



Washington State
Transportation Commission



TNB Refinance Work Group Progress Report

WSTC Meeting

Olympia, WA

October 18, 2017



Work Group Authorization

2017-2019 Transportation Budget

*The legislature finds that there is a need for long-term toll payer relief from increasing toll rates on the Tacoma Narrows bridge. Therefore, **the commission must convene a work group to review, update, add to as necessary, and comment on various scenarios for toll payer relief** outlined in the 2014 joint transportation committee report on internal refinance opportunities for the Tacoma Narrows bridge.*

The work group must include participation from the Tacoma Narrows bridge citizen's advisory group, at least one member from each of the legislative delegations from the districts immediately abutting the Tacoma Narrows bridge, the local chambers of commerce, and affected local communities. Legislative members of the work group must be reimbursed for travel expenses by the commission.

*The work group must submit a report with its **preferred and prioritized policy solutions** to the transportation committees of the legislature **by December 1, 2017.***

Work Group Intent

Mission

- Long-term toll payer relief from increasing toll rates on the Tacoma Narrows Bridge (TNB)

Objective

- Identify preferred and prioritized policy solutions providing long-term toll payer relief for users of the Tacoma Narrows Bridge

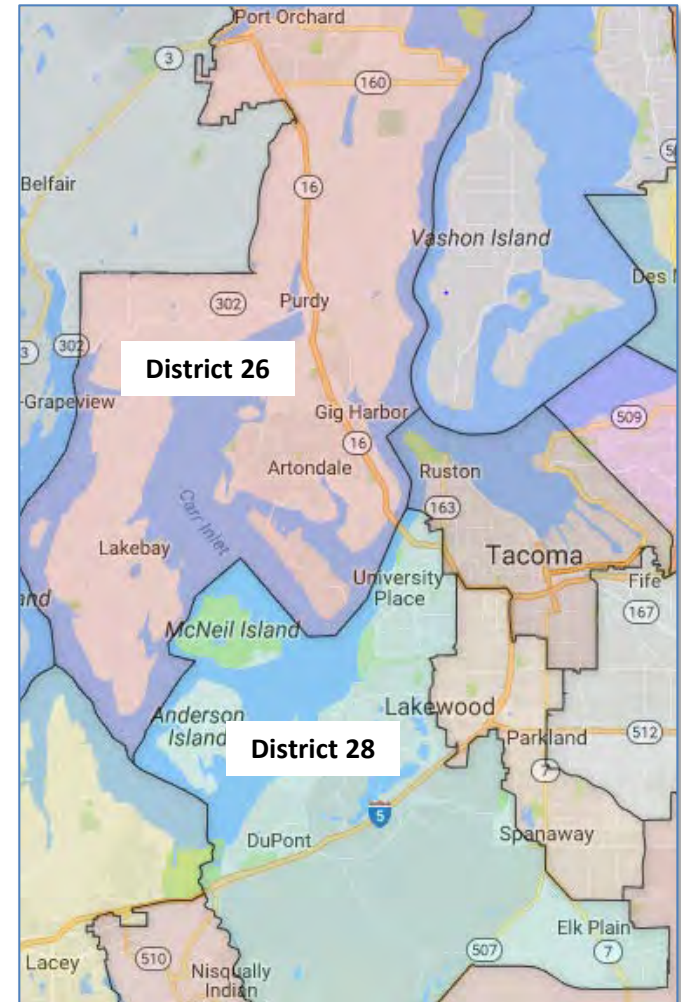
Work Group Participants

Co-Chairs

- **Shiv Batra**, Commissioner for the Washington State Transportation Commission
 - Commissioner Batra serves on the Commission's Tolling Subcommittee
- **Bruce Beckett**, Chair of the Tacoma Narrows Bridge Citizen's Advisory Committee (CAC)
 - The CAC is also represented by Al Weaver, CAC Vice-Chair

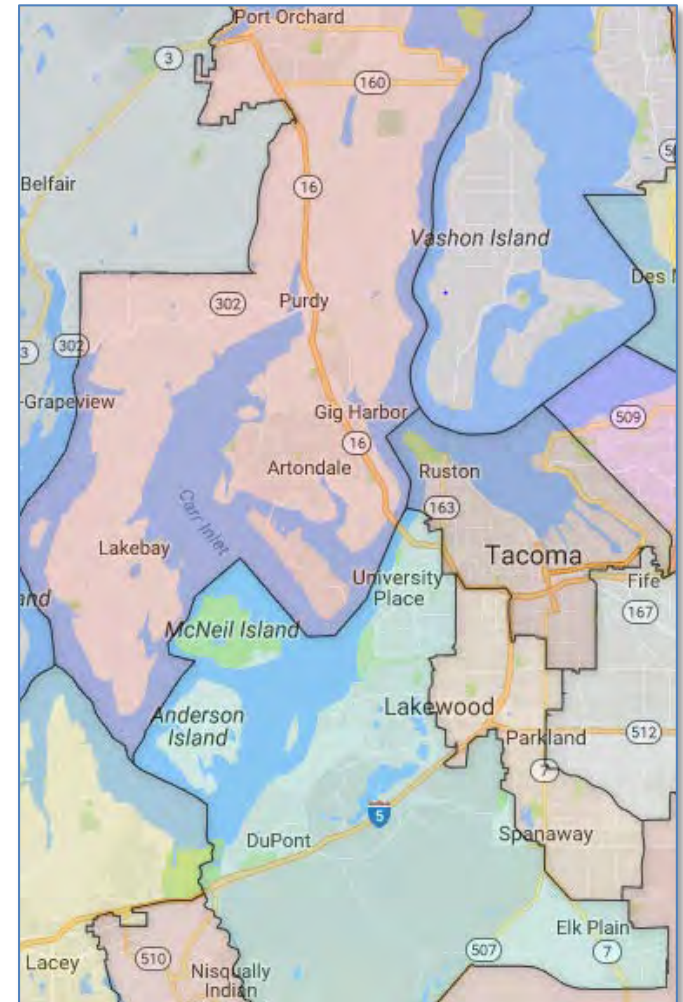
Work Group Participants

- The legislative delegations of districts abutting the Tacoma Narrows Bridge
 - **District 26**
 - Senator Jan Angel
 - Rep. Jesse Young
 - Rep. Michelle Caldier
 - **District 28**
 - Rep. Christine Kilduff
 - Rep. Dick Muri
- The local Chambers of Commerce
 - Warren Zimmerman, President/CEO of Gig Harbor Chamber



Work Group Participants

- Affected local communities
 - Mayor Jill Guernsey, Gig Harbor
 - Mayor Marilyn Strickland, Tacoma
 - *Council Member Ryan Mello attending*
 - Mayor Javier Figueroa, University Place
 - Council Member Derek Young, Pierce County Council
 - Alex Mather, Pierce Transit
 - Representative Jake Fey, District 27
 - Jud Morris, Children’s Home Services



Work Group Schedule

- **Work Group Meetings**

- ✓ August 1: INN at Gig Harbor

- ✓ September 28: UW Tacoma

- **October 26 (9am-12pm):**

- Gig Harbor Civic Center (City Hall)

- December 1 (9am-12pm):

- Gig Harbor Civic Center (City Hall)

- **Updates to Transportation Commission**

- ✓ October 18: Present on Work Group Progress

- December 12-13: Work Group Chairs present the Final Report

Work Group Meeting 1 Summary

✓ Presentation

- Purpose of this Work Group
- TNB tolling history, funding support, and financials.
- Updates to scenarios from the 2014 Joint Transportation Committee (JTC) report on TNB internal refinance opportunities.

✓ Requests from Discussion

- Additional scenario for funding needed to maintain current toll rates.
- Assessment of JTC scenarios paired with rate increases.
- Assessment of loan repayment alternatives.
- Clarification on deferred sales tax repayments requirements.
- Additional information regarding existing funding options, the SMB policy, and toll facility equity.

Work Group Meeting 2 Summary

✓ Follow-Up on Meeting 1 Research Requests

- Comparison of TNB & SR 520 bridge costs and financing
- Commission's SMB alternatives assessment
- Clarification of deferred sales tax repayment requirements
- Potential funding sources and methods
- Impacts of extending loan repayment past FY 2032

✓ Discussed Analysis Updates

- Impacts of alternative traffic growth rates on scenario results
- Repayment of deferred sales tax repayment in FY 2031, as possible
- Identification of revenue needs per biennium for each scenario.

✓ Assessment of Meeting 1 Funding Option Requests

- Assessment of funding needed to maintain current toll rates
 - About \$100 million
- Assessment of FY 2020 toll increase amount necessary for no loan or grant
 - Equates to about \$0.75 increase with potential to decrease rate in final years
 - Also assessed \$0.25 and \$0.50 increases

Work Group Meeting 2 Summary

✓ Identified options for further consideration

- Funding to maintain selected toll rates: either FY 2018 rates or rate increase options of \$0.25 or \$0.50.
 - FY 2018 rates: \$5.00 GTG / \$6.00 Cash / \$7.00 PBM
 - Maintains blended average toll rate below original assumed rate of \$6.00
- Funding to pay for increase in remaining debt service from FY 2020 – FY 2030, possibly paired with a \$0.25 rate increase.
 - Identified as a means to address a primary equity concern.
- Funding to pay for all or a portion of non-debt service costs.
 - Assess pairing with rate increase and/or program cuts to decrease funding request.
 - WSDOT to provide more information on financial plan & specific costs in Meeting 3.

Work Group Meeting 2 Summary

✓ Additional Requests

- For all options, identify method(s) that result in minimal ending fund balance
- Assess impact of forgiving repayment of existing loans or planned loans to the TNB Fund.
- Follow-up on available assessment for converting at least two existing tollbooths to unstaffed booths accepting only credit cards (Rep. Caldier legislation).
- Identify more information on reasons for planned replacement of existing tolling equipment.
- Follow-up on impacts of potential changes to the Transportation Commission's SMB policy.
- Identify total TNB Repair & Replacement costs paid by tolls to date (FY 2008 – FY 2018).
- Provide additional toll comparisons with prior toll bridges in Washington State.

Work Group Primary Tasks

Meeting 3 (October 26th)

- Discuss results of option and cost requests from Meeting 2
- Present updates to model inputs, as available
- Select preferred policy solution options
 - How much funding requested for each option, per biennium
 - Merits in support of each option
 - Suggested funding methods
- Initial prioritization of preferred policy solutions
- Solicit input on proposed report content

Meeting 4 (December 1st)

- Finalize prioritization of preferred policy solutions
- Approve submittal of final report to the transportation committees of the legislature



Questions?

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