

Update on SR 520 Toll Rates

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Washington State Transportation Commission

Joint Transportation Committee
July 15, 2010



Agenda

- Background of Toll Rate Process
Craig Stone
- Recap of toll assumptions and potential exemptions
Craig Stone
- Traffic and Revenue Results
Craig Stone
- Preliminary Commission Recommendation for Purposes of Financial Analysis
Commissioner Ford
- Next Steps
Craig Stone

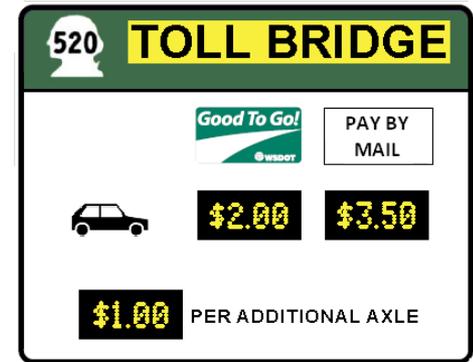
Background on Toll Rate Process

- ESHB 2211 directed the Commission to set a variable schedule of toll rates to maintain travel time, speed and reliability on the corridor and generate the necessary revenue required to meet the redemption of bonds and interest payments on bonds.
- The Commission began the discussion of issues regarding toll rates in December 2009.
- Since December, the Commission has reviewed updated information regarding the SR 520 project, traffic and revenue, and finance planning.

Recap of Toll Assumptions

(Preliminary Items Under Consideration for the Final SR 520 Toll Rates)

- ❑ Two-tier toll schedule
 - Base schedule for pre-paid *Good to Go!* accounts
 - Higher schedule (+ \$1.50) for *Pay by Mail* transactions
- ❑ Variable tolls
 - Higher tolls during peak times and lower tolls off-peak
 - Weekend variable tolls on a different, lower schedule
- ❑ Toll escalation to keep pace with inflation over time
- ❑ No overnight tolls during construction period
- ❑ Trucks pay a multiple of the auto toll based on axle count
- ❑ Toll exemptions
 - Transit, private coaches and agency sanctioned vanpools exempt per UPA
 - WSP, WSDOT bridge maintenance vehicles, vehicles on emergency calls



Initial SR 520 Toll Scenarios for Investment Grade Analysis

Scenario A: Toll Schedule from Tolling Implementation Committee Scenario 7

Focus is a balance of revenue and throughput.

Scenario B: Revenue Maximizing Toll rates

Focus is revenue.

Scenario C: Optimize Traffic Throughput on SR 520

Focus is on traffic management.

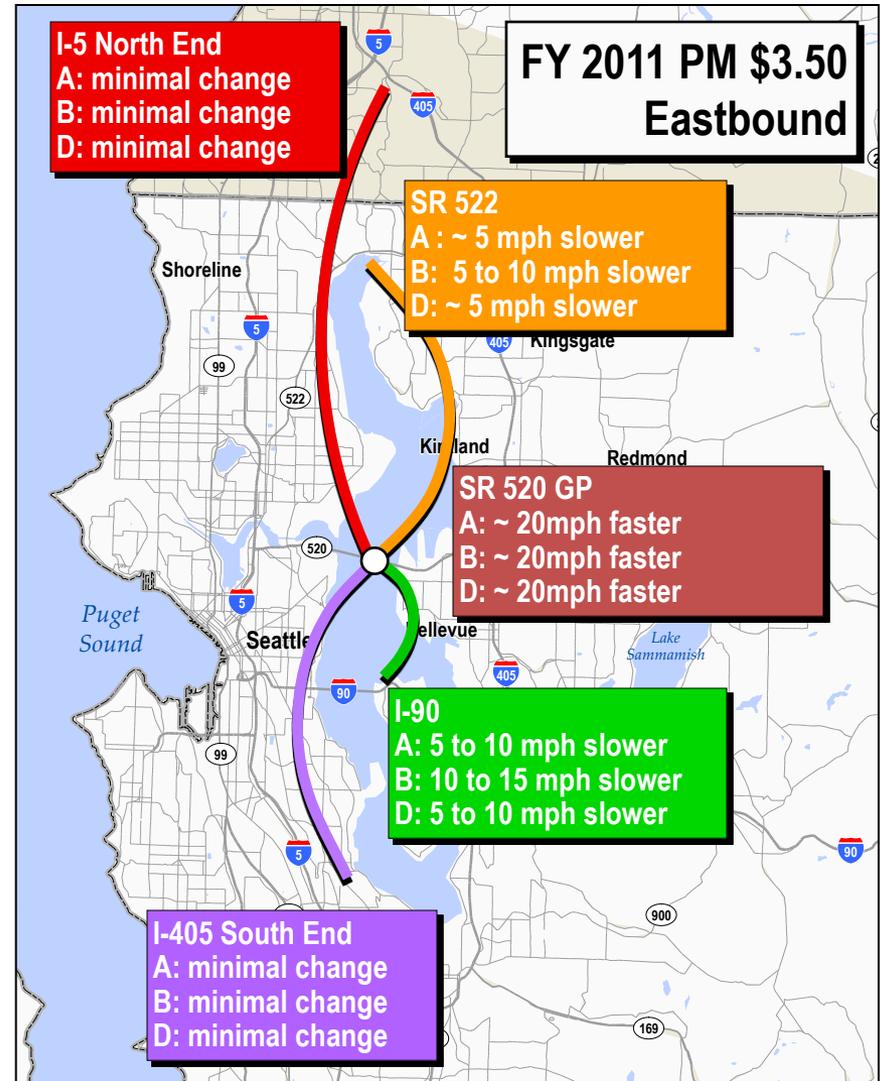
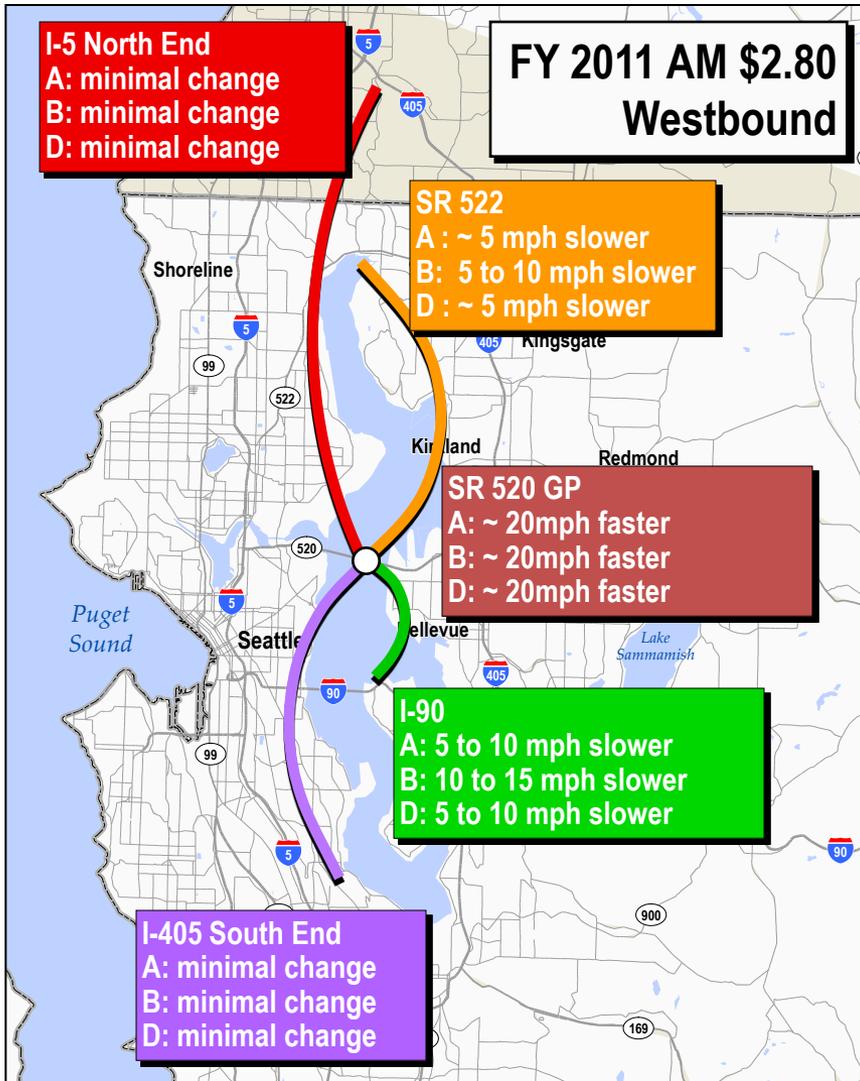
Scenario D: Scenario A PM toll rates with higher AM and Off Peak tolls

Focus is a balance of revenue and throughput, but with a bit more focus on revenue by raising off peak tolls.

Originally Scenario “C” was crafted for traffic operations, however the traffic results from the other three scenarios provided the traffic operations benefit to SR 520 and as such Scenario “C” is no longer carried forward.

FY 2011 Peak Hour/Direction Speed Change:

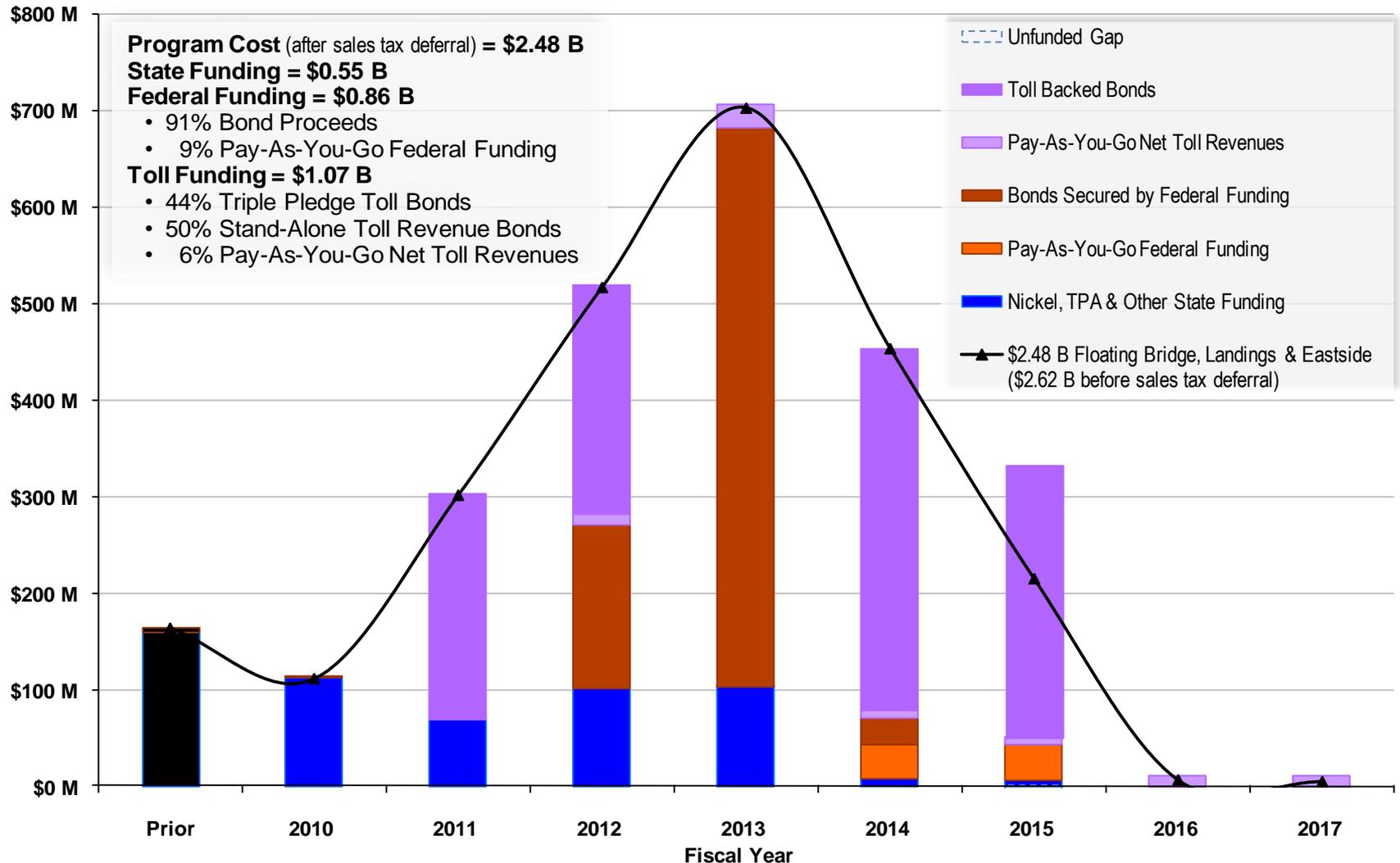
SR 520 Toll Financial Scenarios A, B, D



April refers to the Current Toll Rate Setting and Initial Investment Grade Analysis
 TIC is the Tolling Implementation Committee analysis from the summer/fall of 2008
 Tolls are shown in FY year of analysis and are assumed to increase at 2.5% per year

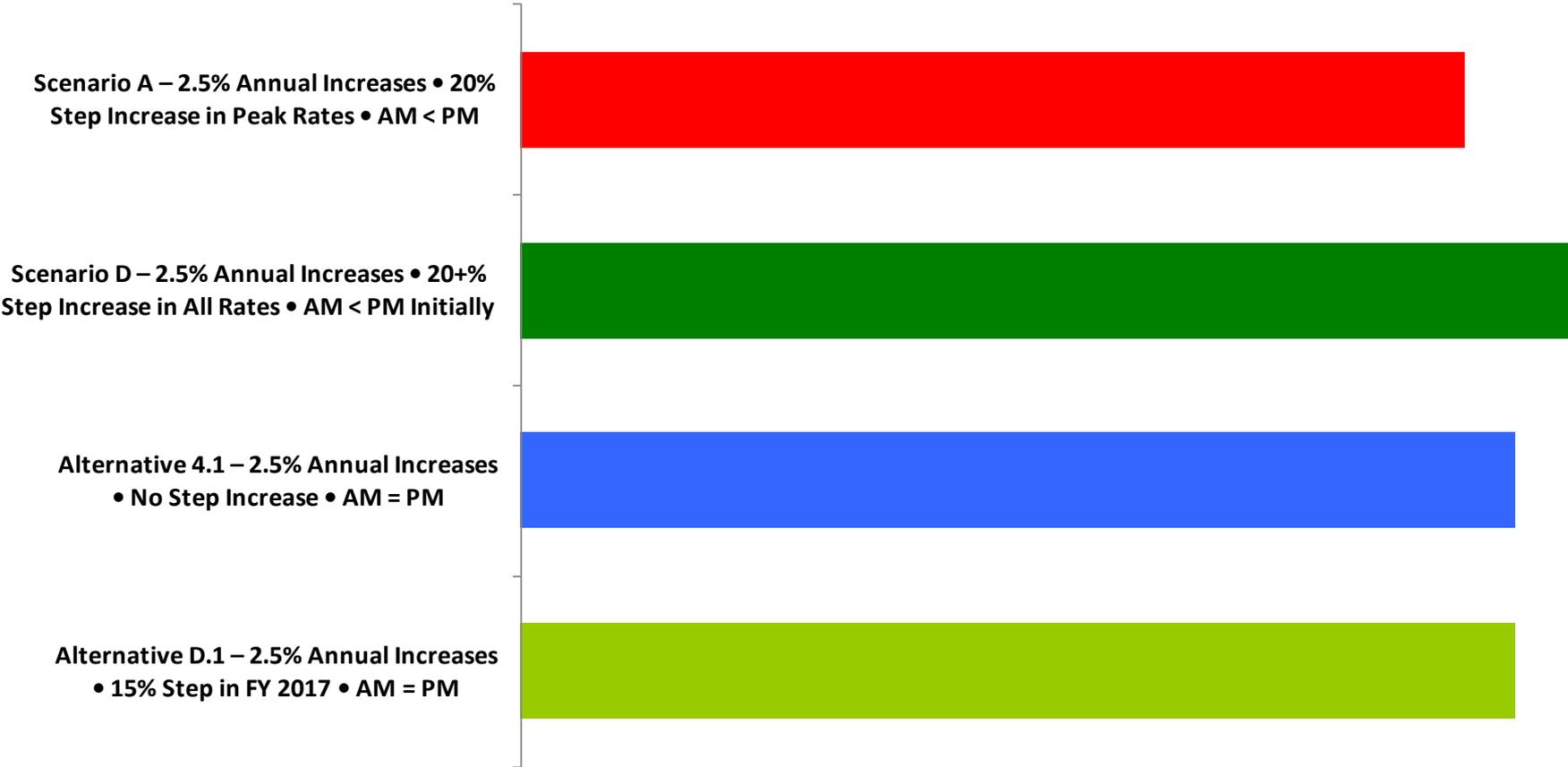
Under Scenario D assumptions, the \$2.62 B Project Financing Looks Promising...

Sources and Uses after Financing – Scenario D Tolls

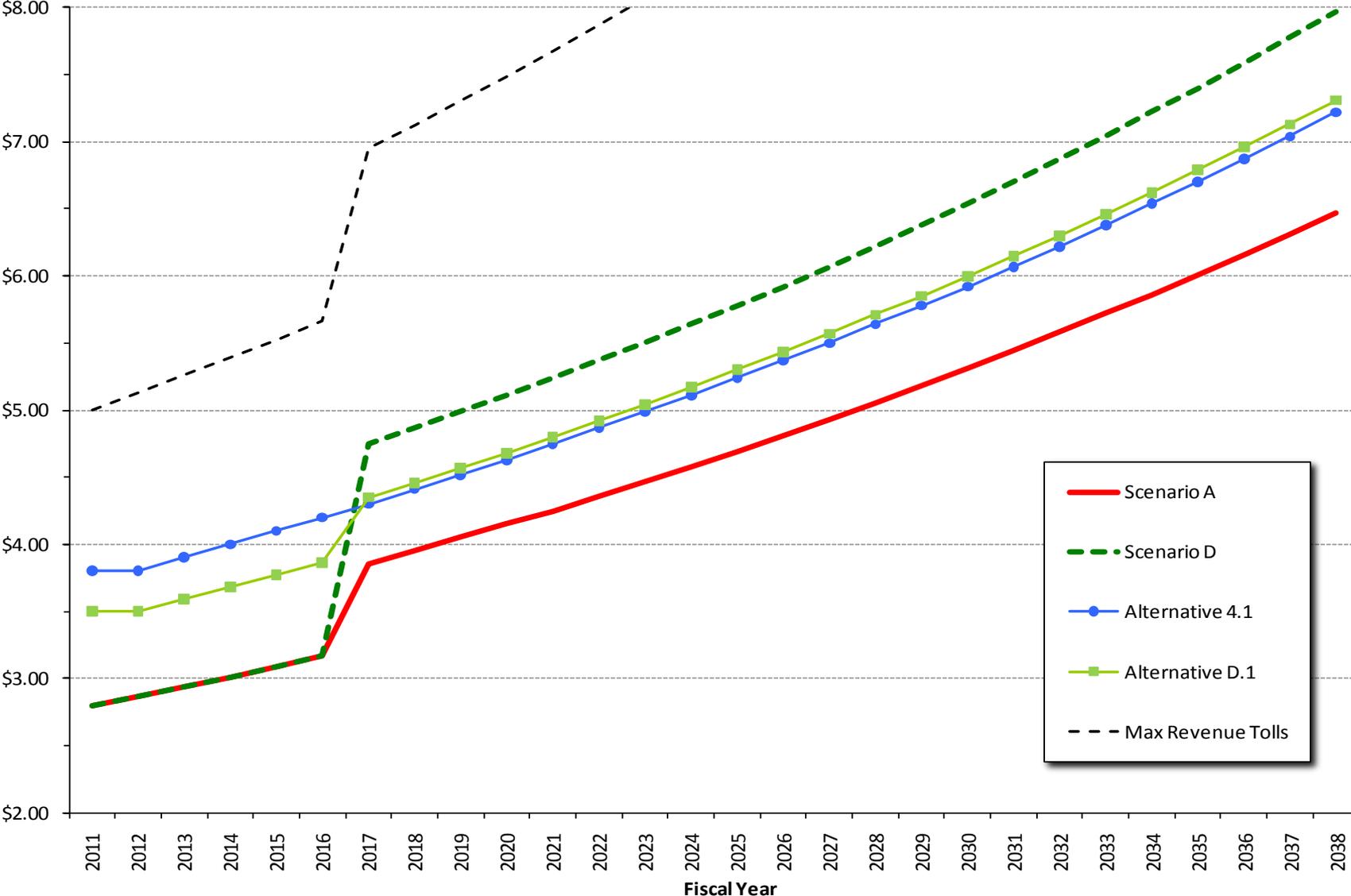


Alternative Toll Schedule Financial Results

Financial Capacity Comparison of Toll Scenarios A and D with Commission Alternatives 4.1 and D.1

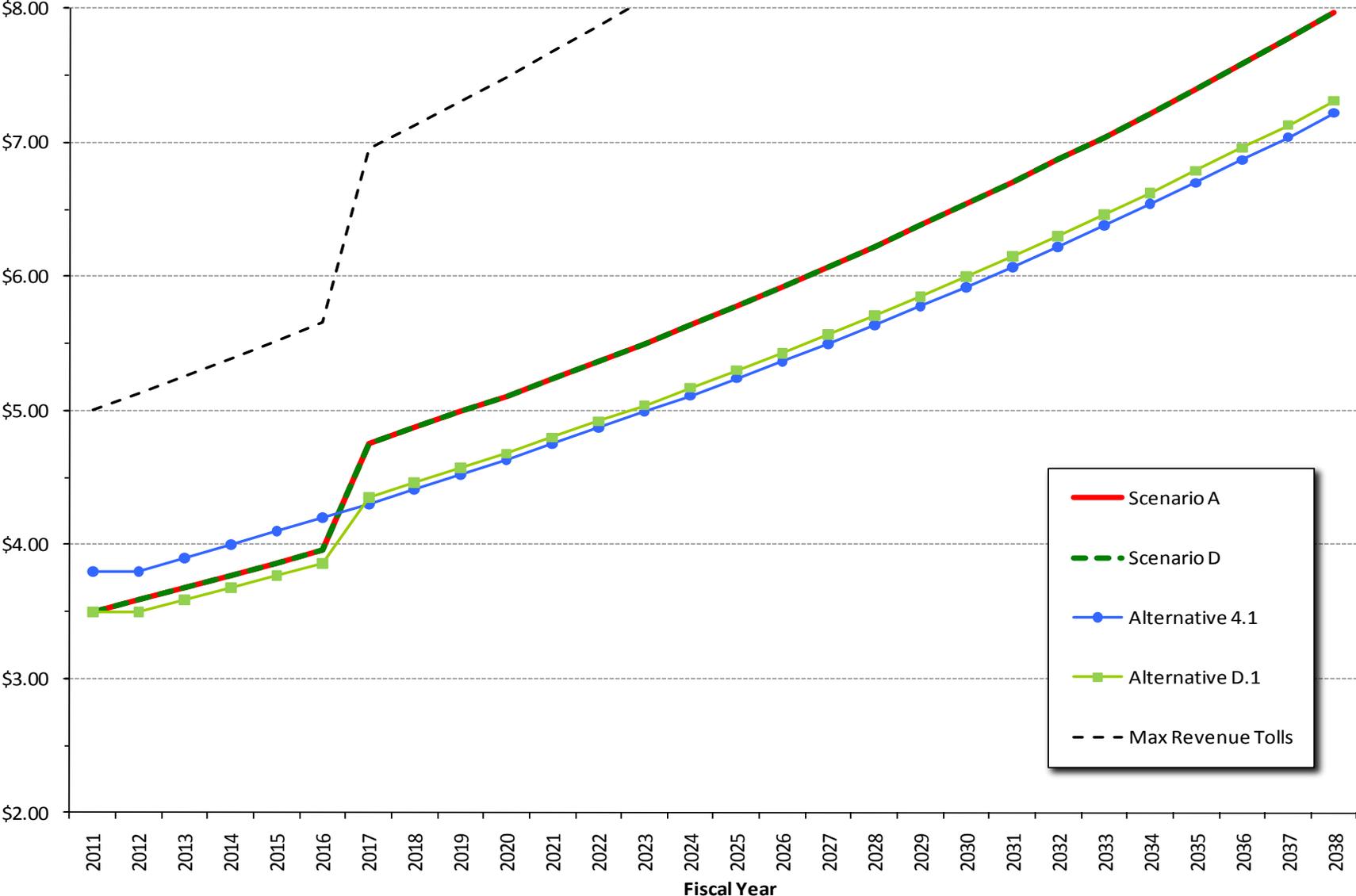


Comparison of AM Peak Toll Rates

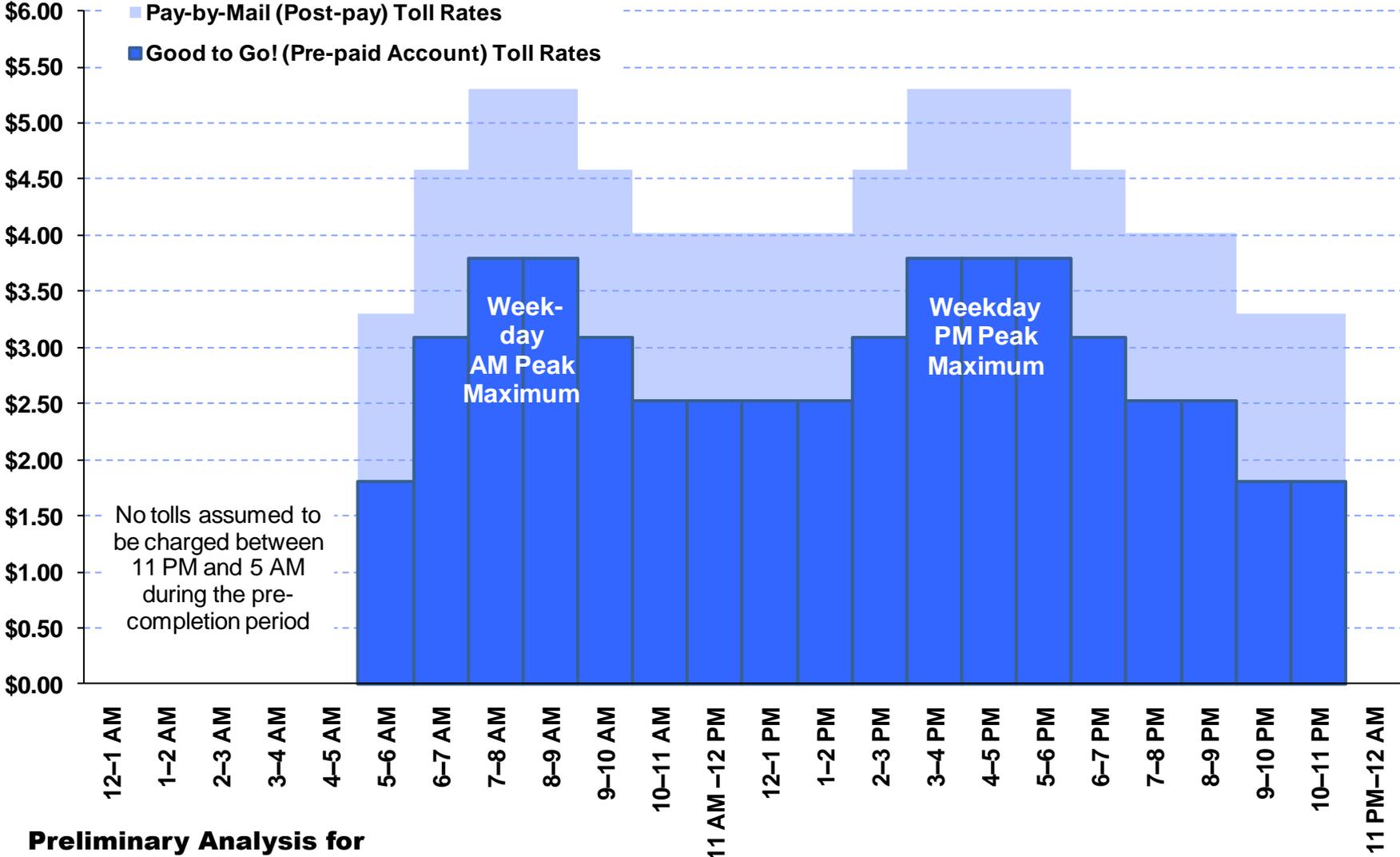


**Preliminary Analysis for
Financial Planning Purposes**

Comparison of PM Peak Toll Rates

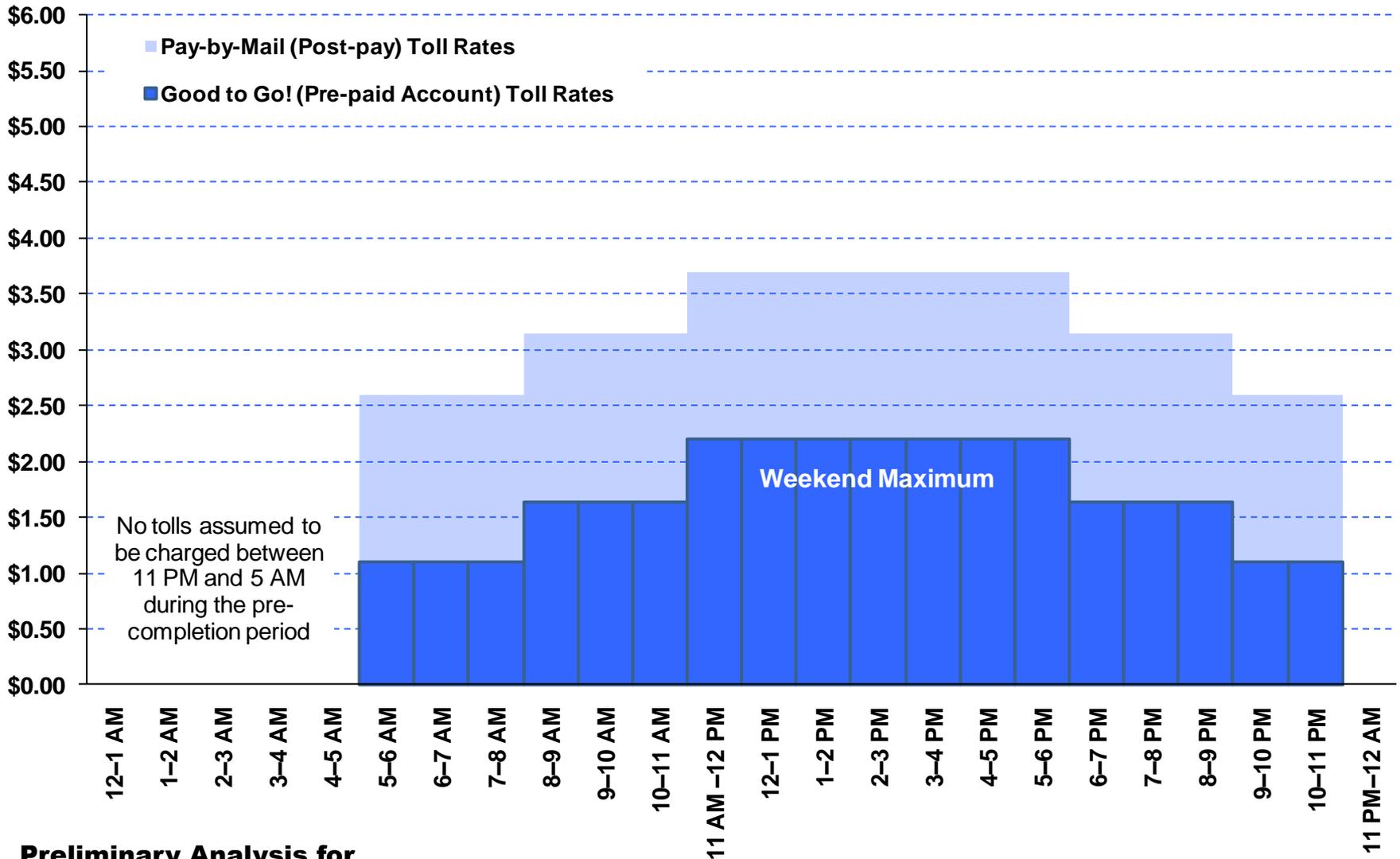


Spring 2011 Weekday Toll Rates – Alternative 4.1



Preliminary Analysis for Financial Planning Purposes

Spring 2011 Weekend Toll Rates – Alternative 4.1



**Preliminary Analysis for
Financial Planning Purposes**

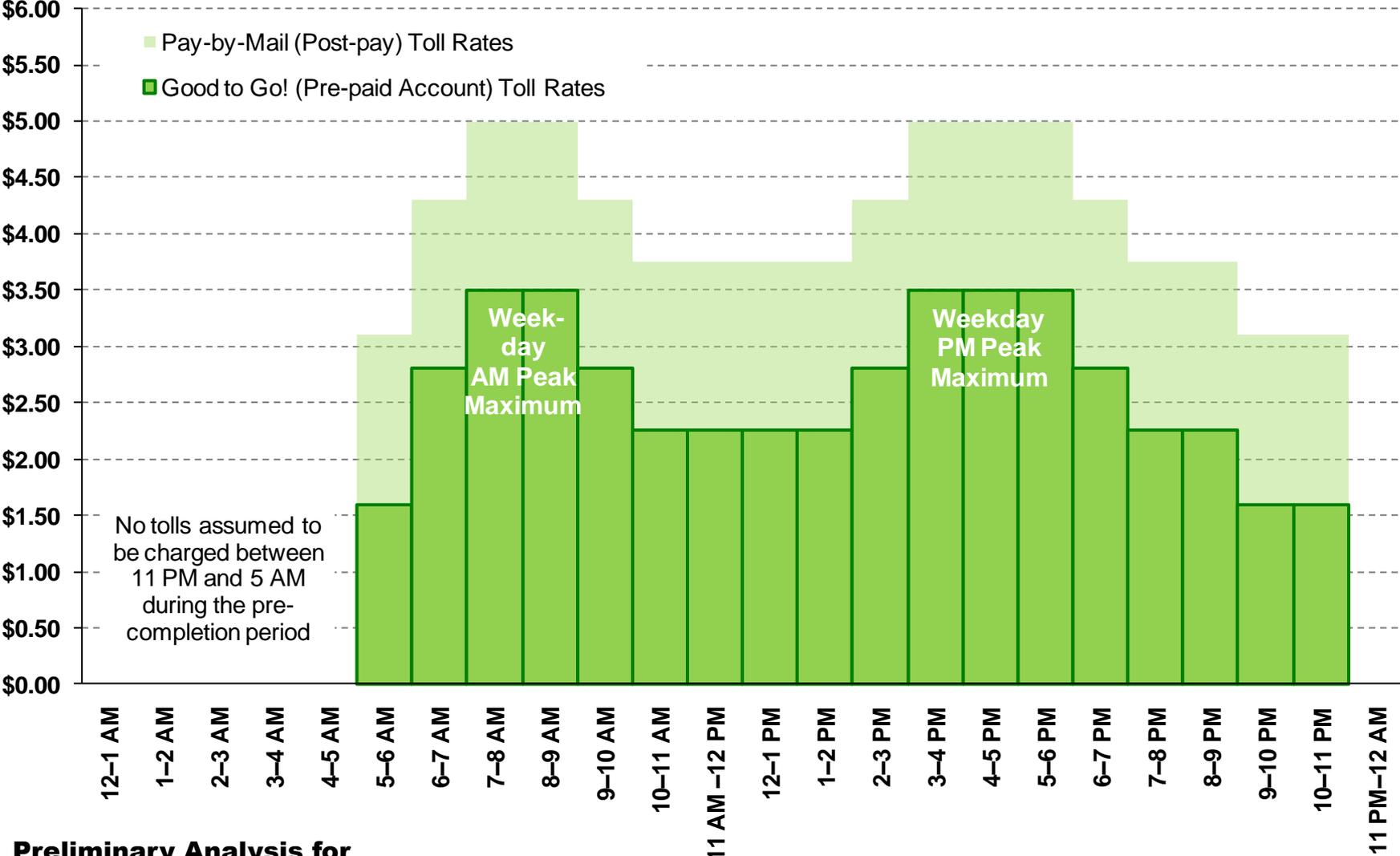
Alternative 4.1 Summary

- \$3.80 weekday peak toll starting in FY 2011
- \$2.20 maximum weekend toll
- Pay-by-Mail toll \$1.50 higher
- 2.5% annual escalation
- No step increase in FY 2017
 - \$1.25 overnight toll added

Spring 2011 Toll Rates

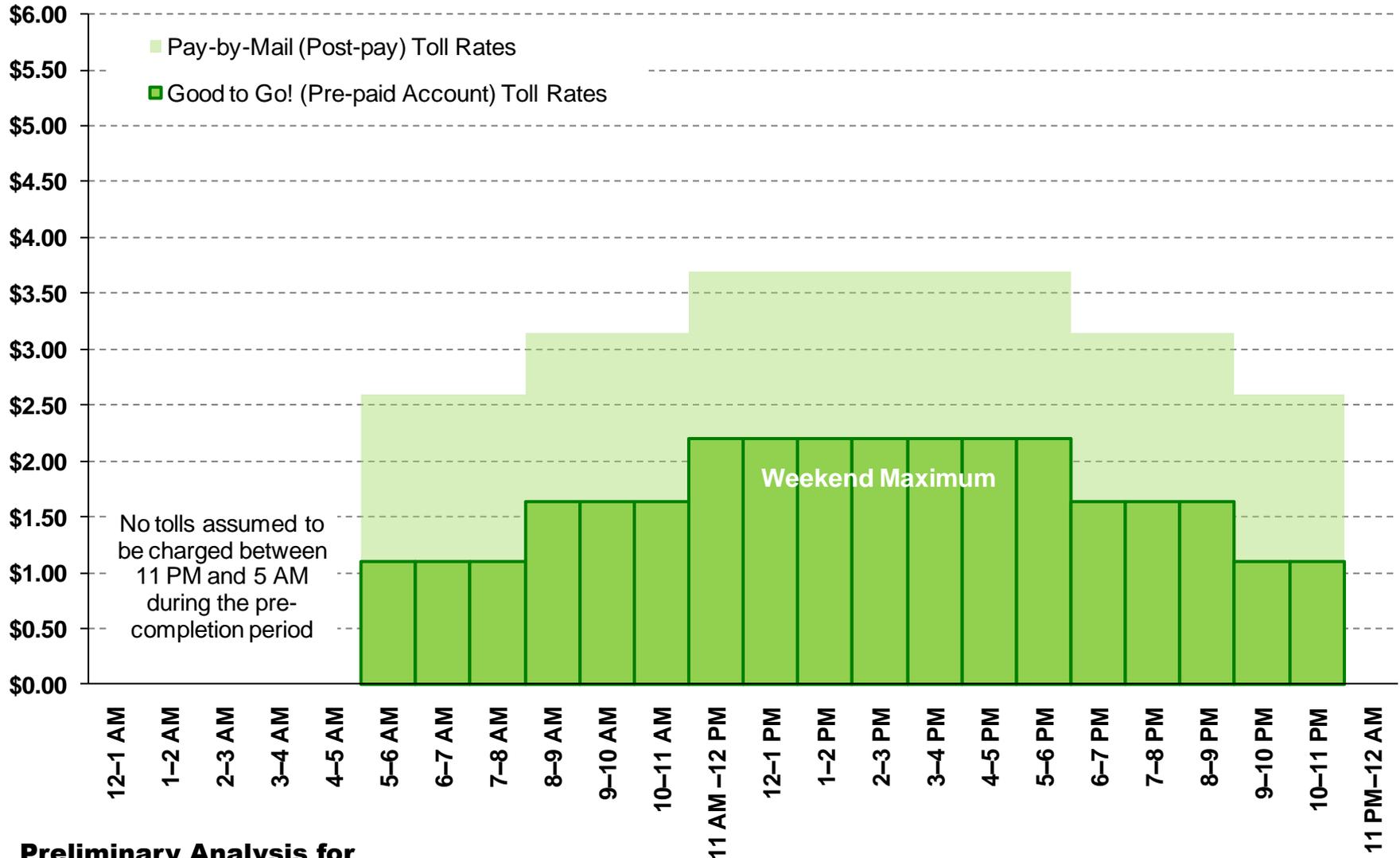
	Weekdays		Weekends	
	Good To Go!	Pay-by-Mail	Good To Go!	Pay-by-Mail
12-1AM				
1-2AM				
2-3AM	Toll-free	Toll-free	Toll-free	Toll-free
3-4AM				
4-5AM				
5-6AM	\$ 1.80	\$ 3.30		
6-7AM	\$ 3.10	\$ 4.60	\$ 1.10	\$ 2.60
7-8AM	\$ 3.80	\$ 5.30		
8-9AM				
9-10AM	\$ 3.10	\$ 4.60	\$ 1.65	\$ 3.15
10-11AM				
11AM-12PM	\$ 2.50	\$ 4.00		
12-1PM				
1-2PM				
2-3PM	\$ 3.10	\$ 4.60	\$ 2.20	\$ 3.70
3-4PM				
4-5PM	\$ 3.80	\$ 5.30		
5-6PM				
6-7PM	\$ 3.10	\$ 4.60		
7-8PM	\$ 2.50	\$ 4.00	\$ 1.65	\$ 3.15
8-9PM				
9-10PM	\$ 1.80	\$ 3.30	\$ 1.10	\$ 2.60
10-11PM				
11PM-12AM	Toll-free	Toll-free	Toll-free	Toll-free

Spring 2011 Weekday Toll Rates – Alternative D.1



Preliminary Analysis for Financial Planning Purposes

Spring 2011 Weekend Toll Rates – Alternative D.1



**Preliminary Analysis for
Financial Planning Purposes**

Alternative D.1 Summary

- \$3.50 weekday peak toll starting in FY 2011
- \$2.20 maximum weekend toll
- Pay-by-Mail toll \$1.50 higher
- 2.5% annual escalation
- 15% step increase in FY 2017
 - 50¢ increase in peak toll
 - 30¢ increase in early morning / late evening toll
 - \$1.25 overnight toll added

Spring 2011 Toll Rates

	Weekdays		Weekends	
	Good To Go!	Pay-by-Mail	Good To Go!	Pay-by-Mail
12–1AM				
1–2AM				
2–3AM	Toll-free	Toll-free	Toll-free	Toll-free
3–4AM				
4–5AM				
5–6AM	\$ 1.60	\$ 3.10		
6–7AM	\$ 2.80	\$ 4.30	\$ 1.10	\$ 2.60
7–8AM	\$ 3.50	\$ 5.00		
8–9AM				
9–10AM	\$ 2.80	\$ 4.30	\$ 1.65	\$ 3.15
10–11AM				
11AM–12PM	\$ 2.25	\$ 3.75		
12–1PM				
1–2PM				
2–3PM	\$ 2.80	\$ 4.30	\$ 2.20	\$ 3.70
3–4PM				
4–5PM	\$ 3.50	\$ 5.00		
5–6PM				
6–7PM	\$ 2.80	\$ 4.30		
7–8PM	\$ 2.25	\$ 3.75	\$ 1.65	\$ 3.15
8–9PM				
9–10PM	\$ 1.60	\$ 3.10	\$ 1.10	\$ 2.60
10–11PM				
11PM–12AM	Toll-free	Toll-free	Toll-free	Toll-free

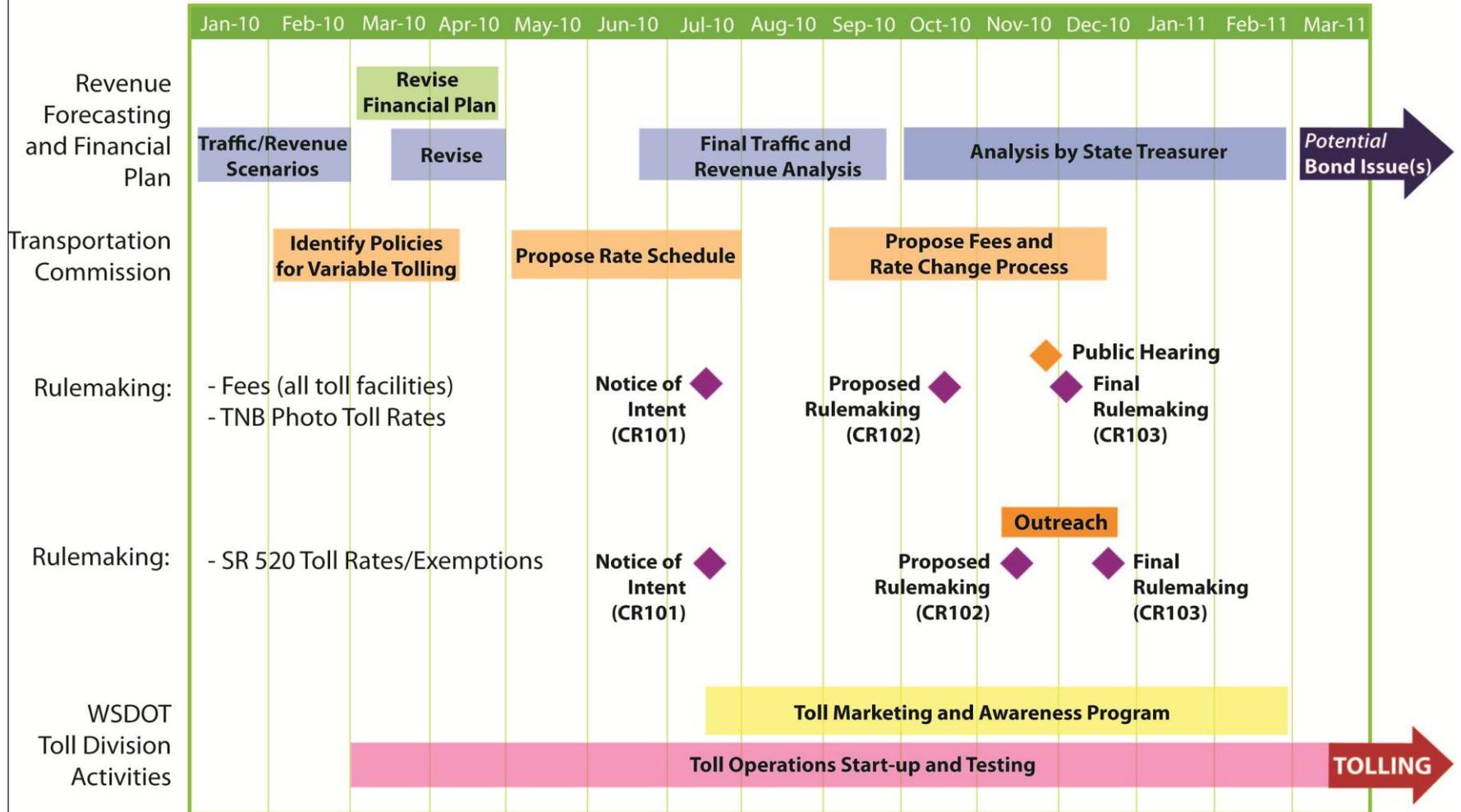
Preliminary Commission Position

As of July 15, 2010

- Based upon preliminary data and analysis submitted to date, the Commission has identified a draft preliminary base AM/PM range of peak rates for 2011 of \$3.50 - \$3.80 with rates varying at lesser amounts during off-peak times.
- **This preliminary range of rates is subject to change** as the Commission receives more data and analysis. It has been identified now only to allow for the advancement of developing detailed financial plans and refined traffic modeling.
- **The Commission will release its official toll rate & policy proposal for public input in November 2010 and rates will not take effect until January 2011.**

Next Steps

Proposed Toll Rate and Fee-Setting Process to Implement SR 520 Tolls and ESSB 6499



Questions?

For more information, please contact:

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Washington State
Department of Transportation