



Washington State Transportation Commission

Summary of SR 520 Toll Rate Setting Public Input Meeting
Seattle, Washington
April 21, 2016
12:00 p.m. – 2:00 p.m.

Chairman Haley opened the meeting at 12:00 p.m. with Commissioner introductions.

BACKGROUND ON TOLL SETTING

The Transportation Commission sets and adjusts toll rates to ensure financial requirements in state law are met. On the SR 520 corridor, this includes generating sufficient revenue to cover operations and maintenance costs, and debt financing obligations, as well as maintaining travel time, speed, and reliability. Throughout the year, the commission monitors traffic volumes and revenue collections, and evaluates forecasted impacts of toll rate and policy changes on the project's financial plan as part of its toll rate proposal. Public comment is gathered and considered as part of the final decision-making process.

Tolling began December 29, 2011. Prior to construction beginning, the plan was to collect tolls on the old bridge as a down payment on the SR 520 corridor improvements. Tolling was planned to continue on the new bridge to ensure sufficient revenue is collected to meet requirements to cover on-going costs, such as the new bridge's debt payments, and maintenance and operations costs.

SR 520 tolls are collected to pay for a portion of the SR 520 corridor improvements, operations and maintenance expenditures, debt repayment, deferred construction sales tax, periodic major repair and replacement, and to provide required reserves to meet contractual lender requirements. Tolls will contribute approximately \$1.2B of the project's total capital cost of \$4.56B, which includes the new bridge and corridor improvements between I-5 and I-405.

The initial toll rates were:

- \$3.50 *Good To Go!* weekday peak period toll, \$1.60 minimum
- \$2.20 *Good To Go!* weekend peak period toll, \$1.10 minimum
- Additional \$1.50 Pay By Mail toll increment
- No overnight toll from 11:00 p.m. to 5:00 a.m. due to construction activity and the need for overnight closures

The 2011 SR 520 Financial Plan assumed:

- 2.5% annual increases each fiscal year on July 1, 2012 through July 1, 2015 (FY 2013-16)
- An average 15% toll increase on weekdays (\$4.35 peak period), a 4% midday weekend toll increase, and night tolling (11:00 p.m. – 5:00 a.m.) on July 1, 2016 (FY 2017).

2016 TOLL RATE PROPOSAL

Traffic and revenue are meeting projections. An average of 74,000 tolled vehicles crossed the bridge each weekday in FY 2015, up from 72,000 per weekday in FY 2014. This trend has continued in FY 2016. Transit ridership has increased by more than 50% since tolling began and there are 238 registered vanpools, an 83% increase.

This toll rate increase is consistent with the original financial plan, reflecting increased debt service payments over the next two years following the opening of the new bridge and revenue to make installment payments on sales tax deferred during construction. Instead of the large increase called for in the original financial plan, two smaller increases are proposed for July 2016 and July 2017.

Staff briefly discussed eight different toll-setting scenarios that the Commission considered. Some of the options would not generate adequate revenue. A toll-free option for carpools was considered but determined to be too difficult to enforce with construction still underway.

The proposed toll rate changes are:

- Toll rates are proposed to increase by approximately 5 percent on July 1, 2016, and another 5 percent on July 1, 2017. The current weekday, peak period toll rate would go from \$3.90 to \$4.10 in mid-2016, and to \$4.30 in mid-2017.
- Nighttime tolling (11 p.m. to 5 a.m.) would begin on July 1, 2017 at a flat rate of \$1.25.

There is no plan for more toll rate increases after 2017 but the future is uncertain. The need to increase toll rates is driven by traffic volumes, costs and the amount of net revenue being collected. It is the commission's priority to keep toll rates as low as possible for as long as possible.

The Transportation Commission will hold a final hearing where they plan to take action on the toll rate proposal May 17, 2016 at 1:15 p.m. Public comment will be taken at this hearing. The hearing will take place at the following location:

WSDOT Headquarters Building
Nisqually Board Room
310 Maple Park Avenue SE
Olympia WA 98501

PUBLIC COMMENT

One person commented at the Seattle public meeting. Her comments on tolling related to the effect it has on low income, homeless people and those with actual wealth. She believes people are traveling less due to the tolls. Businesses are affected. The tolling does not work for everyone. She opposed nighttime tolling as well. Tolls are unnecessary after the facility is paid for.