SR 16 Tacoma Narrows Bridge Toll Rate Setting Update

WSTC Commission Meeting
May 11, 2021

Carl See
Deputy Director
Washington State Transportation Commission
TNB Traffic and Revenue Forecast vs. Actual

- Thirteen-month (March 2020 to March 2021) toll revenue was 16%, or $14.2 million below the Pre-COVID forecast
TNB Rate-setting Context

• The 2018 Legislature clarified its intent to mitigate future rate increases by loaning funds to the TNB account, to be repaid along with deferred sales taxes once bonds are retired
  – Loans have been appropriated biennially in amounts recommended by WSTC
  – Legislation stipulated a single 25 cent rate increase effective as soon as FY 2022

• Traffic reductions due to pandemic increased the loan amount needed for the 2021-23 biennium
  – $9.7 million expense for toll system replacement was also deferred from FY 2019-21 biennium to 2022-23 to reduce immediate financial impact of COVID on the TNB Account

• Despite these setbacks, the transportation budget provided relief sufficient to meet their 2018 intent to limit toll increases to 25 cents
TNB Loan & Subsidy for 2021-23 Biennium

- 2021-23 budget provides total support of $46 million for the 2021-23 biennium
  - Loan of $30.3 million for repayment in FY 30-31
  - Subsidy of $15.7 million from American Rescue Plan funds
- Funding aligns with assumption for 25 cent rate base fare increase in FY 2022.

TNB Loan & Subsidy: 2021-2023 Biennium*

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>2021-23 Biennium</th>
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<tbody>
<tr>
<td>2020 TNB Loan Update</td>
<td>$ 6,138,000</td>
<td>$ 7,114,000</td>
<td>$ 13,252,000</td>
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<tr>
<td>2021 TNB Loan Update</td>
<td>$ 25,546,000</td>
<td>$ 13,327,000</td>
<td>$ 38,873,000</td>
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<tr>
<td>2021-23 Budget</td>
<td>$23,000,000</td>
<td>$23,000,000</td>
<td>$46,000,000</td>
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</tbody>
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*Estimates rounded to nearest thousand.
Current and Proposed TNB Toll Rates

- Proposed toll rate increase of 25 cents with effective date of October 1, 2021

<table>
<thead>
<tr>
<th></th>
<th>Pass</th>
<th>Cash Tolls</th>
<th>Pay By Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Toll Rate</strong></td>
<td>$5.00</td>
<td>$6.00</td>
<td>$7.00</td>
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<tr>
<td><strong>Proposed Toll Rate</strong></td>
<td>$5.25</td>
<td>$6.25</td>
<td>$7.25</td>
</tr>
</tbody>
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Notes:
- Good To Go! Pay By Plate transactions pay an additional 25¢ fee over Pass rate
- Tolls for multi-axle vehicles are a multiple of the passenger car rates (up to six axles)
Next Steps

• Complete assessment of TNB financial information in support of the proposed rate setting.

• Present assessment and proposed rate setting options to the Commission on May 18th for review and input.
Contact:

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