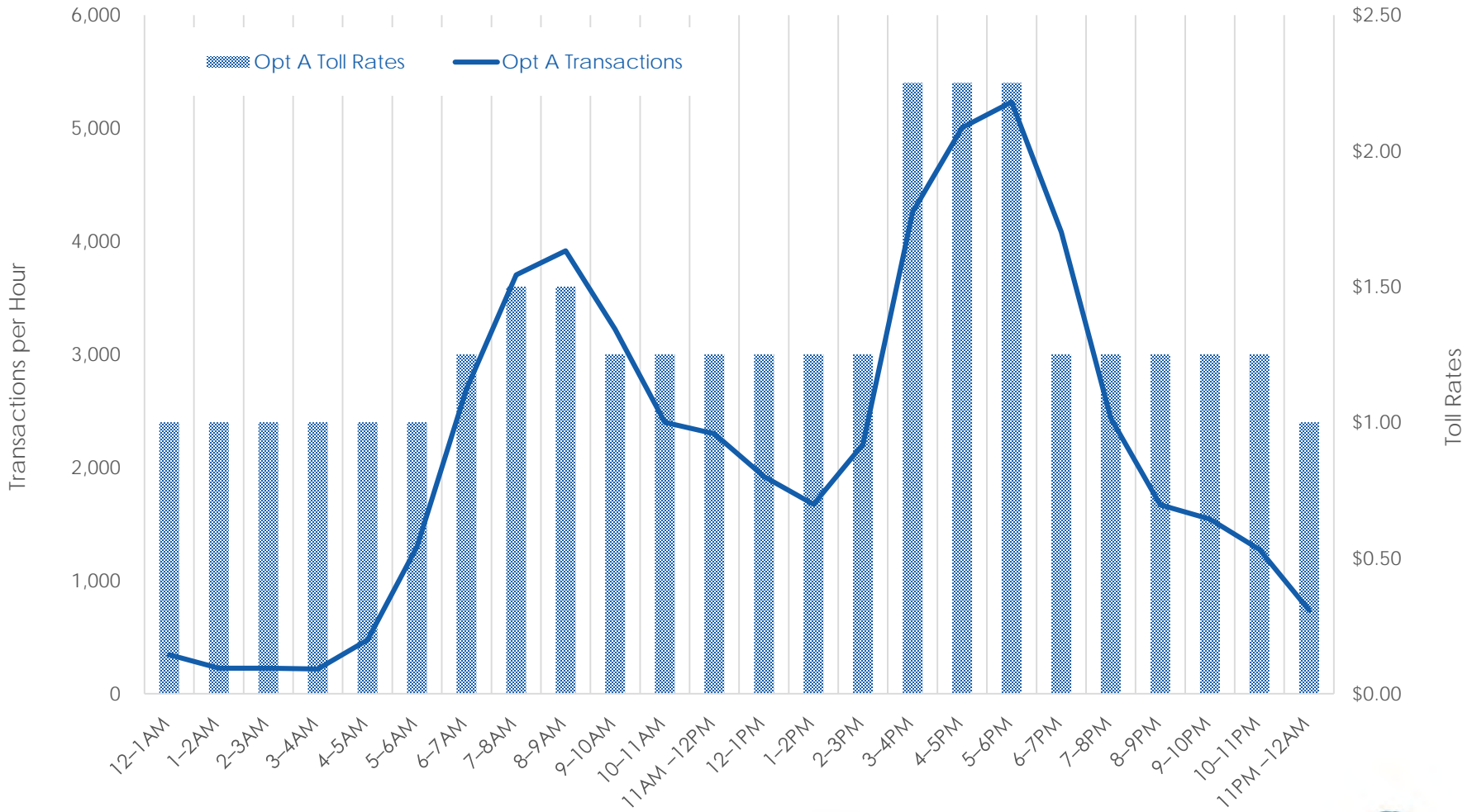
Option A
Tolls increase 3 percent every
three years starting 2022
(including nights & weekends).

Notes:

- All rates are for 2 axle vehicles with Good to Go! pass. Drivers without a Good to Go! account will pay an extra \$2 per toll.
- Toll rates increase per additional axle.
- Exemptions proposed to be consistent with system-wide non-HOV exemptions adopted by WSTC on July 17, 2018.
- Toll rates and increases assume current financial assumptions – reviewed annually.

Commission Proposal: Initial Toll Rates vs. Projected Traffic

2020 SR 99 Tunnel Weekday Transactions & Toll Rates per Hour



Commission Proposal: Escalation Plan

- Toll Rate Option A assumes 3 percent* toll rate increases every three years, starting in July 2022, ***pending Commission’s annual review.***
- Proposed toll rate increases (escalation) enables lower rates initially, while meeting long-term financial commitments.

	July 2022	July 2025	July 2028	July 2031	July 2034	July 2037 and Forward
Toll Option A	<ul style="list-style-type: none"> • \$0.05 increase 	<ul style="list-style-type: none"> • \$0.05 additional increase 	<ul style="list-style-type: none"> • \$0.05 additional increase 	<ul style="list-style-type: none"> • \$0.05 additional increase 	<ul style="list-style-type: none"> • \$0.05 additional increase 	<ul style="list-style-type: none"> • <i>Additional \$0.05-\$0.10 increases every 3 yrs.</i>

*Toll rate increases assume \$0.05 rounding. This may result in increases of up to 5% for some times of day.

- **Escalation schedule and rates may change.** For example, the Legislature may assign other costs for payment by SR 99 Tunnel toll revenues, such as tunnel repair & replacement (R&R).

Commission Proposal: Exemptions

- The Commission proposal aligns with system-wide tolling exemptions [adopted in July 2018](#) in which the same non-HOV vehicles are exempt on all tolled facilities.
- SR 99 Tunnel tolling exemptions apply to the following vehicles:



BUSES



RIDESHARE VANS



EMERGENCY VEHICLES



**INCIDENT RESPONSE
& MAINTENANCE
VEHICLES**

Toll Option A: Addressing Risks

Category		Option A
Financial Risks	Meets Minimum Debt Service Coverage Requirement	<ul style="list-style-type: none"> Steady net revenue generally meets or exceeds minimum coverage in all years
	Fully Funds Toll R&R	<ul style="list-style-type: none"> Yes (reserve account) 1.15x minimum sufficiency coverage
	Fully Funds Tunnel R&R*	<ul style="list-style-type: none"> No Largest available balance for partial contribution
	Manages for Ongoing Cost Inflation	<ul style="list-style-type: none"> Sustained increases average 1% per year
Other Risks	Public Perception	<ul style="list-style-type: none"> + Fewest daily rate changes + Steady escalation - No end-date for escalation

*If Legislature requires SR 99 Tunnel R&R to be paid by SR 99 Tunnel toll revenue in future.

Discussion / Questions

Carl See

Senior Financial Analyst

Washington State Transportation Commission

seecarl@wstc.wa.gov