



# 2025 Tacoma Narrows Bridge Loan Update

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# **2025 TNB Loan Update: Background & Purpose**



# 2025 TNB Loan Update: Background

- In 2018, legislative intent was established to provide up to \$85 million in loans to the TNB Account between FY 2020 – FY 2030 (RCW 47.46.190).
  - Intent to keep toll rates at FY 2018 levels until debt service, deferred sales tax, and loans are repaid, except for a one-time 25-cent toll rate increase on July 1, 2021, or later.
  - **Repayment to begin following the completion of debt service payments in FY 2030.**
- Then in 2022, the Legislature committed \$130 million in General Fund transfers to the TNB Account between FY 2023 – FY 2032 (RCW 47.56.165).
  - In annual installments of \$13 million, with intent to support a toll rate reduction.
  - **No repayment required.**

In line with this, the WSTC adopted a 25-cent toll rate *increase* on October 1, 2021, and a 75-cent toll rate *decrease* on October 1, 2022.

# 2025 TNB Loan Update: Statutory Direction

The WSTC is directed to annually report to the Legislature on necessary loan amounts for each biennium (RCW 47.46.200).

- Required through the end of debt service payments in FY 2030, followed by updates on the loan repayment.
- Submitted as part of WSTC's Annual Tolling Report.
- Report directed to the Transportation Committees of the Legislature.



# 2025 TNB Loan Update: Purpose & Assumptions

## Purpose

- Assess whether current loan appropriations for the 2023-25 biennium remain adequate
- Determine updated loan estimates for 2025-27 and remaining biennia
- Update loan repayment schedule

## Assumptions

- Analysis based on ERFC's November 2024 Transportation Forecast & WSDOT's Preliminary 2025 TNB Financial Plan
- Assumes the compliance with WSTC's TNB Sufficient Minimum Balance (SMB) policy, which requires the TNB Account to maintain a retrospective three-month rolling average fund balance of at least \$10 million



# **2025 TNB Loan Update: Results & Findings**



# 2025 TNB Loan Update: 2023-25 Biennium Loan Needs

In 2023, the Legislature appropriated a \$6.6 million loan to the TNB Account for the 2023-25 biennium.

## 2023-25 Biennium Loan Estimates & Distribution

	FY 2024	FY 2025	Total 2023-25 Biennium
Enacted Loan Amount	\$ 3,305,500	\$ 3,305,500	\$ 6,611,000
2025 TNB Loan Update	\$ 3,305,500	\$ 3,305,500	\$ 6,611,000
Difference	<i>No Additional Funds Needed</i>		

No additional loans are needed to meet financial requirements for the TNB throughout the 2023-25 biennium.

# 2025 TNB Loan Update: 2023-25 Biennium Account Fund Balance

The TNB Account is expected to close FY 2025 with an ending fund balance of \$24.2 million – \$7.9 million greater than estimated in last year’s report.

## Ending Fund Balance Estimates with the Current Loan Estimates

	FY 2024	FY 2025
2024 TNB Loan Update	\$ 26,287,373	\$ 16,345,000
2025 TNB Loan Update	\$ 35,133,615	\$ 24,230,000
<b>Difference</b>	<b>\$ 8,846,242</b>	<b>\$ 7,855,000</b>

Primary reasons for the greater fund balance include:

- Improved traffic and toll revenue performance in FY 2024, and improved projections for FY 2025
- Additional revenues from civil penalties, late payment fees, transponder sales, and miscellaneous revenue such as interest earnings
- Slightly lower facility costs



# 2025 TNB Loan Update: 2025-27 Biennium Loan Needs

The loan need for the 2025-27 biennium is approximately \$4.4 million – \$10.6 million less than estimated last year. This reduction is primarily due to:

- Greater FY 2026 beginning fund balance
- Improved traffic and toll revenue projections for the 2025-27 biennium
- Additional revenues from late payment fees, transponder sales, and miscellaneous revenue such as interest earnings

## 2025-27 Biennium Loan Estimates & Distribution

	FY 2026	FY 2027	Total 2025-27 Biennium
<b>2024 TNB Loan Update</b>	\$ 5,365,000	\$ 9,678,000	\$ 15,043,000
<b>2025 TNB Loan Update</b>	\$ 0	\$ 4,436,000	\$ 4,436,000
<b>Difference</b>	<b>- \$ 5,365,000</b>	<b>- \$ 5,242,000</b>	<b>- \$ 10,607,000</b>

# 2025 TNB Loan Update: Total Loan Estimates

The total amount needed over the life of the loan program through FY 2030 is now approximately \$84.3 million – \$10 million less than last year’s estimate, and now within the intended TNB loan cap of \$85 million.

## TNB Loan Estimates for FY 2020 – FY 2030 by Biennium

	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium	2027-29 Biennium	2029-31 Biennium	Total FY 2020-30
<b>2024 TNB Loan Update</b>	\$ 12,543,000	\$ 30,293,000	\$ 6,611,000	\$ 15,043,000	\$ 23,272,000	\$ 6,579,000	\$ 94,341,000
<b>2025 TNB Loan Update</b>	\$ 12,543,000	\$ 30,293,000	\$ 6,611,000	\$ 4,436,000	\$ 22,101,000	\$ 8,364,000	\$ 84,348,000
<b><i>Difference</i></b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>-\$ 10,607,000</b>	<b>-\$ 1,171,000</b>	<b>\$ 1,785,000</b>	<b>-\$ 9,993,000</b>



Note that while overall loan needs have decreased compared to last year’s estimate, loan needs for the 2029-31 biennium have risen by approximately \$1.8 million.

# 2025 TNB Loan Update:

## Primary Drivers of Reduced Loan Needs

\$14.3 million increase in projected revenues and fees throughout FY 2024-30.

These increases include:

- Toll Revenue (+ \$9.7 million)
- Transponder Sales (+ \$406,000)
- Late Payment Fees (+ 817,000)
- Civil Penalties & Recovered Toll Revenue (945,000)
- Miscellaneous Revenue such as Interest Earnings (+ \$2.5 million)

These projected increases in revenue are partially offset by a \$4.2 million increase in projected costs throughout FY 2024-30.

# 2025 TNB Loan Update: Loan Repayment Estimates

Following completion of debt service payments in FY 2030, repayment of loans is anticipated to end in FY 2032 rather than in FY 2033.

## TNB Loan Repayment Estimates & Distribution

	FY 2031	FY 2032	FY 2033	Total
2024 TNB Loan Update	\$ 18,215,000	\$ 73,242,000	\$ 2,884,000	\$ 94,341,000
2025 TNB Loan Update	\$ 18,086,000	\$ 66,262,000	\$ 0	\$ 84,348,000
Difference	<b>- \$ 129,000</b>	<b>- \$ 6,980,000</b>	<b>- \$ 2,884,000</b>	<b>- \$ 9,993,000</b>

# 2025 TNB Loan Update: Recap of Takeaways

- No change is necessary to the current \$6.6 million loan for the 2023-25 biennium to meet funding requirements.
- Total TNB loan needs over the life of the loan program through 2030 are now estimated at \$84.3 million.
  - This is \$10.0 million less than last year's estimate and is now within the intended TNB loan cap of \$85 million.
- With the reduced total loan need, TNB loan repayment is now expected to end in FY 2032 rather than in FY 2033.

# Questions / Contact

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**Report Location:**

<https://www.wstc.wa.gov/studies-surveys/>