

SR 520 Toll Facility

Model Update and Summary



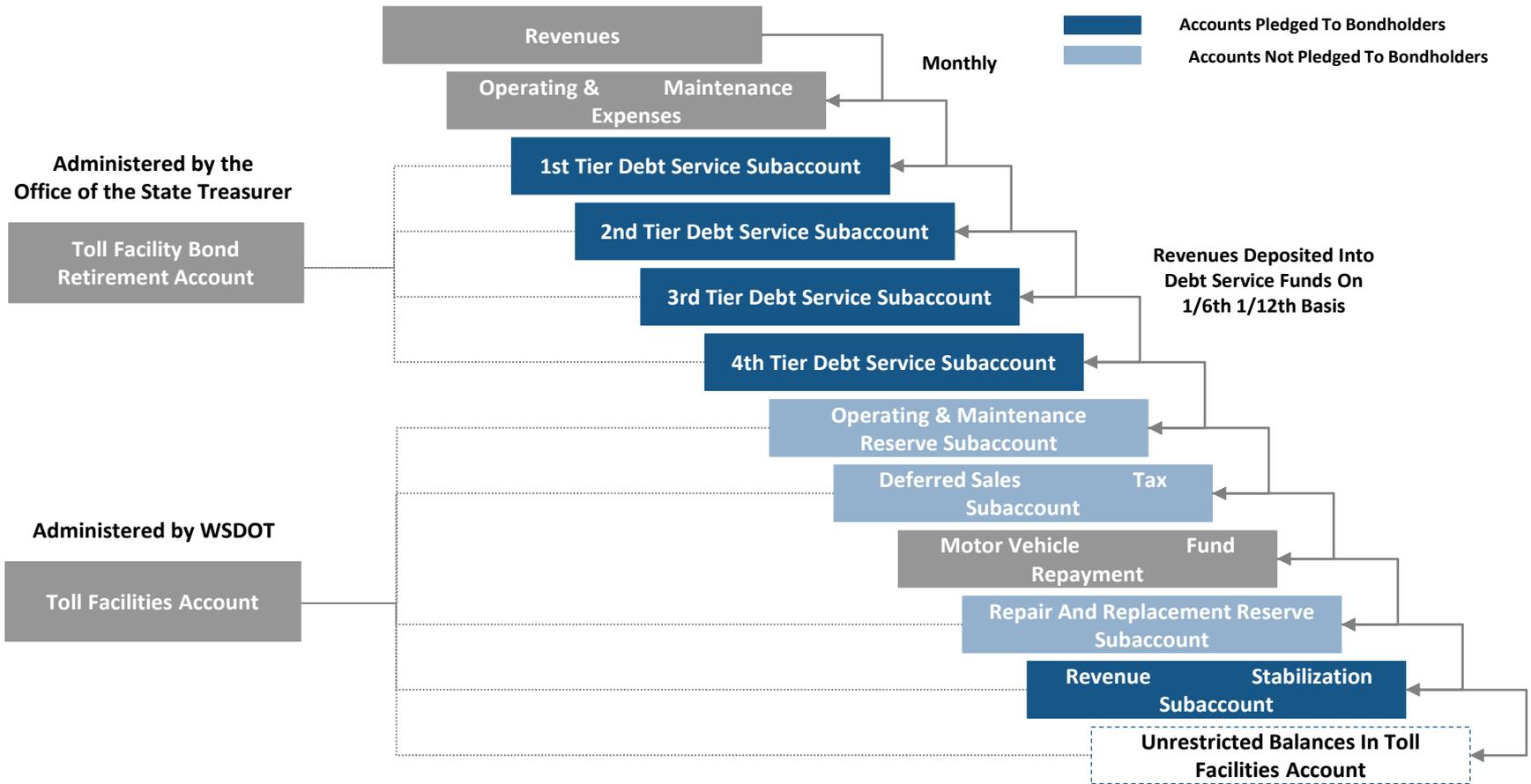
Office of the State Treasurer

July 21, 2020





SR 520 – Flow of Funds in MBR 1117



Note: Flow of funds excludes debt service reserves, as may be applicable



Changes in Projected Revenues (2020 – 2056)

Updated with 6/17/2020 TRFC Forecast

Fiscal Year	Net Revenues, 2/11/2020	Net Revenues*, 6/17/2020	Difference
2020	67,702,083	47,798,490	(19,903,593)
2021	73,152,041	39,503,459	(33,648,582)
2022	73,356,302	73,356,302	-
2023	76,844,002	76,844,002	-
2024	79,345,379	79,345,379	-
2025	82,094,598	82,094,598	-
2026	84,189,290	84,189,290	-
2027	86,190,880	86,190,880	-
2028	88,729,972	88,729,972	-
2029	90,057,202	90,057,202	-
2030	92,437,287	92,437,287	-
2031	94,364,209	94,364,209	-
2032	96,170,743	96,170,743	-
2033	95,459,018	95,459,018	-
2034	95,990,491	95,990,491	-
2035	96,221,683	96,221,683	-
2036	96,973,714	96,973,714	-
2037	97,268,947	97,268,947	-
2038	97,561,563	97,561,563	-
2039	97,790,196	97,790,196	-
2040	98,089,986	98,089,986	-
2041	98,087,440	98,087,440	-
2042	98,451,286	98,451,286	-
2043	98,830,047	98,830,047	-
2044	99,371,692	99,371,692	-
2045	99,236,159	99,236,159	-
2046	98,998,226	98,998,226	-
2047	98,764,814	98,764,814	-
2048	98,934,394	98,934,394	-
2049	98,138,445	98,138,445	-
2050	97,576,130	97,576,130	-
2051	97,045,803	97,045,803	-
2052	96,184,813	96,184,813	-
2053	95,660,999	95,660,999	-
2054	95,088,555	95,088,555	-
2055	94,420,634	94,420,634	-
2056	94,087,777	94,087,777	-
	3,418,866,797	3,365,314,622	(53,552,175)

The difference in Net Revenues reflects:

- Changes to Gross Recognized Toll Revenues
- Changes to Non-Insurance O&M Expenses

Fiscal Year	Difference in Gross Rev	Difference in O&M	Difference
2020	(21,464,093)	1,560,500	(19,903,593)
2021	(31,909,082)	(1,739,500)	(33,648,582)

* Revenue projections from FY 2020 through FY 2025 are from the June 2020 Transportation Revenue Forecast, provided by the Transportation Revenue Forecast Council.



Impact of Refunding

Series R-2021A (Forward Delivery)

- On November 21, 2019, on behalf of the State Finance Committee, OST refunded \$458.9 million of outstanding SR 520 Triple Pledge Bonds
 - As a “forward delivery,” Series R-2021A is scheduled to close March 3, 2021
 - Approximately \$5 million annual debt service savings FY 2022-2041; \$102 million in total



SR 520 Financial Model*

Updated with 6/17/2020 TRFC Forecast -- Includes R-2021A Refunding

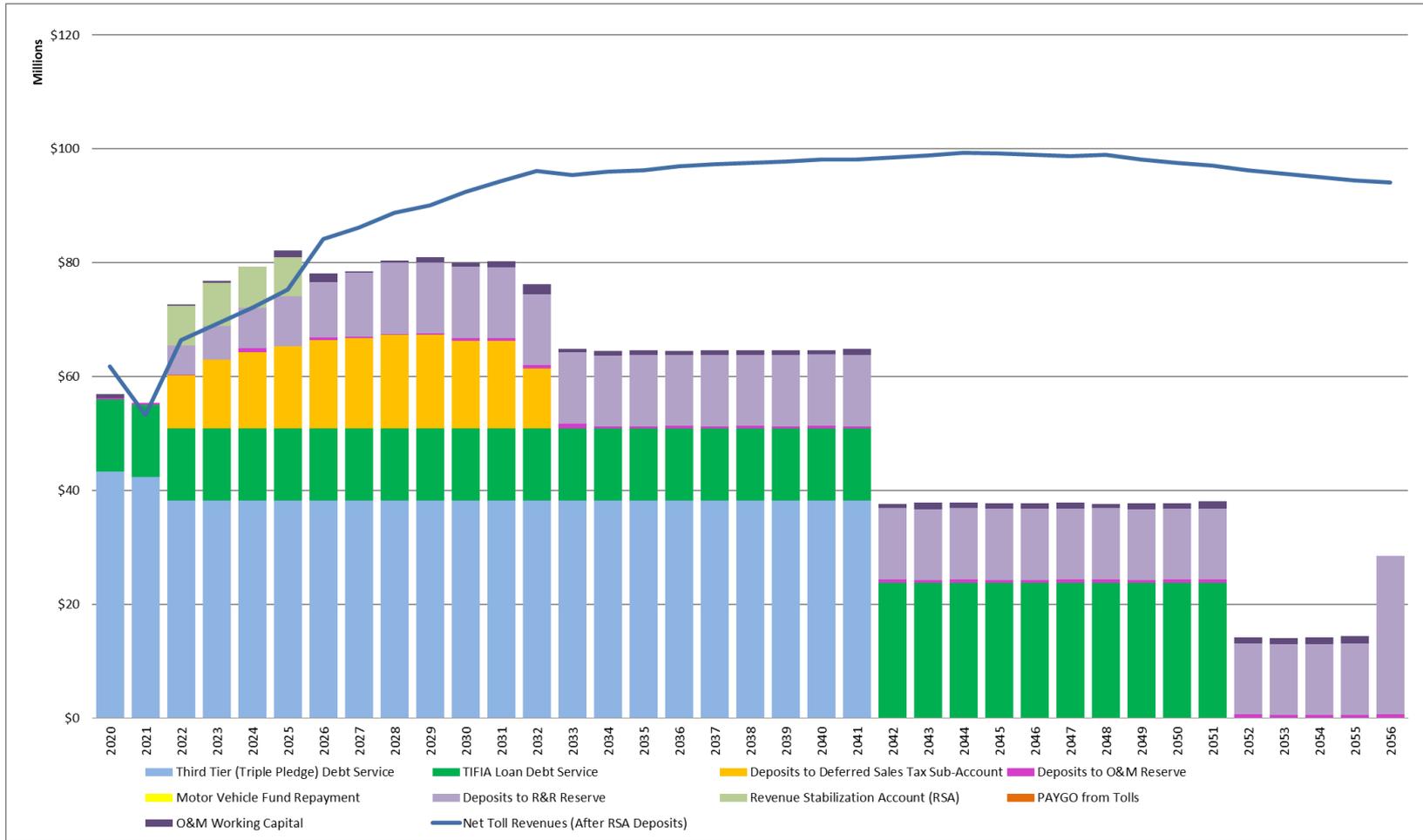
[A]	[B]	[C]	[D]	[E] = [B+C+D]	[F]	[G]	[H]	[I]	[J] = [F+G+H+I]	[K] = [E+J]	[L]	[M]	[N]	[O]	[P] = [K+L+O]
Fiscal Year	Gross Rev	O&M	Net (Deposits) to / Draws from Revenue Stabilization Sub-Account	Net RSA Adjusted Toll Revenue Available for Debt Service	First Tier Toll Revenue Bond Debt Service Sub-Account	Second Tier Debt Service Sub-Account	Third Tier Triple Pledge Debt Service Sub-Account	Fourth Tier TIFIA Debt Service Sub-Account	Total Debt Service (from Tolls)	Net Revenues After Debt Service	O&M Reserve Sub-Account	Deferred Sales Tax Sub-Account	Motor Vehicle Fund Repaymt	Repair & Replacement Reserve Sub-Account	Net Revenues After Required Deposits
2020	71,967,000	(24,168,510)	13,982,234	61,780,724	-	-	(43,243,025)	(12,685,912)	(55,928,937)	5,851,787	(228,700)	-	-	-	5,623,087
2021	64,471,151	(24,967,692)	13,752,886	53,256,345	-	-	(42,325,631)	(12,685,912)	(55,011,543)	(1,755,199)	(399,591)	-	-	-	(2,154,790)
2022	98,492,830	(25,136,528)	(7,016,534)	66,339,768	-	-	(38,188,550)	(12,685,912)	(50,874,462)	15,465,306	(84,418)	(9,350,000)	-	(5,125,615)	905,273
2023	101,977,919	(25,133,917)	(7,629,294)	69,214,708	-	-	(38,186,550)	(12,685,912)	(50,872,462)	18,342,246	-	(12,050,000)	-	(5,917,315)	374,931
2024	106,053,806	(26,708,426)	(7,221,776)	72,123,603	-	-	(38,183,550)	(12,685,912)	(50,869,462)	21,254,141	(785,949)	(13,325,000)	-	(7,143,192)	-
2025	108,815,220	(26,720,622)	(6,874,066)	75,220,532	-	-	(38,187,800)	(12,685,912)	(50,873,712)	24,346,820	(6,098)	(14,450,000)	-	(8,764,661)	1,126,061
2026	111,857,819	(27,668,529)	-	84,189,290	-	-	(38,190,450)	(12,685,912)	(50,876,362)	33,312,928	(473,954)	(15,550,000)	-	(9,658,193)	7,630,781
2027	114,416,536	(28,225,656)	-	86,190,880	-	-	(38,183,750)	(12,685,912)	(50,869,662)	35,321,218	(278,564)	(15,850,000)	-	(11,186,692)	8,005,963
2028	117,231,252	(28,501,280)	-	88,729,972	-	-	(38,185,500)	(12,685,912)	(50,871,412)	37,858,560	(137,812)	(16,465,000)	-	(12,500,000)	8,755,748
2029	118,898,546	(28,841,343)	-	90,057,202	-	-	(38,186,250)	(12,685,912)	(50,872,162)	39,185,040	(170,032)	(16,465,000)	-	(12,500,000)	10,050,009
2030	122,173,809	(29,736,522)	-	92,437,287	-	-	(38,188,750)	(12,685,912)	(50,874,662)	41,562,625	(447,589)	(15,415,000)	-	(12,500,000)	13,200,036
2031	124,912,936	(30,548,727)	-	94,364,209	-	-	(38,190,500)	(12,685,912)	(50,876,412)	43,487,797	(406,102)	(15,415,000)	-	(12,500,000)	15,166,695
2032	127,800,462	(31,629,719)	-	96,170,743	-	-	(38,184,000)	(12,685,912)	(50,869,912)	45,300,831	(540,496)	(10,565,000)	-	(12,500,000)	21,695,335
2033	128,786,579	(33,327,561)	-	95,459,018	-	-	(38,187,000)	(12,685,912)	(50,872,912)	44,586,106	(848,921)	-	-	(12,500,000)	31,237,185
2034	129,984,230	(33,993,739)	-	95,990,491	-	-	(38,191,250)	(12,685,912)	(50,877,162)	45,113,329	(333,089)	-	-	(12,500,000)	32,280,241
2035	130,934,478	(34,712,795)	-	96,221,683	-	-	(38,188,750)	(12,685,912)	(50,874,662)	45,347,021	(359,528)	-	-	(12,500,000)	32,487,493
2036	132,535,519	(35,561,805)	-	96,973,714	-	-	(38,186,750)	(12,685,912)	(50,872,662)	46,101,052	(424,505)	-	-	(12,500,000)	33,176,547
2037	133,531,254	(36,262,307)	-	97,268,947	-	-	(38,192,000)	(12,685,912)	(50,877,912)	46,391,035	(350,251)	-	-	(12,500,000)	33,540,784
2038	134,713,813	(37,152,250)	-	97,561,563	-	-	(38,190,750)	(12,685,912)	(50,876,662)	46,684,901	(444,972)	-	-	(12,500,000)	33,739,929
2039	135,673,652	(37,883,456)	-	97,790,196	-	-	(38,189,750)	(12,685,912)	(50,875,662)	46,914,534	(365,603)	-	-	(12,500,000)	34,048,931
2040	136,890,371	(38,800,385)	-	98,089,986	-	-	(38,190,250)	(12,685,912)	(50,876,162)	47,213,824	(458,465)	-	-	(12,500,000)	34,255,359
2041	137,644,413	(39,556,973)	-	98,087,440	-	-	(38,183,250)	(12,685,912)	(50,869,162)	47,218,278	(378,294)	-	-	(12,500,000)	34,339,985
2042	139,073,855	(40,622,569)	-	98,451,286	-	-	-	(23,790,745)	(23,790,745)	74,660,541	(532,798)	-	-	(12,500,000)	61,627,742
2043	140,262,464	(41,432,418)	-	98,830,047	-	-	-	(23,790,745)	(23,790,745)	75,039,301	(404,924)	-	-	(12,500,000)	62,134,377
2044	141,901,405	(42,529,713)	-	99,371,692	-	-	-	(23,790,745)	(23,790,745)	75,580,946	(548,648)	-	-	(12,500,000)	62,532,299
2045	142,702,252	(43,466,093)	-	99,236,159	-	-	-	(23,790,745)	(23,790,745)	75,445,414	(468,190)	-	-	(12,500,000)	62,477,224
2046	143,400,184	(44,401,958)	-	98,998,226	-	-	-	(23,790,745)	(23,790,745)	75,207,481	(467,933)	-	-	(12,500,000)	62,239,549
2047	144,129,896	(45,365,082)	-	98,764,814	-	-	-	(23,790,745)	(23,790,745)	74,974,069	(481,562)	-	-	(12,500,000)	61,992,506
2048	145,399,770	(46,465,377)	-	98,934,394	-	-	-	(23,790,745)	(23,790,745)	75,143,648	(550,147)	-	-	(12,500,000)	62,093,501
2049	145,373,932	(47,235,487)	-	98,138,445	-	-	-	(23,790,745)	(23,790,745)	74,347,700	(385,055)	-	-	(12,500,000)	61,462,644
2050	145,815,648	(48,239,518)	-	97,576,130	-	-	-	(23,790,745)	(23,790,745)	73,785,385	(502,015)	-	-	(12,500,000)	60,783,369
2051	146,246,512	(49,200,709)	-	97,045,803	-	-	-	(23,790,745)	(23,790,745.11)	73,255,057	(480,595)	-	-	(12,500,000)	60,274,462

* A portion of Actual Net Revenues After Required Deposits are expected to be deposited into the Deferred Sales Tax Sub-Account, Repair & Replacement Reserve Sub-Account, and/or the Operations and Maintenance reserve, as appropriate.



SR 520 All Required Expenditures/Deposits Coverage

Updated with 6/17/2020 TRFC Forecast -- Includes R-2021A Refunding





SR 520 Coverage Ratio Results

Updated with 6/17/2020 TRFC Forecast -- Includes R-2021A Refunding

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Fiscal Year	Net Revenues	Deposits to Revenue Stabilization Sub-Account	Draws From Revenue Stabilization Sub-Account (Max 25% of Annual DS)	Net Revenues for Coverage Calculations	First Tier Debt Coverage	Second Tier Debt Coverage	Third Tier (3x Pledge) Debt Coverage	Fourth Tier (TIFIA) Debt Coverage	Deferred Sales Tax Coverage	Sufficiency Coverage
2020	47,798,490	-	13,982,234	61,780,724			1.429	1.105	1.105	1.100
2021	39,503,459	-	13,752,886	53,256,345			1.258	0.968	0.968	0.961
2022	73,356,302	(7,016,534)	-	66,339,768			1.737	1.304	1.102	1.014
2023	76,844,002	(7,629,294)	-	69,214,708			1.813	1.361	1.100	1.005
2024	79,345,379	(7,221,776)	-	72,123,603			1.889	1.418	1.124	1.000
2025	82,094,598	(6,874,066)	-	75,220,532			1.970	1.479	1.152	1.015
2026	84,189,290	-	-	84,189,290			2.204	1.655	1.267	1.100
2027	86,190,880	-	-	86,190,880			2.257	1.694	1.292	1.102
2028	88,729,972	-	-	88,729,972			2.324	1.744	1.318	1.109
2029	90,057,202	-	-	90,057,202			2.358	1.770	1.337	1.126
2030	92,437,287	-	-	92,437,287			2.421	1.817	1.394	1.167
2031	94,364,209	-	-	94,364,209			2.471	1.855	1.423	1.192
2032	96,170,743	-	-	96,170,743			2.519	1.891	1.565	1.291
2033	95,459,018	-	-	95,459,018			2.500	1.876	1.876	1.486
2034	95,990,491	-	-	95,990,491			2.513	1.887	1.887	1.507
2035	96,221,683	-	-	96,221,683			2.520	1.891	1.891	1.510
2036	96,973,714	-	-	96,973,714			2.539	1.906	1.906	1.520
2037	97,268,947	-	-	97,268,947			2.547	1.912	1.912	1.526
2038	97,561,563	-	-	97,561,563			2.555	1.918	1.918	1.529
2039	97,790,196	-	-	97,790,196			2.561	1.922	1.922	1.534
2040	98,089,986	-	-	98,089,986			2.568	1.928	1.928	1.537
2041	98,087,440	-	-	98,087,440			2.569	1.928	1.928	1.539
2042	98,451,286	-	-	98,451,286				4.138	4.138	2.674
2043	98,830,047	-	-	98,830,047				4.154	4.154	2.693
2044	99,371,692	-	-	99,371,692				4.177	4.177	2.697
2045	99,236,159	-	-	99,236,159				4.171	4.171	2.700
2046	98,998,226	-	-	98,998,226				4.161	4.161	2.693
2047	98,764,814	-	-	98,764,814				4.151	4.151	2.686
2048	98,934,394	-	-	98,934,394				4.159	4.159	2.685
2049	98,138,445	-	-	98,138,445				4.125	4.125	2.676
2050	97,576,130	-	-	97,576,130				4.101	4.101	2.652
2051	97,045,803	-	-	97,045,803				4.079	4.079	2.639

Rate Covenant Requirements:

Triple Pledge: 1.25X

TIFIA: 1.10x

Sufficiency Ratio: 1.00x

Rate Policy Requirements:

Triple Pledge: 1.30X

TIFIA: 1.15x

Sufficiency Ratio: 1.00x

Other:

RSA draws are treated as current Toll Revenue, up to a maximum of 25% of Annual Debt Service

* Coverage after Deposits to Revenue Stabilization Account and Year End Transfers to Project Fund (PAYGO Financing).



SR 520 – Flexible Multi-Tier Structure

Tier	Purpose of Tier	Additional Bonds Test (“ABT”)	Rate Covenant
1st Tier Toll Bonds (NOT USED)	<ul style="list-style-type: none"> Available for any system purpose 	<ul style="list-style-type: none"> Net revenues are 200% of annual debt service on a historical and/or projected basis 	<ul style="list-style-type: none"> Net revenues are 150% of annual debt service in each fiscal year
2nd Tier Toll Bonds (NOT USED)	<ul style="list-style-type: none"> Available for any system purpose 	<ul style="list-style-type: none"> Net revenues are 150% of annual debt service on a historical and/or projected basis 	<ul style="list-style-type: none"> Net revenues are 135% of annual debt service in each fiscal year
3rd Tier Toll Bonds	<ul style="list-style-type: none"> Triple-Pledge Bonds Available for any system purpose 	<ul style="list-style-type: none"> Net revenues are 130% of annual debt service on a historical and/or projected basis 	<ul style="list-style-type: none"> Net revenues are 125% of annual debt service in each fiscal year
4th Tier Toll Bonds	<ul style="list-style-type: none"> TIFIA Loan Available for any system purpose 	<ul style="list-style-type: none"> Net revenues are 110% of annual debt service on a historical and/or projected basis 	<ul style="list-style-type: none"> Net revenues are 110% of annual debt service in each fiscal year
Other Deposits Required Under Flow Of Funds	<ul style="list-style-type: none"> O&M Reserve Deferred Sales Taxes MVA Repayment R&R Account 	<ul style="list-style-type: none"> Net revenues are 100% of all required deposits from toll revenue on a historical and/or projected basis 	<ul style="list-style-type: none"> Net revenues are 100% of all required deposits from toll revenue in each fiscal year



SR 520 Revenue Stabilization Account

Revenue Stabilization Subaccount (within Account 16J)

- Available to supplement Net Toll Revenues for any Master Bond Resolution purpose
- Balance as of June 30, 2019: **\$28.8 million (SR 520 Model, Page 16)**
- **Pledged to bondholders**
- Draws to cover system costs and to achieve required coverage ratios can be made by WSDOT up to 120 days after the end of the fiscal year
 - Draws credited against debt service are treated as Toll Revenues for coverage purposes
 - However, draw amounts exceeding 25% of annual debt service in any year will not be treated as Toll Revenue for coverage purposes
- Policy target: Balance equal to 30% of the highest projected annual “Net Toll Revenue Available for Debt Service”
- Expected to be used to offset reduction in traffic revenues in FY 2020 and FY 2021
- Based on the balance, as well as MBR 1117, the maximum that could drawn from the RSA that will count toward coverage requirements are:
 - FY 2020: \$13.98 million (25% of annual debt service in that year)
 - FY 2021: \$13.75 million (25% of annual debt service in that year)
- Source: MBR, Section 6.04 “Within 120 days after the end of each Fiscal Year, the WSDOT Representative, in consultation with the Treasurer Representative, shall determine the amount, if any, that shall be transferred from the Toll Facilities Account to the Revenue Stabilization Subaccount in that Fiscal Year



SR 520 Revenue Stabilization Account

Maximum draws, 25% of Debt Service

	[A]	[B]	[C]	[D]	[E]	[F]	[G]
Fiscal Year	Net Toll Revenue Available for Debt Service	Beginning Bal in Revenue Stabilization Subaccount	Deposits to Revenue Stabilization Subaccount	Draws from Revenue Stabilization Subaccount	Interest on Revenue Stabilization Subaccount	Ending Bal in Revenue Stabilization Subaccount	Revenue Stabilization Subaccount / Net Revenue
2020	47,798,490	28,804,958	-	(13,982,234)	-	14,822,724	31.0%
2021	39,503,459	14,822,724	-	(13,752,886)	-	1,069,838	2.7%
2022	73,356,302	1,069,838	7,016,534	-	-	8,086,372	11.0%
2023	76,844,002	8,086,372	7,629,294	-	-	15,715,665	20.5%
2024	79,345,379	15,715,665	7,221,776	-	-	22,937,441	28.9%
2025	82,094,598	22,937,441	6,874,066	-	-	29,811,507	36.3%
2026	84,189,290	29,811,507	-	-	-	29,811,507	35.4%
2027	86,190,880	29,811,507	-	-	-	29,811,507	34.6%
2028	88,729,972	29,811,507	-	-	-	29,811,507	33.6%
2029	90,057,202	29,811,507	-	-	-	29,811,507	33.1%
2030	92,437,287	29,811,507	-	-	-	29,811,507	32.3%
2031	94,364,209	29,811,507	-	-	-	29,811,507	31.6%
2032	96,170,743	29,811,507	-	-	-	29,811,507	31.0%
2033	95,459,018	29,811,507	-	-	-	29,811,507	31.2%
2034	95,990,491	29,811,507	-	-	-	29,811,507	31.1%
2035	96,221,683	29,811,507	-	-	-	29,811,507	31.0%
2036	96,973,714	29,811,507	-	-	-	29,811,507	30.7%
2037	97,268,947	29,811,507	-	-	-	29,811,507	30.6%
2038	97,561,563	29,811,507	-	-	-	29,811,507	30.6%
2039	97,790,196	29,811,507	-	-	-	29,811,507	30.5%
2040	98,089,986	29,811,507	-	-	-	29,811,507	30.4%
2041	98,087,440	29,811,507	-	-	-	29,811,507	30.4%
2042	98,451,286	29,811,507	-	-	-	29,811,507	30.3%
2043	98,830,047	29,811,507	-	-	-	29,811,507	30.2%
2044	99,371,692	29,811,507	-	-	-	29,811,507	30.0%
2045	99,236,159	29,811,507	-	-	-	29,811,507	30.0%
2046	98,998,226	29,811,507	-	-	-	29,811,507	30.1%
2047	98,764,814	29,811,507	-	-	-	29,811,507	30.2%
2048	98,934,394	29,811,507	-	-	-	29,811,507	30.1%
2049	98,138,445	29,811,507	-	-	-	29,811,507	30.4%
2050	97,576,130	29,811,507	-	-	-	29,811,507	30.6%
2051	97,045,803	29,811,507	-	-	-	29,811,507	30.7%

RSA policy requirement equal to 30% of maximum net toll revenues available for debt service

Maximum draws from the RSA that can count toward coverage requirements are:

- FY 2020: \$13.98 million**
- FY 2021: \$13.75 million**



SR 520 R&R Account

R&R Reserve (within Account 16J)

- Provides minimum level of liquidity in the System to fund necessary repair and replacement in the event of an interruption to toll revenues or to meet future larger annual requirements
- Balance as of June 30, 2019: **\$23,810,928 (SR 520 Model, Page 15)**
- **Not pledged to bondholders**
- Funding amount determined by WSDOT with the approval of the Consulting Engineer and reflected in the System Budget
- Source: MBR, Section 6.05 “Amounts to be deposited in the Repair and Replacement Reserve Subaccount shall be determined by WSDOT based on its projected long-term Repair and Replacement Expense needs, in consultation with the Consulting Engineer, and shall be reflected in the System Budget annually”



SR 520 R&R Account

(Reductions Needed in FY 2020 and FY 2121)

	[A]	[B]	[C]	[D]	[E]
Fiscal Year	Beginning Balance in R&R	Deposits to R&R	Draws from R&R	Interest on R&R	Ending Balance in R&R
2020	23,810,929	-	(5,049,778)	-	18,761,151
2021	18,761,151	-	(247,088)	-	18,514,062
2022	18,514,062	5,125,615	(207,928)	-	23,431,749
2023	23,431,749	5,917,315	(1,617,029)	-	27,732,034
2024	27,732,034	7,143,192	(1,476,030)	-	33,399,196
2025	33,399,196	8,764,661	(632,373)	-	41,531,485
2026	41,531,485	9,658,193	(2,008,874)	-	49,180,804
2027	49,180,804	11,186,692	(4,133,664)	-	56,233,833
2028	56,233,833	12,500,000	(11,258,667)	-	57,475,165
2029	57,475,165	12,500,000	(3,403,160)	-	66,572,005
2030	66,572,005	12,500,000	(6,395,555)	-	72,676,450
2031	72,676,450	12,500,000	(37,524,400)	-	47,652,050
2032	47,652,050	12,500,000	(105,611)	-	60,046,438
2033	60,046,438	12,500,000	(9,835,253)	-	62,711,185
2034	62,711,185	12,500,000	(1,221,337)	-	73,989,848
2035	73,989,848	12,500,000	(1,061,656)	-	85,428,191
2036	85,428,191	12,500,000	(9,300,234)	-	88,627,958
2037	88,627,958	12,500,000	(4,152,681)	-	96,975,276
2038	96,975,276	12,500,000	(14,364,607)	-	95,110,669
2039	95,110,669	12,500,000	(3,842,111)	-	103,768,558
2040	103,768,558	12,500,000	(8,209,021)	-	108,059,537
2041	108,059,537	12,500,000	(21,795,232)	-	98,764,306
2042	98,764,306	12,500,000	(171,058)	-	111,093,248
2043	111,093,248	12,500,000	(12,047,154)	-	111,546,094
2044	111,546,094	12,500,000	(142,036)	-	123,904,059
2045	123,904,059	12,500,000	(1,036,216)	-	135,367,842
2046	135,367,842	12,500,000	(134,463,615)	-	13,404,228
2047	13,404,228	12,500,000	(6,328,155)	-	19,576,073
2048	19,576,073	12,500,000	(19,552,047)	-	12,524,026
2049	12,524,026	12,500,000	(4,831,767)	-	20,192,260
2050	20,192,260	12,500,000	(9,629,247)	-	23,063,012
2051	23,063,012	12,500,000	(21,625,032)	-	13,937,980

		[A]	[B]	[C]	[D]	[E]
Model	Fiscal Year	Beginning Balance in R&R	Deposits to R&R	Draws from R&R	Interest on R&R	Ending Balance in R&R
Feb. 2020 Model	2020	23,810,929	6,157,646	(5,049,778)	-	24,918,797
June 2020 Model	2020	23,810,929	-	(5,049,778)	-	18,761,151
Changes		-	(6,157,646)	-	-	(6,157,646)
Feb. 2020 Model	2021	24,918,797	9,426,354	(247,088)	-	34,098,062
June 2020 Model	2021	18,761,151	-	(247,088)	-	18,514,062
Changes		(6,157,646)	(9,426,354)	-	-	(15,584,000)



Setting and Adjusting Toll Rates

SR 520 – Legislative Authority

- The Legislature has directed the Tolling Authority to ensure that tolls will generate revenue sufficient to meet:
 - Operating, maintenance, preservation and renewal costs of the eligible toll facilities
 - Debt service, required reserves, minimum debt coverage or other contingency funding, insurance, and compliance with all other financial and bond covenants
 - Reimbursement of the Motor Vehicle Fund, as may be applicable
 - Any other obligations of the eligible toll facilities
- As the Tolling Authority, the Transportation Commission will set rates that will help maintain travel time, speed, and reliability on the corridor and must set and adjust toll rates to generate revenue sufficient and necessary to cover costs and obligations



MBR 1117, Section 7.02(a)

MBR Section 7.02(a) provides:

(a) The Tolling Authority shall establish, and WSDOT shall charge and collect, Tolls for the privilege of traveling on the System of Eligible Toll Facilities at rates sufficient to meet the O&M Expenses and to produce in each Fiscal Year in which any Bonds are Outstanding Net Revenues that are in an amount at least equal to (i), (ii), (iii), (iv) and (v):

- (i) 150% of the Annual Debt Service with respect to all Outstanding 1st Tier Bonds;
- (ii) 135% of the Annual Debt Service with respect to all Outstanding 1st Tier and 2nd Tier Bonds;
- (iii) 125% of the Annual Debt Service with respect to all Outstanding 1st Tier, 2nd Tier and 3rd Tier Bonds;**
- (iv) 110% of the Annual Debt Service with respect to all Outstanding Bonds; and**
- (v) 100% of the Annual Debt Service with respect to all Outstanding Bonds and all other deposits required** by subsections (c), (e), (g) and (i) through (m) of Section 6.12 to the extent such deposits must be paid with Toll Revenue and have not been otherwise paid or provided for from Bond proceeds or other available funds.



MBR 1117, Section 7.02(b)

MBR Section 7.02(b) provides:

(b) The Tolling Authority will at least annually prior to June 30 of each Fiscal Year review the financial condition of the System, the anticipated Operating and Maintenance Expenses, Debt Service Requirements, various reserves and other costs of the System, and proceed in a timely fashion to review and adjust the Toll Rate Schedule as it determines is necessary to comply with subsection (a) above, provide sufficient Toll Revenue to fund amounts required to be deposited and maintained in the Toll Facilities Account and subaccounts therein, and comply with other relevant covenants in this Master Resolution.



MBR 1117, Section 7.02(c)

MBR Section 7.02(c) provides:

(c) Prior to adopting any revision in its Toll Rate Schedule, the State, through the Tolling Authority, shall obtain:

- (A) a certificate of the Traffic Consultant stating, based upon reasonable assumptions and applying the revised Toll Rate Schedule, the projected Toll Revenue for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all then-Outstanding Bonds,
- (B) a certificate of the Consulting Engineer stating, based upon reasonable assumptions, the projected Operating and Maintenance Expenses for the then-current Fiscal Year and each subsequent Fiscal Year through the last scheduled maturity of all Outstanding Bonds, and
- (C) a certificate of the Treasurer Representative stating that, based upon the information contained in the certificates described in (A) and (B) above, the adoption of the revised Toll Rate Schedule will not cause the State to fail to comply with its covenants in this Section 7.02.



MBR 1117, Section 7.02(d)

MBR Section 7.02(d) provides:

The failure of the System in any Fiscal Year to produce Toll Revenue in the amounts sufficient to enable the State to comply with subsection (a) above, **which failure may continue during the succeeding Fiscal Year**, shall not, in and of itself, constitute an Event of Default under this Master Resolution if:

- (1) WSDOT within 60 days after the end of the Fiscal Year requests the **written recommendations** of the Traffic Consultant as to how to increase Toll Revenue in the following Fiscal Year to the level required to comply with subsection (a) above,
- (2) within 60 days of the date of the request from WSDOT, the Traffic Consultant provides to WSDOT, the State Treasurer and the Tolling Authority the **written recommendations** described in clause (1), and
- (3) the Tolling Authority takes steps to implement those recommendations within 60 days after receipt thereof and diligently proceeds to substantially comply with the recommendations of the Traffic Consultant.



Required Actions

Key Steps for 2020:

If, due to traffic reductions, the SR 520 system is unable to meet the coverage levels required by the MBR during the FY ending 6/30/2020:

- within 60 days after the end of the fiscal year (a date not later than roughly 8/30/2020) WSDOT would be required to request the recommendations of the Traffic Consultant as to how to increase Toll Revenue in the following Fiscal Year (7/1/2020, to 6/30/2021) to comply with the coverage requirement;
- within 60 days after the date of WSDOT's request (a date not later than roughly 10/30/2020) the Traffic Consultant must provide its recommendations to WSDOT, the State Treasurer and the Tolling Authority; and,
- within 60 days after the Tolling Authority receives the Traffic Consultant's recommendations (a date not later than roughly 12/30/2020) the Tolling Authority takes steps (which may include raising toll rates or other recommended steps) to implement the Traffic Consultant's recommendations and diligently proceeds to substantially comply with the Traffic Consultant's recommendations

Key Steps for 2021:

- MBR 7.02(b) "The Tolling Authority **will...proceed in a timely fashion to review and adjust the Toll Rate Schedule as it determines is necessary to comply with subsection (a) above**, provide sufficient Toll Revenue to fund amounts required to be deposited and maintained in the Toll Facilities Account and subaccounts therein, and comply with other relevant covenants in this Master Resolution."



Appendix



SR 520 Debt Service

After R-2021A Refunding (as of 6/30/2020)

FY	Triple Pledge	TIFIA	Total Toll-Secured Debt Service	GARVEE
2021	\$ 36,567,638	\$ 12,685,912	\$ 49,253,550	\$ 99,717,625
2022	38,188,550	12,685,912	50,874,462	99,619,938
2023	38,186,550	12,685,912	50,872,462	99,508,625
2024	38,183,550	12,685,912	50,869,462	99,397,125
2025	38,187,800	12,685,912	50,873,712	99,307,250
2026	38,190,450	12,685,912	50,876,362	-
2027	38,183,750	12,685,912	50,869,662	-
2028	38,185,500	12,685,912	50,871,412	-
2029	38,186,250	12,685,912	50,872,162	-
2030	38,188,750	12,685,912	50,874,662	-
2031	38,190,500	12,685,912	50,876,412	-
2032	38,184,000	12,685,912	50,869,912	-
2033	38,187,000	12,685,912	50,872,912	-
2034	38,191,250	12,685,912	50,877,162	-
2035	38,188,750	12,685,912	50,874,662	-
2036	38,186,750	12,685,912	50,872,662	-
2037	38,192,000	12,685,912	50,877,912	-
2038	38,190,750	12,685,912	50,876,662	-
2039	38,189,750	12,685,912	50,875,662	-
2040	38,190,250	12,685,912	50,876,162	-
2041	38,183,250	12,685,912	50,869,162	-
2042	-	23,790,745	23,790,745	-
2043	-	23,790,745	23,790,745	-
2044	-	23,790,745	23,790,745	-
2045	-	23,790,745	23,790,745	-
2046	-	23,790,745	23,790,745	-
2047	-	23,790,745	23,790,745	-
2048	-	23,790,745	23,790,745	-
2049	-	23,790,745	23,790,745	-
2050	-	23,790,745	23,790,745	-
2051	-	23,790,745	23,790,745	-
	<u>\$ 800,323,038</u>	<u>\$ 504,311,603</u>	<u>\$ 1,304,634,641</u>	<u>\$ 497,550,563</u>