

I-405 Corridor Program — Bellevue to Lynnwood Express Toll Lane Project Financial Plan

PRELIMINARY DRAFT

Toll Scenario for Revenue & Expense Projections: Scenario C NEW BASE: w/ New Costs | SR 520 IG 2014 | \$0.25 PBP Fee | \$2 PBM Inc. | 3+ Free for 8 Hours Peak | 2+ Free Off-Peak | 24/7 Operations | \$0.75 Fixed Min. Toll

Updated: 12/30/2014

Amounts in thousands of dollars

Print Date: 1/5/2015

Fiscal Year	Subtotal thru FY 2021	Prior Periods	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Beginning Fund Balance		-	-	-	-	-	519	736	4,029	8,810	13,370	18,974
TOLL OPERATIONS SOURCES & USES												
Beginning Operating Fund Balance		-	-	-	-	-	519	616	3,515	7,612	11,395	16,193
Sources of Toll Operating Funds												
Gross Toll Revenue Potential ¹	55,110						3,984	8,003	9,571	10,348	11,161	12,043
Uncollectible Toll Revenue ²	(3,381)						(246)	(493)	(590)	(637)	(687)	(727)
Transponder Sales Revenue ⁶	2,183					491	1,009	172	128	132	126	124
Pay By Mail Rebilling Fees ³	1,646						126	255	302	315	325	323
Recovered Toll Revenue ⁴	-						-	-	-	-	-	-
Subtotal Adjusted Gross Toll Revenue	55,558	-	-	-	-	491	4,872	7,937	9,412	10,157	10,925	11,763
Interest Earnings from I-405 Corridor Account	-											
Interest Earnings from Toll Collections Account	-											
Start-up Operations Loan Draw from the Motor Vehicle Account	519					519						
Total Sources of State Funds	56,077	-	-	-	-	1,010	4,872	7,937	9,412	10,157	10,925	11,763
Uses of Toll Operating Funds												
Credit Card Fees ^{5, A}	(873)						(80)	(132)	(147)	(158)	(171)	(185)
Transponder Purchase and Inventory Costs Including Credit Card Fees ⁶	(2,183)					(491)	(1,009)	(172)	(128)	(132)	(126)	(124)
State Operations: WSDOT ^{7, B}	(4,614)						(478)	(802)	(818)	(799)	(847)	(870)
State Operations: Enforcement (Washington State Patrol) ⁸	(5,462)						(803)	(886)	(908)	(931)	(954)	(978)
State Operations: Pay By Mail Printing, Postage & License Plate Lookup Costs ^{9, A}	(1,666)						(136)	(260)	(304)	(308)	(326)	(332)
Customer Service Center Vendor Costs ^{10, B}	(8,678)						(752)	(1,211)	(1,388)	(1,693)	(1,782)	(1,853)
Roadway Toll Systems Vendor Costs ¹¹	(9,773)						(1,519)	(1,575)	(1,621)	(1,618)	(1,645)	(1,795)
Routine Facility Operations and Maintenance (O&M) ¹²	-						-	-	-	-	-	-
Start-up Operations Loan Repayment to the Motor Vehicle Account	(519)									(519)		
Subtotal O&M Uses of Funds	(33,767)	-	-	-	-	(491)	(4,776)	(5,038)	(5,315)	(6,159)	(5,850)	(6,138)
Net Operating Cash Flow (Net Revenue) before R&R	22,309	-	-	-	-	519	97	2,899	4,097	3,998	5,074	5,625
Toll Collection Repair & Replacement (R&R) Costs ¹³	(849)						-	-	-	(216)	(276)	(357)
Periodic Facility R&R Costs ¹⁴	-						-	-	-	-	-	-
Total Uses of State Funds	(34,616)	-	-	-	-	(491)	(4,776)	(5,038)	(5,315)	(6,375)	(6,126)	(6,496)
Net Operating Cash Flow (Sources less Uses) after R&R	21,460	-	-	-	-	519	97	2,899	4,097	3,783	4,798	5,267
Ending Operating Fund Balance ¹⁵		-	-	-	-	519	616	3,515	7,612	11,395	16,193	21,460
CIVIL PENALTY PROGRAM SOURCES & USES												
Beginning Civil Penalty Balance		-	-	-	-	-	-	120	514	1,198	1,975	2,781
Civil Penalty Revenue ¹⁷							289	844	1,192	1,294	1,336	1,349
Adjudication Costs ¹⁸							(168)	(451)	(508)	(516)	(530)	(535)
Civil Penalty Net Operating Cash Flow							120	394	684	777	806	814
Ending Civil Penalty Balance		-	-	-	-	-	120	514	1,198	1,975	2,781	3,596
CAPITAL SOURCES & USES ¹⁶												
Beginning Capital Balance		-	-	-	-	-	-	-	-	-	-	-
Sources of Funds for Capital												
State (Nickel & TPA) Funding ¹⁷	480,470	53,763	33,405	62,201	76,441	116,578	65,834	71,237	1,011	-	-	-
Federal Funding	23,711	23,711	-	-	-	-	-	-	-	-	-	-
Local Funding	373	21	80	125	109	36	1	-	-	-	-	-
Interest Earnings	-											
Total Sources of Funds for Capital	504,555	77,496	33,485	62,326	76,550	116,614	65,835	71,237	1,011	-	-	-
Uses of Funds for Capital ¹⁸												
Preliminary Engineering	(77,889)	(35,480)	(4,127)	(4,405)	(6,952)	(8,156)	(15,201)	(3,568)	-	-	-	-
Right of Way	(40,556)	(16,748)	(327)	(2,770)	(4,091)	(7,291)	(3,114)	(6,215)	-	-	-	-
Construction	(386,110)	(25,268)	(29,031)	(55,151)	(65,507)	(101,168)	(47,519)	(61,454)	(1,011)	-	-	-
Total Funded Uses of Funds for Capital	(504,555)	(77,496)	(33,485)	(62,326)	(76,550)	(116,614)	(65,835)	(71,237)	(1,011)	-	-	-
Net Capital Cash Flow (Sources less Uses)	-	-	-	-	-	-	-	-	-	-	-	-
Ending Capital Fund Balance		-	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance		-	-	-	-	519	736	4,029	8,810	13,370	18,974	25,056

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Footnotes:

- ¹ Gross Toll Revenue Potential is a measure of toll revenue prior to any deductions for uncollectible revenue; however, includes Pay By Plate fees. This Gross Revenue scenario assumes 8 hours of 3+ carpool free peak operations.
 - ² Includes revenue not recognized/unbillable (HOV violation, unreadable license plate image, unidentifiable vehicle owner) and unpaid toll revenue (non-payment of toll bills within 80 days/2 invoices and prior to any revenue recovered from civil penalty process).
 - ³ Includes rebilling fees collected from second toll bills and Civil Penalty process.
 - ⁴ Recovered from toll bills unpaid after 80 days via Civil Penalty process; assumes a six month average lag in recovery.
 - ⁵ Credit card fees estimated as a percentage of adjusted gross toll revenue, with an additional factor included for fees related to account refunds.
 - ⁶ Transponder revenues are projected to offset costs; transponder purchase and inventory costs include any associated credit card fees. A \$1.5 million loan is provided to the Central Toll Account to cover initial Flex Pass transponder inventory purchases, to be repaid by FY 2019.
 - ⁷ Reflects I-405 share of State operations costs, including oversight of vendors, accounting, auditing, management, and marketing functions.
 - ⁸ Washington State Patrol costs tied specifically to I-405 Express Toll Lane (ETL) and HOV policy enforcement paid from tolls.
 - ⁹ Pay By Mail printing and postage costs cover sending toll bills to customers, and license plate lookup costs refer to identifying the vehicle owner and address for out of state plates. These costs represent direct expenses incurred by the CSC vendor and passed through to WSDOT.
 - ¹⁰ I-405 share of system-wide customer service center (CSC) vendor contract costs for toll transaction processing and back office operations. Based on the extension of the current ETCC vendor contract through FY 2018 and a forecasted value starting with FY 2019.
 - ¹¹ Roadway Toll Systems (RTS) vendor costs to operate and maintain the roadway toll collection (lane system) equipment in the I-405 corridor, including WSDOT communications equipment and oversight.
 - ¹² Pro-rated ETL portion of I-405 corridor operation and maintenance are not assumed to be covered by I-405 toll revenue until the entire corridor is completed (Phase 2 Renton to Bellevue).
 - ¹³ Includes periodic vendor re-procurement, system testing and acceptance, and toll equipment replacement costs; amounts assumed to be funded from tolls.
 - ¹⁴ Includes periodic roadway repair and replacement costs (major maintenance such as re-paving); no costs anticipated until FY 2025. Although shown as an operating expense, these costs may be subsequently classified and funded as capital preservation or replacement expenses.
 - ¹⁵ Accumulated net revenues from operations; potentially available for pay-as-you-go capital uses, such as preliminary engineering and right of way for the Phase 2 Renton to Bellevue section with legislative authorization.
 - ¹⁶ Capital sources and uses of funds apply to the Bellevue to Lynnwood Express Toll Lanes plus the SR 167 Flyover and Stage 4 elements of the I-405 Corridor Program (PINs 8B11002, 816701C, & 140504C) as provided in WSDOT's January 2014 Capital Program Management System (CPMS) volume (no. 1638).
 - ¹⁷ Includes motor vehicle fuel tax bond proceeds previously sold to provide capital funding the project.
 - ¹⁸ Cost values as of July 2014.
- ^A Variable costs — credit card fees, license plate lookup costs, and Pay By Mail printing and postage costs — are calculated in the Net Revenue model and driven by transactions and revenue for all years. Values may not tie to the sensitivity test of the 8/15/14 Budget Proposal due revised WSTC assumptions for the Pay By Mail increment.
- ^B The I-405 share of fixed system-wide costs tie to a sensitivity test of the 8/5/14 Budget Proposal for FY2016-18, which assumes 5 toll facilities (SR 99 starting FY 2018) and tolls pay for general management and administration costs starting FY 2016. For FY 2019-21, cost values come from a forecasting model using same assumptions.