



Tacoma Narrows Bridge Sufficient Minimum Balance Update

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WSTC Commission Meeting



TNB Sufficient Minimum Balance Policy

- The SMB requirement is a WSTC policy that requires the TNB Account maintain a minimum fund balance
 - SMB Policy: <https://wstc.wa.gov/wp-content/uploads/2019/08/TNB-SNB-Policy.pdf>
- What is the SMB's purpose?
 - Buffer against unexpected revenue loss not covered by the TNB insurance policy.
- How much is the required minimum fund balance?
 - The TNB Account must have an average fund balance of at least \$10 million over the past three months to remain in compliance.
 - Rolling 3 month average of fund balance used as measure for SMB compliance to address expected fluctuations of the fund balance.

TNB Sufficient Minimum Balance Status

- As intended, the SMB policy has provided a buffer against this unexpected revenue loss, but the fund balance is being depleted.
- COVID-19 impacts have stressed the TNB Account fund balance despite SMB
 - Traffic loss of 30-40% below expectations has led to steep revenue declines, while costs remained largely stable.



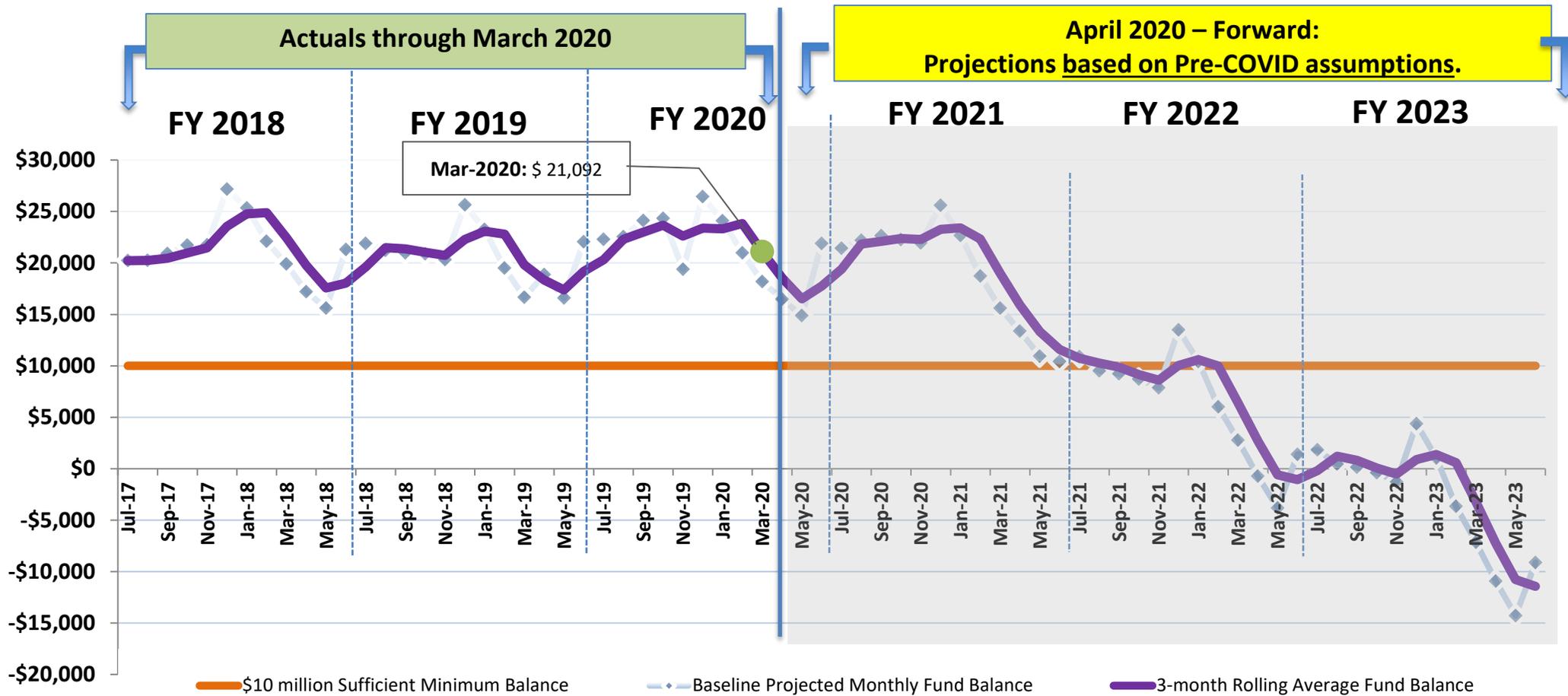
TNB Sufficient Minimum Balance Status

- Fund balance is in compliance with the SMB policy through April 2020, but may be out of compliance by end of current fiscal year (thru June 2020).
- Fund balance at risk of being negative during the current biennium (through June 2021) with COVID impacts.



TNB Sufficient Minimum Balance Status

Tacoma Narrows Bridge Rolling 3 Month Average Fund Balance (\$ Thousands)
Based on TNB Financial Plan (May 2020)





TNB SMB – Addressing a Shortfall

Question:

- What is required of the WSTC if the TNB fund balance is not in compliance with the SMB policy?

Answer:

- The SMB policy requires the WSTC to identify measures that may address the projected shortfall. Some combination of measures may be necessary as a solution.
- Projected size of revenue need will be clearer after the revenue forecast updates in June 2020, and again in November 2020.

Preliminary Options to Address Shortfall

- Option 1: Secure additional funds from Motor Vehicle Account or other source.
 - Current law establishes legislative intent to provide loans that maintain toll rates at current rates, except for up to a \$0.25 rate increase no earlier than July 2021.
 - Grants of funds to the TNB Account also a possibility, such as if funds made available from a Federal aid program.
 - Impact of pandemic on gas tax revenues may limit willingness / capacity of Legislature to address the funding gap with additional funds.



Preliminary Options to Address Shortfall

- Option 2: Commission increases toll rates
 - Rate increase would likely be no sooner than spring 2021 to provide the Legislature with the opportunity to address the shortfall.
 - Reliance on raising toll rates may result in a significant burden on tollpayers.



Next Steps

Spring-Summer 2020:

- May – June: Assess TNB fund balance compliance against the SMB policy based on the June transportation revenue forecast.
- June – July: Report back to the Commission on projected revenue shortfall and options to address it.
- Continue to monitor changes to TNB traffic, costs, and revenues.

Fall 2020 – Winter 2021:

- Develop funding options for the Legislature as part of TNB Loan Report.
- Begin consideration of rate setting process, as needed.
 - Rate increase of \$0.25 currently assumed for July 2021



Questions?

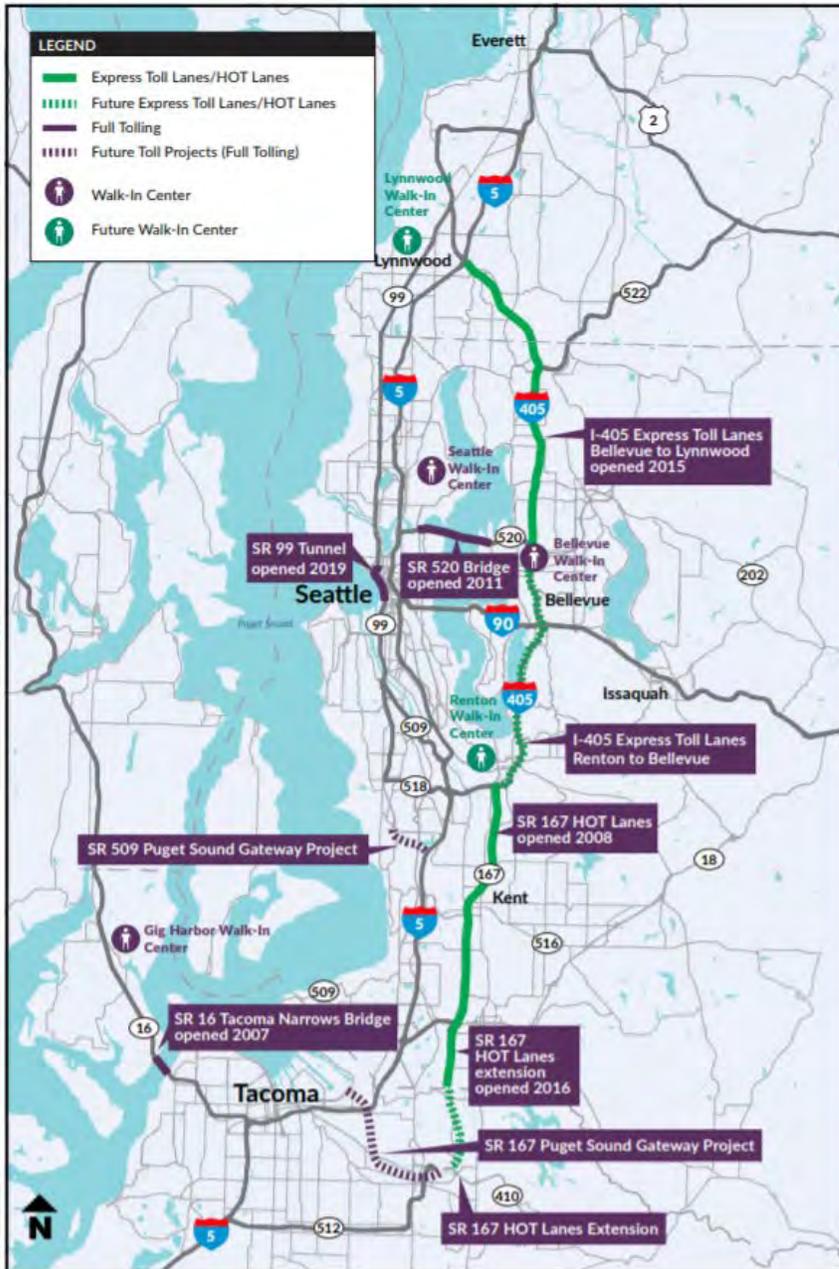


I-405 / SR 167 Express Toll Lanes Low Income Toll Study *Status Update*

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I-405 / SR 167 Express Toll Lanes

- Express Toll Lanes (ETLs) include two of the five existing state toll facilities.
- I-405 ETLs opened in 2015 from Bellevue to Lynnwood.
- SR 167 HOT Lanes / ETLs opened in 2008 from Renton to Auburn, with southern extension opening in 2016.
- By about 2025, ETLs will be extended on I-405 from Bellevue to Renton and on SR 167 to Puyallup, creating about 50 mile ETL corridor.

I-405 / SR 167 Express Toll Lanes

- Toll rates change dynamically based on congestion, with intent to keep traffic flowing smoothly.
- Toll rates range between \$0.75 – \$10.00 on I-405, and \$0.50 – 9.00 on SR 167.
- On I-405, HOV 3+ are toll-free during peak hours and 2+ is free during off-peak hours, and on SR 167, HOV 2+ are toll-free at all times.
- Average toll rates on each facility are \$4.50 on I-405, and \$3.90 on SR 167. (June 2019)



I-405 / SR 167 Express Toll Lanes Low-Income Toll Study

- The Legislature directed the WSTC to undertake the study in the 2019 Legislative session. A final report is due by June, 2021.
- The study is to assess the impacts of tolling on low-income drivers of the I-405/ SR 167 ETLs, and determine possible approaches to mitigating such impacts.



I-405 / SR 167 Express Toll Lanes Low-Income Toll Study

- This study will include the following:
 - National scan of implemented and considered low-income tolling programs.
 - Research of existing capacities for implementing a low-income toll program for the facilities, and of existing financial and performance commitments.
 - Assessment of low-income populations who use the I-405 / SR 167 ETL facilities, and their potential benefits / challenges from a low income toll program.
 - Evaluation of impacts on tolling policies, traffic performance, revenues, costs, operations, and enforcement.
 - Final report with recommendations to the Legislature.



Study Milestones



- Jan/Feb 2020: Begin research and assessment of low-income programs
- **May 2020: Status report to WSTC**
- July 2020: Mid-Study status report by consultants
- October 2020: Toll options and selection criteria presented to WSTC
- December 2020: WSTC selects toll program options for further consideration.
- Winter / Spring 2021: Update to Legislature and presentation of preliminary report to WSTC.
- June 2021: Final Report presented to WSTC and Legislature.

Project Team

Lead Consultant: WSP USA

- Subcontractors include:
 - Larson Consulting Associates
 - Stantec

Staff Team

- WSDOT Toll Division & Management of Mobility
- Department of Social & Health Services
- King County METRO – ORCA LIFT program
- House & Senate Transportation Committee Staff
- Puget Sound Regional Council

Status of Study

- Tasks nearing completion include:
 - National scan of enacted and considered low-income toll programs and tool kits. (Task 1-2)
 - Identify toll discount program attributes
 - Understand factors on why program(s) did not get implemented
 - Outreach to existing low-income programs in our region, such as for transit (ORCA LIFT) and public utilities. (Task 1-2)
 - Assess methods to determine program eligibility
 - Learn about barriers to access for low-income communities
 - Identify potential community partnerships for implementation



Status of Study

- Tasks underway during the next 2 months include:
 - Interviews with implementing agencies to understand costs and opportunities. (Task 3)
 - Identification of existing financial commitments and performance requirements. (Task 4)
 - Assessment of data about low-income communities in central Puget Sound region. (Task 5)
 - Identify criteria for WSTC selection of toll options to proceed with for further analysis. (Task 6)



Questions?

