



WSTC Toll Rate Setting Updates

WSTC Commission Meeting

June 15, 2021

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Agenda

- Review toll rate options presented at May 11 and May 18 Commission meetings for SR 99 tunnel, SR 520 bridge, and SR 16 Tacoma Narrows Bridge.
- Receive updates on additional financial analysis and next steps related to each facility
- Select toll rate options for public input in mid-June through mid-July to inform decision on a proposed permanent rule for each toll facility on July 20th.

SR 99 Tunnel

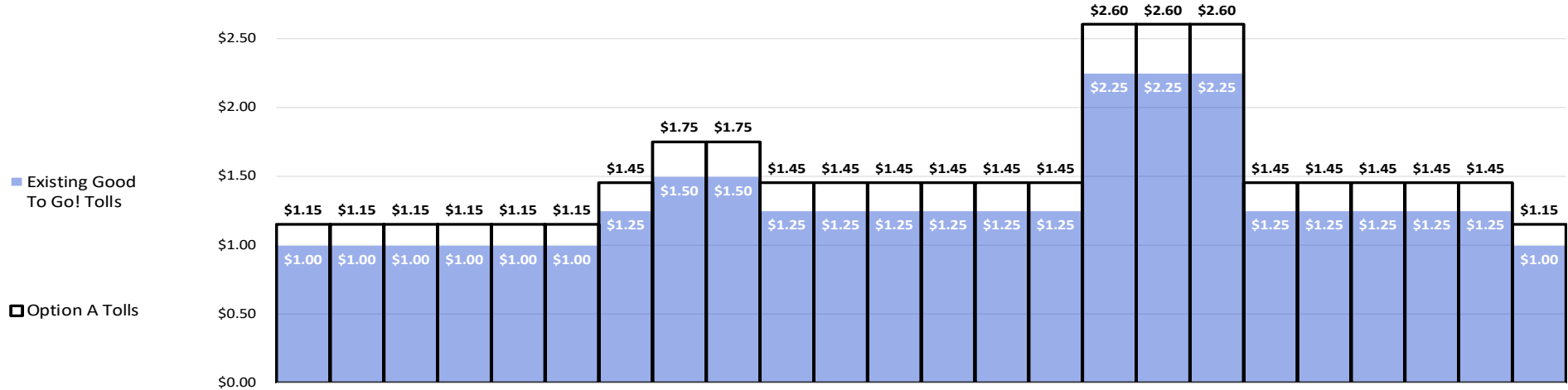
SR 99 Tunnel Toll Rate Increase Proposals

- **Option A** — uniform **15%** toll increase on October 1, 2021 (FY 2022)
 - Results in rate increases between 15 cents to 35 cents
 - Assumes the planned 3% toll increase on July 1, 2022 (FY 2023) is maintained
- **Option B** — uniform **\$0.25** toll increase on October 1, 2021 (FY 2022)
 - Percentage increase varies by time of day, averages 16% on weekdays
 - Assumes the planned 3% toll increase on July 1, 2022 (FY 2023) is maintained
- Both options would shore up net revenues through FY 2025, after which additional increases will likely be needed
- Both options include an additional \$19 million in MVA loans in the 2019-21 biennium with a deferred loan repayment schedule
 - An accelerated MVA loan repayment schedule would require a higher toll increase in FY 2022

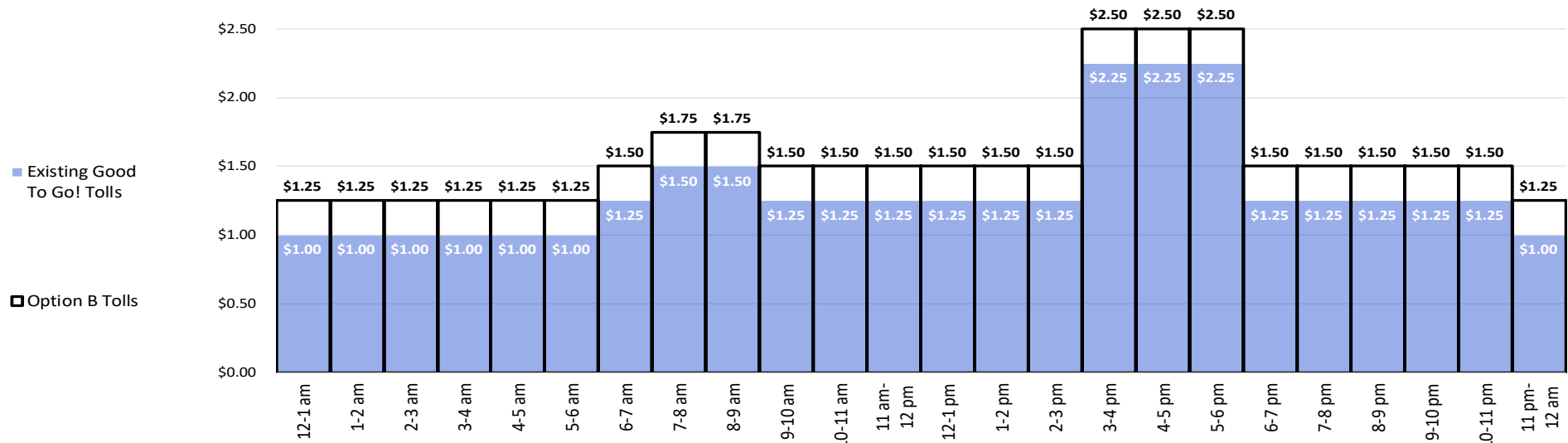
SR 99 Tunnel: Weekday Toll Rates for Options A and B

Weekend toll rates same as overnight weekday toll rates

Option A Uniform +15%



Option B Uniform +\$0.25



All toll rates are for 2 axle vehicles with Good to Go! pass

SR 99 Tunnel Rate Setting Analysis: Next Steps

- WSDOT and Office of the State Treasurer are confirming the viability of initial rate increase options A and B through the full analytical process
 - Results available in mid-July 2021
 - Assumes the planned 3% toll increase on July 1, 2022 (FY 2023) is maintained
 - Assessing capacity of toll rate options to shore up net revenues through FY 2025, after which additional increases will likely be needed

SR 520 Bridge



SR 520 Bridge Toll Rate Increase Proposals

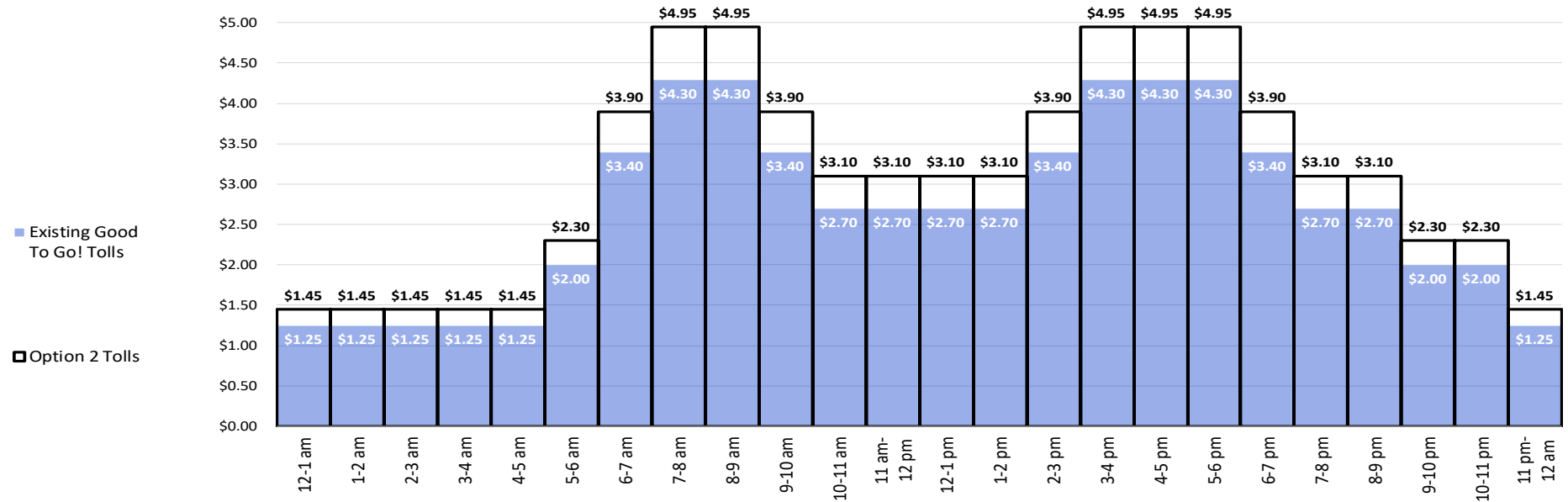
- **Option 1** — tailored increase by time period averaging **15%** overall on July 1, 2023 (FY 2024)
 - Expands morning and afternoon peak periods by one hour
 - No increase in minimum toll; holds maximum toll increase to +5%
 - Higher midday and evening toll increases
- **Option 2** — uniform **15%** toll increase on July 1, 2023 (FY 2024)
 - Retains current variable toll schedule
 - Maximum toll stays under \$5.00
- Rate increase deferred until July 1, 2023 (FY 2024)
 - Enabled by Legislature’s appropriation of about \$50 million in Federal ARPA funds in the 2021-23 biennium for operations & maintenance
 - Action must be taken this year to demonstrate that SR 520 net toll revenues will be sufficient to meet all forecast horizon financial obligations

SR 520 Bridge: Weekday Toll Rates for Options 1 and 2

Option 1: Tailored +15%



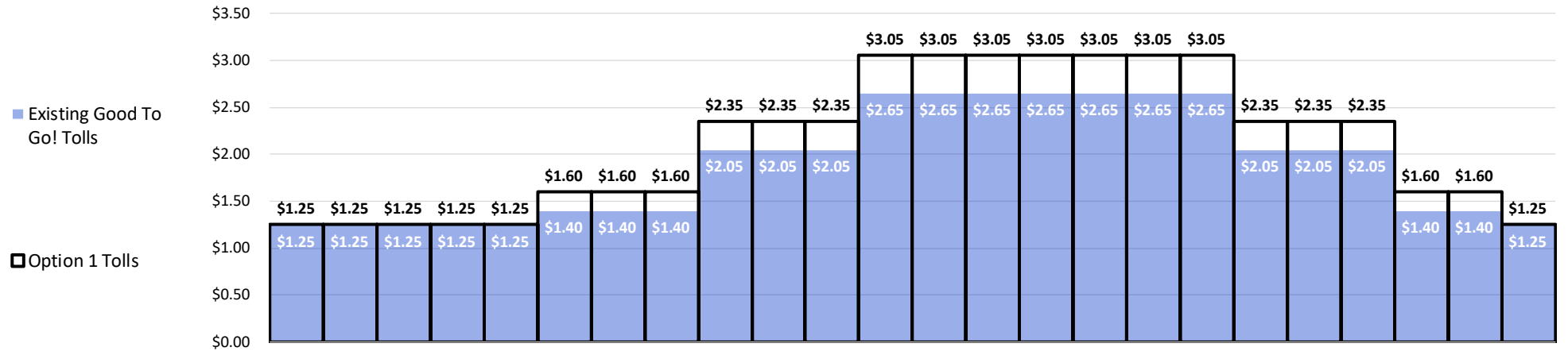
Option 2 Uniform +15%



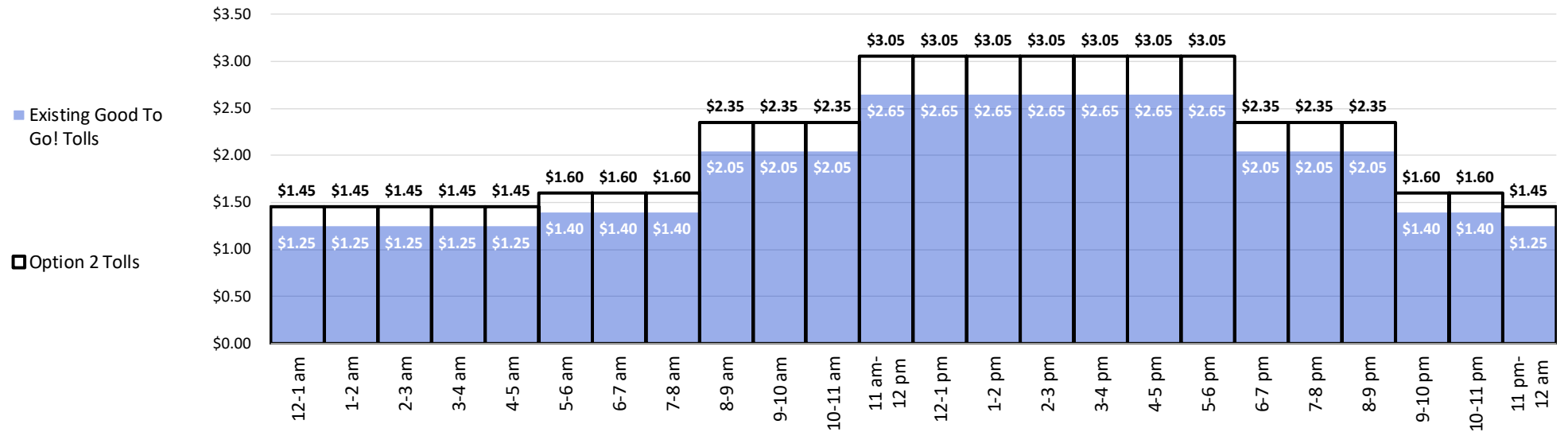
All toll rates are for 2 axle vehicles with Good to Go! pass

SR 520 Bridge: Weekend Toll Rates for Options 1 and 2

Option 1: Tailored +15%



Option 2: Uniform +15%



All toll rates are for 2 axle vehicles with Good to Go! pass

SR 520 Bridge Rate Setting Analysis: Updates and Next Steps

- Updates since May 11 Commission Meeting presentation
 - WSDOT and consultants conducted the full analytical process for Options 1 and 2 and shared with OST
 - OST has confirmed the financial sufficiency across the forecast horizon for both options
- Next steps
 - WSDOT, WSTC and OST are collaborating in analyzing the viability of lower toll increase options
 - WSDOT will continue to monitor traffic and revenue performance and share with WSTC for further analysis prior to the planned increase

SR 16 Tacoma Narrows Bridge

Current and Proposed TNB Toll Rates

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

	 Pass	Cash Tolls	Pay By Mail
Current Toll Rate	\$5.00	\$6.00	\$7.00
Proposed Toll Rate	\$5.25	\$6.25	\$7.25

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)*

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 31-32
 - Subsidy of \$15.7 million from American Rescue Plan funds
- Funding aligns with assumption for 25 cent rate base fare increase in FY 2022
- Estimated funding needs increased as a result of COVID-19 related updates to cost and revenue projections for the 2021-23 biennium.

TNB Loan & Subsidy: 2021-2023 Biennium*

	FY 2022	FY 2023	2021-23 Biennium
2020 TNB Loan Update	\$ 6,138,000	\$ 7, 114,000	\$ 13,252,000
2021 TNB Loan Update	\$ 25,546,000	\$ 13,327,000	\$ 38,873,000
2021-23 Budget	\$23,000,000	\$23,000,000	\$46,000,000

*Estimates rounded to nearest thousand.

Purpose of Proposed TNB Toll Rate Increase

- Supports intent of legislative loan plan for TNB (*RCW 47.46.190*):
 - Establish rate increase of up to 25 cents in FY 2022
 - Support intent to limit TNB loans over life of the bond repayment to \$85 million (through FY 2030)
- Ensures TNB revenues are sufficient to meet annual expenses established in law
- Returns fund balance to compliance with Commission's sufficient minimum balance policy by end of 2021-23 biennium

Outreach to TNB Citizen Advisory Committee

- Commission notified the TNB Citizen Advisory Committee in writing of the proposed rate increase on May 11, 2021
- In alignment with RCW 47.46.090, the CAC was provided 29 days (*law requires at least 20 days*) to review and comment on the proposed toll rate change, with a due date of June 9, 2021

2021 Rate Increase Schedule Going Forward

SR 99 Tunnel, SR 520 Bridge, & Tacoma Narrows Bridge

Date	Milestone
June 15 WSTC Meeting	Identify Options / Approaches for Public Input
<i>Late June – July 14</i>	<i>Online public input forum launches and input is collected through July 14</i>
July 20 WSTC Meeting	Select Proposed Rates (File CR-102)
<i>Late July – Mid- August</i>	<i>Public Comment Period on CR-102 Rate Proposal</i>
On or after August 24	Public Hearing & Adoption for Permanent Toll Rate Proposals (File CR-103P)
October 1	<ul style="list-style-type: none"> • SR 520: Adjustment financial plan takes effect • SR 99 and TNB: final toll rates take effect

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