

Tacoma Narrows Bridge Toll Operations

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May 27, 2008

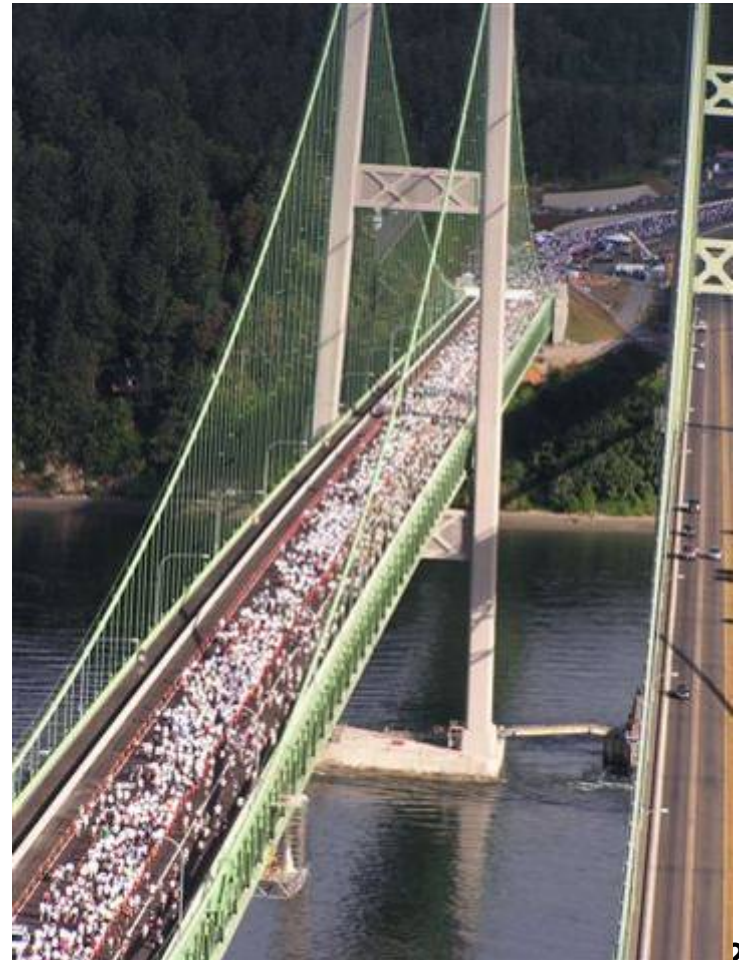


Washington State
Department of Transportation

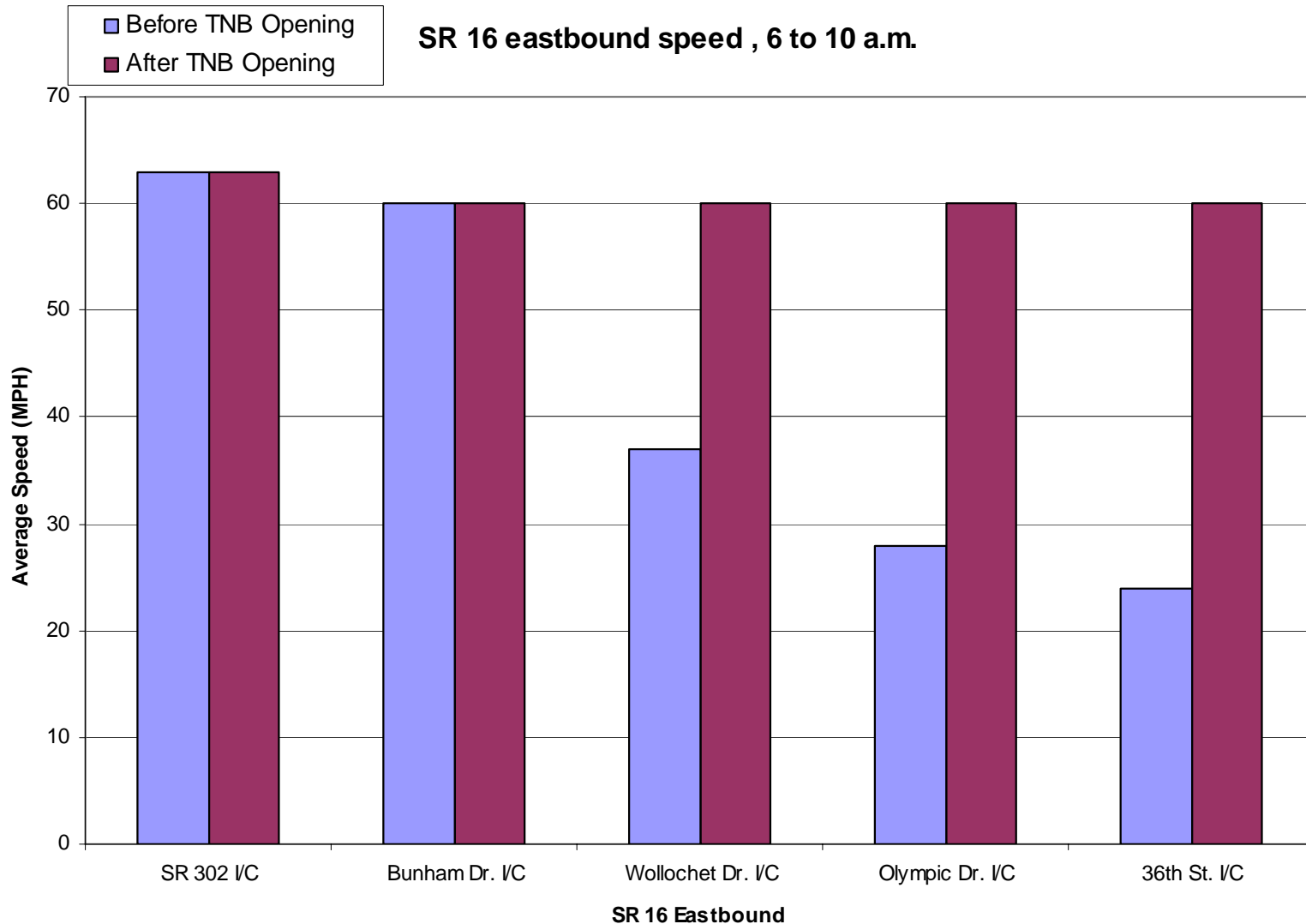
Tacoma Narrows Bridge Toll Operations

Nine Month Overview (July 16, 2007 – April 30, 2008)

- Over 98,000 *Good To Go!* accounts and 254,000 transponders – more than four times the goal.
- 96% of Gig Harbor households have *Good To Go!* accounts.
- Nearly 70% used electronic toll lanes – over 85% of morning commuters currently use electronic lanes.
- Over 12.5 million transactions and over \$24 million in revenue.
- Traffic levels comparable to pre-opening; an average of 40,000 eastbound trips each day
- Violation rate around 2%



Solving the morning commute



Tolls must pay for...

RCW 47.46.100 (3) - Tolls — Setting — Lien on

The toll charges must be imposed in amounts sufficient to:

- Provide annual revenue sufficient to provide for annual operating and maintenance expenses, except as provided in RCW [47.56.245](#);
- Make payments required under RCW [47.56.165](#) and [47.46.140](#), including insurance costs and the payment of principal and interest on bonds issued for any particular toll bridge or toll bridges; and
- Repay the motor vehicle fund under RCW [47.46.110](#), [47.56.165](#), and [47.46.140](#).

Traffic and revenue data

Tacoma Narrows Bridge Traffic and Revenue Data July 2007 through April 2008

	Total Traffic Eastbound	Electronic		Manual		Potential Violations ¹		Non-Rev Vehicles ²	Unaudited Revenue (3)
		# Vehicles	% Total	# Vehicles	% Total	# Vehicles	% Total		
JULY TOTAL (16 days)	670,198	381,827	63%	246,783	31%	40,240	6%	1348	\$ 1,462,472
AUG TOTAL	1,332,868	822,227	62%	442,972	33%	65,418	5%	2251	\$ 2,868,014
SEPT TOTAL	1,222,252	773,509	63%	383,259	31%	63,429	5%	2055	\$ 2,606,296
OCT TOTAL	1,242,451	865,723	70%	336,892	27%	37,401	3%	2,435	\$ 2,617,678
NOV TOTAL	1,165,676	803,517	69%	331,007	28%	29,094	2%	2,058	\$ 2,483,630
DEC TOTAL	1,168,397	806,125	69%	334,675	29%	25,403	2%	2,194	\$ 2,495,720
JANUARY TOTAL	1,136,487	817,545	72%	292,716	26%	23,867	2%	2,359	\$ 2,383,842
FEBRUARY TOTAL	1,123,576	796,398	71%	303,412	27%	21,957	2%	1,809	\$ 2,378,367
MARCH TOTAL	1,194,321	836,892	70%	333,237	28%	22,754	2%	1,438	\$ 2,547,827
APRIL TOTAL	1,176,209	832,445	71%	319,833	27%	22,790	2%	1,141	\$ 2,497,588
TOTAL TO DATE JULY 16 - APR 30	12,568,922	8,553,753	68%	3,617,502	29%	376,220	3%	21,447	\$ 24,341,435

This preliminary, unaudited data is subject to revisions.

¹ Potential violations include a number of vehicles which upon review may be identified as Good To Go! customers.

Their toll charges will be applied to their accounts and they will no longer be viewed as violators.

² Vehicles performing maintenance on the bridges and emergency vehicles on a bonafide emergency are exempt from tolls

³ Revenue does not include income from violations

Projected vs. actual revenue

	Projected April 2007 Forecast ¹	Projected February 2008 Forecast ^{1,2} (actuals highlighted)	Actual toll revenues ³	Actual transponder sales ³	Actual violation revenue ³
July-07	\$1,477,654	\$1,462,472	\$1,462,472	\$47,078	\$0
August-07	\$2,862,954	\$2,868,013	\$2,868,013	\$21,718	\$0
September-07	\$2,703,659	\$2,606,296	\$2,606,296	\$93,866	\$44,585
October-07	\$2,672,600	\$2,617,679	\$2,617,679	\$83,081	\$38,801
November-07	\$2,530,697	\$2,483,630	\$2,483,630	\$69,577	\$51,688
December-07	\$2,651,153	\$2,495,720	\$2,495,720	\$60,563	\$58,050
January-08	\$2,532,964	\$2,502,701	\$2,383,842	\$67,748	\$46,526
February-08	\$2,563,995	\$2,501,786	\$2,378,367	\$66,096	\$46,165
March-08	\$2,829,212	\$2,756,084	\$2,547,827	\$73,392	\$42,883
April-08	\$2,688,254	\$2,624,481	\$2,497,588	\$76,818	N/A
May-08	\$2,844,771	\$2,776,801	N/A	N/A	N/A
June-08	\$2,870,573	\$2,800,771	N/A	N/A	N/A
TOTALS	\$31,228,486	\$30,496,434	\$24,341,434	\$659,937	\$328,698

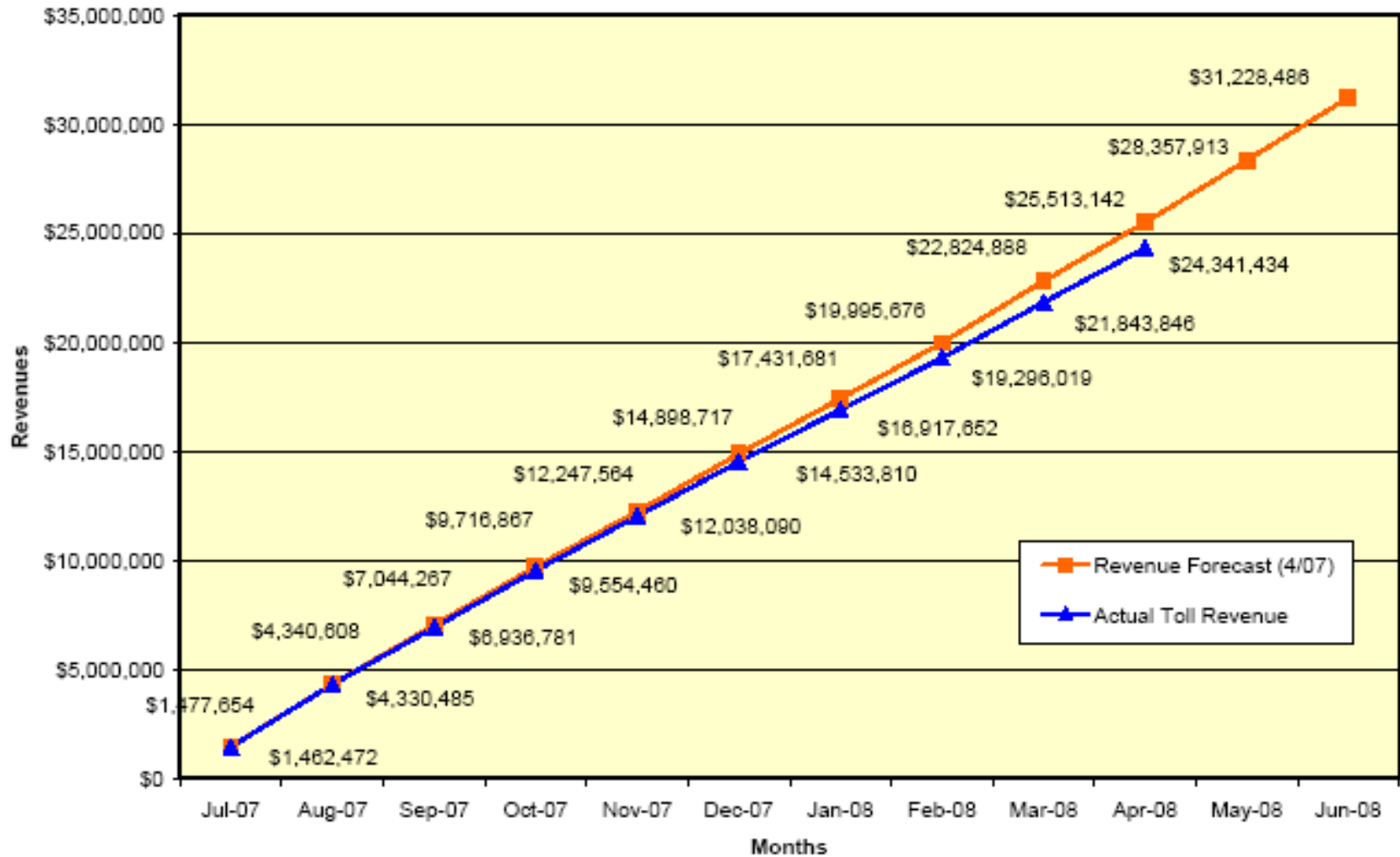
¹ Projected revenue figures only include toll revenues, not transponder sales or violation income.

² Projected revenue forecasts are updated each quarter to reflect actual revenue figures to date.

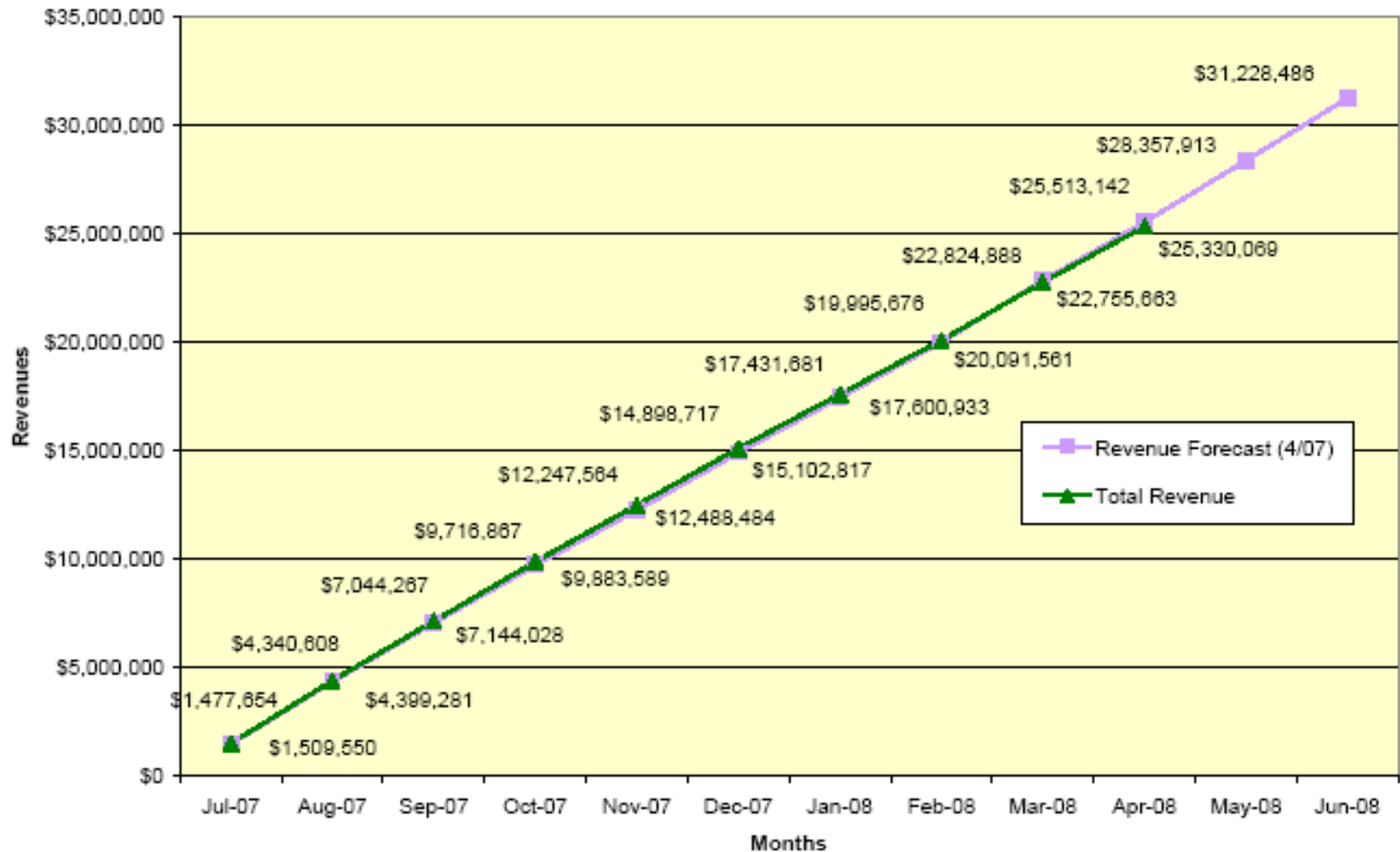
These actuals are then used to better forecast subsequent months and the projections are updated accordingly.

³ Actual revenues are unaudited and subject to change.

Projected Toll Revenues v. Actual Toll Revenues



Projected Toll Revenues v. Actual Total Revenues



Total Revenues include Tolls, Transponder Sales and Violation Revenues received from Pierce County Courts

April 2008 totals do not yet include violation revenue.

Budget vs. actual expenditures

Tacoma Narrows Bridge Toll Operations (B2) Biennium Budget for FY 2008-09 compared to actual expenditures

	Budget Effective July 2007		Supplemental Budget ¹ Effective May 2008		Variance	Actual Expenditures thru 4/30/08
	Biennium \$	Percentage	Biennium \$	Percentage		
WSP Enforcement	\$1,588,000	2.3%	\$830,000	0.9%	(\$958,000)	\$455,243
WSDOT Administration of Toll Operations	\$8,019,000	8.8%	\$2,863,000	4.1%	(\$3,156,000)	\$1,349,435
Credit card fees paid by WSDOT	\$1,253,000	1.8%	\$1,253,000	1.8%	\$0	\$242,917
WSDOT Maintenance of New Bridge	\$1,548,000	2.3%	\$1,548,000	2.2%	\$0	\$20,464
WSDOT Preservation of New Bridge	\$417,000	0.6%	\$417,000	0.6%	\$0	\$0
Insurance	\$4,025,000	5.9%	\$4,020,000	5.7%	(\$5,000)	\$2,680,038
Toll Systems Operations (TransCore Contract)	\$13,368,000	19.5%	\$17,591,000	25.2%	\$4,223,000	\$7,287,582
SUBTOTAL of Operations & Maintenance Expenses	\$28,218,000	41.2%	\$28,322,000	40.5%	\$104,000	\$12,035,679
Debt Service	\$41,882,000	61.1%	\$41,604,000	59.5%	(\$278,000)	\$1,448,543
TOTAL	\$68,552,000	100%	\$69,926,000	100%	\$1,374,000	\$13,484,222

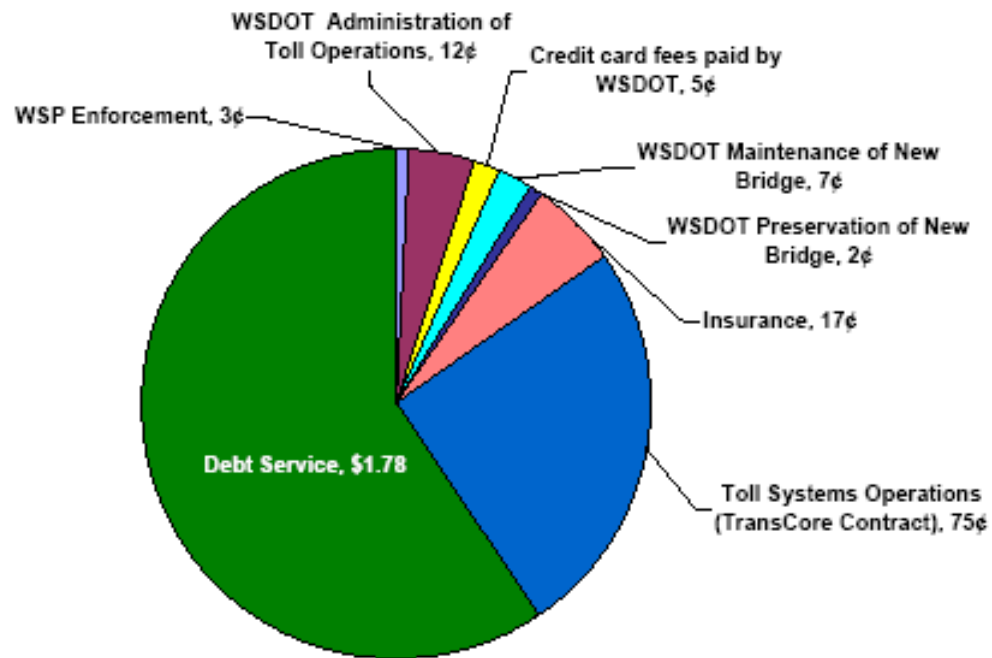
1) The Supplemental Budget takes into account a renegotiated TransCore contract beginning April 1, 2008. The renegotiated contract includes a base monthly fee of \$665,668. In addition, the line item includes reimbursable costs, capital equipment, and system enhancements, as well as a 3% annual contingency fund. Additionally, the budget reflects legislated reductions in WSP Enforcement and WSDOT Administration of Toll Operations.

Where the money goes

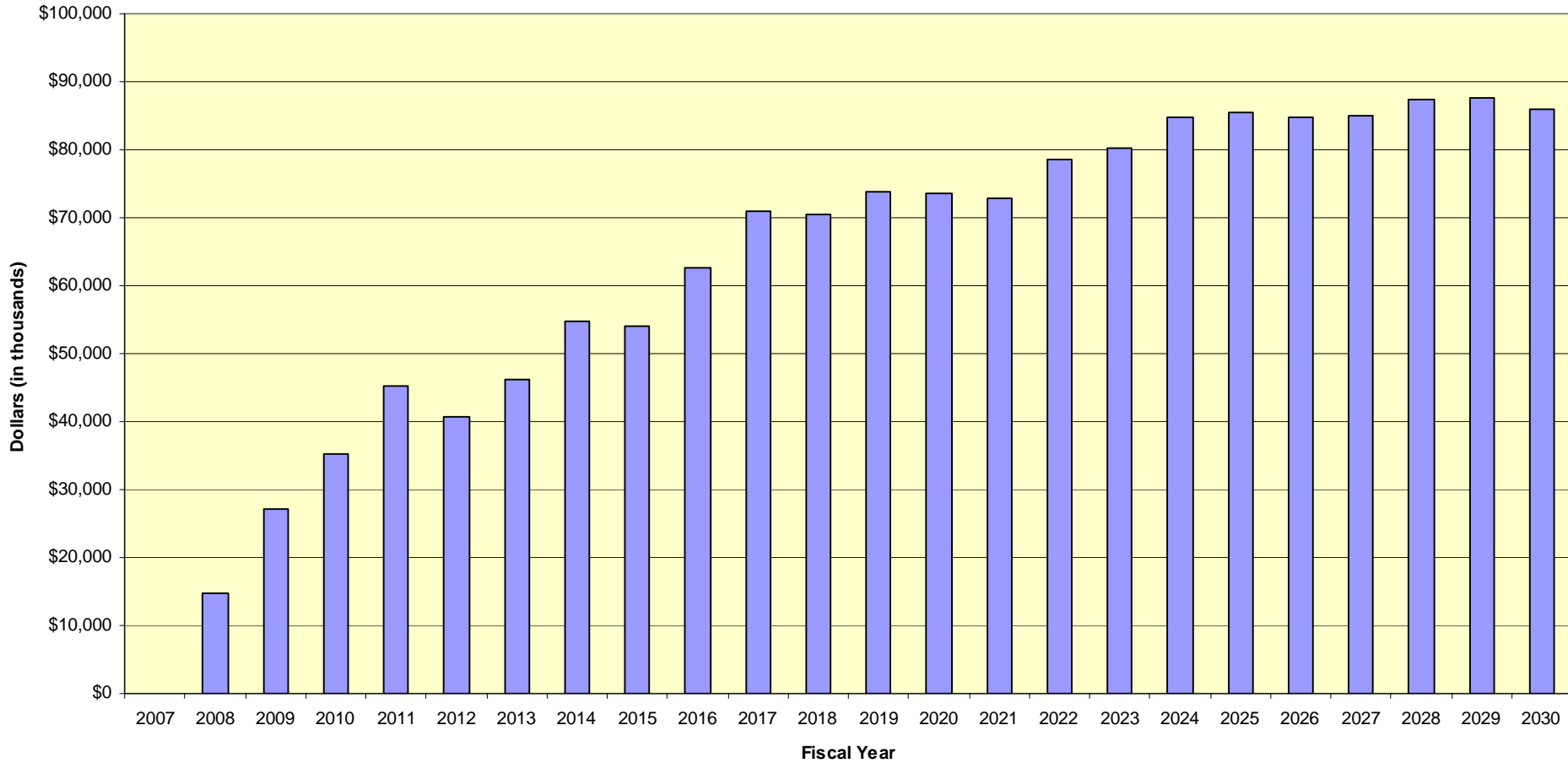
Allocation of \$3 toll on TNB for FY 2008 – 09
New supplemental budget levels

Tacoma Narrows Bridge Toll Operations
Biennium Budget (B2) for FY 2008-09

	Enacted Supplemental Budget	
	Biennium \$	Percentage
WSP Enforcement	\$630,000	0.9%
WSDOT Administration of Toll Operations	\$2,863,000	4.1%
Credit card fees paid by WSDOT	\$1,253,000	1.8%
WSDOT Maintenance of New Bridge	\$1,548,000	2.2%
WSDOT Preservation of New Bridge	\$417,000	0.6%
Insurance	\$4,020,000	5.7%
Toll Systems Operations (TransCore Contract)	\$17,591,000	25.2%
SUBTOTAL of Operations & Maintenance Expenses	\$28,322,000	40.5%
Debt Service	\$41,604,000	59.5%
TOTAL	\$69,926,000	100%



Baseline Tacoma Narrows Bridge Debt Service Schedule



Meeting debt service requirements in future years is based on estimated increases to toll rates in 2010, 2013 and 2016

TNB toll operations compared to other facilities

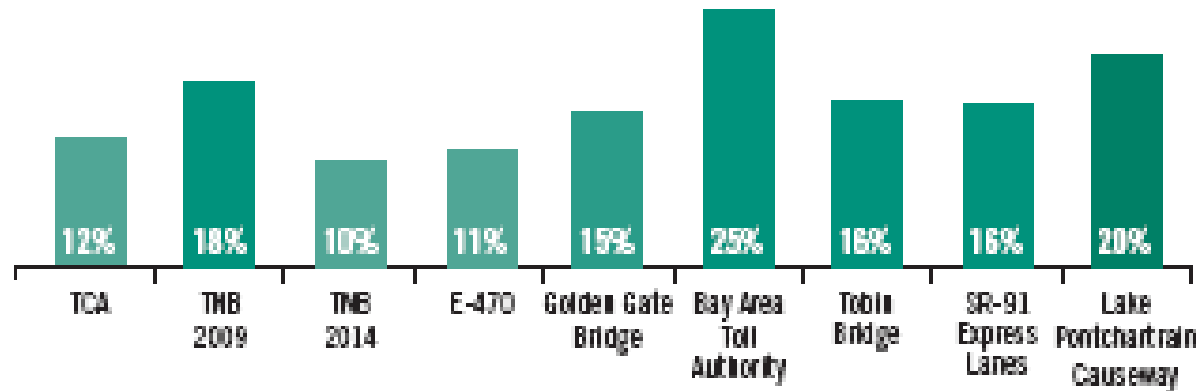


Figure 1: Toll Authority Operations Cost as a Percent of Annual Revenue

Prepared by IBI Group in spring 2007, prior to bridge opening.

Current projections for FY 2009 = 15%

based on newly negotiated contract with TransCore.

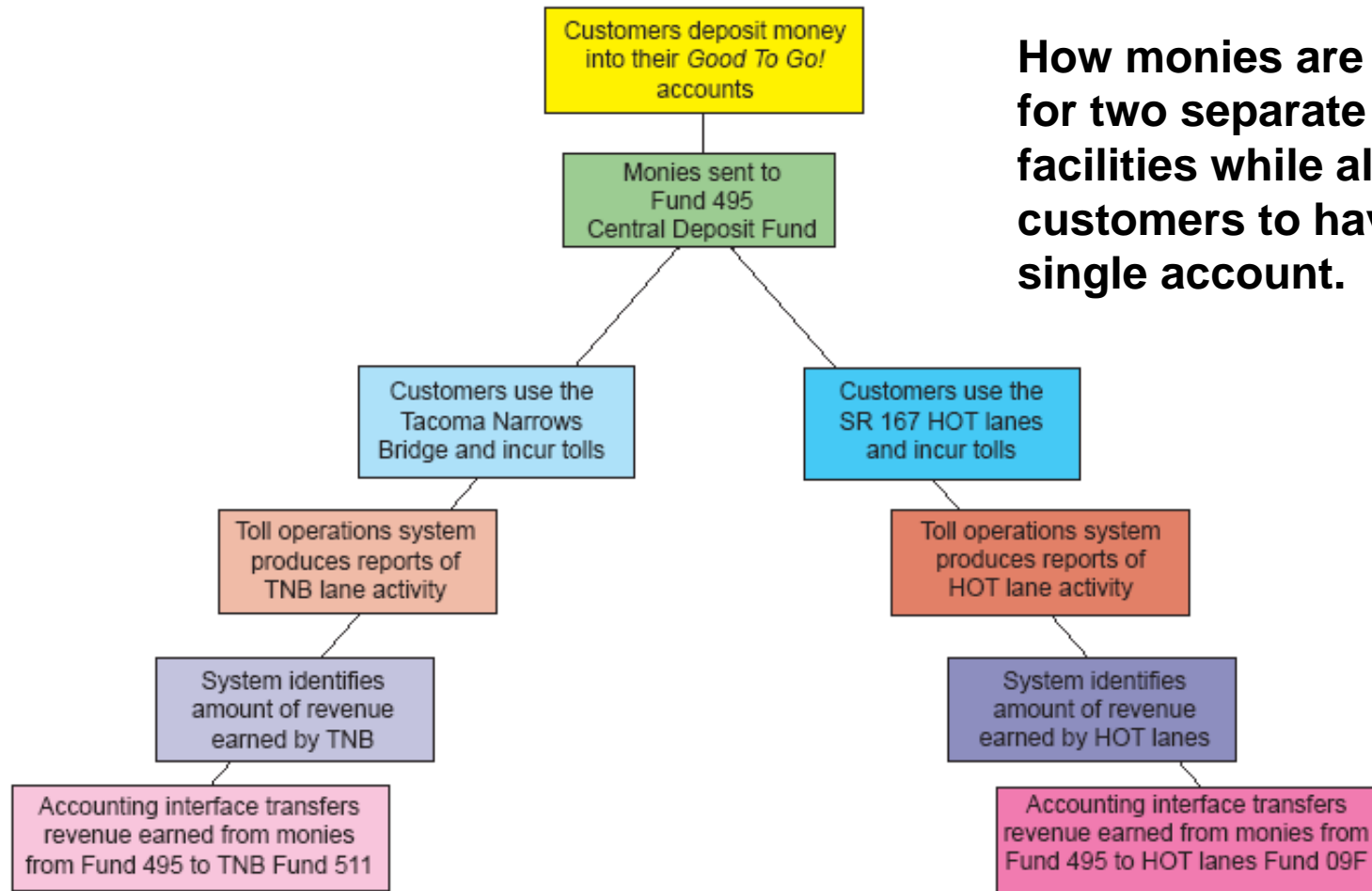
From 2009 to 2014, a significant increase in TNB's estimated annual toll revenue results in a relative decrease in the cost percentage for toll operations.

Renegotiating the toll operations contract

- Unprecedented success simply wasn't in the budget!
- Saves nearly \$150,000 a month for TNB toll payers.
- Eliminates variable fees associated with each *Good To Go!* account.
- Includes the "right-sizing" of customer service staffing.
- Extends the TNB contract from Jan 31, 2011 to June 30, 2012, to coincide with the length of the SR 167 HOT lanes pilot project.



Central tolling fund

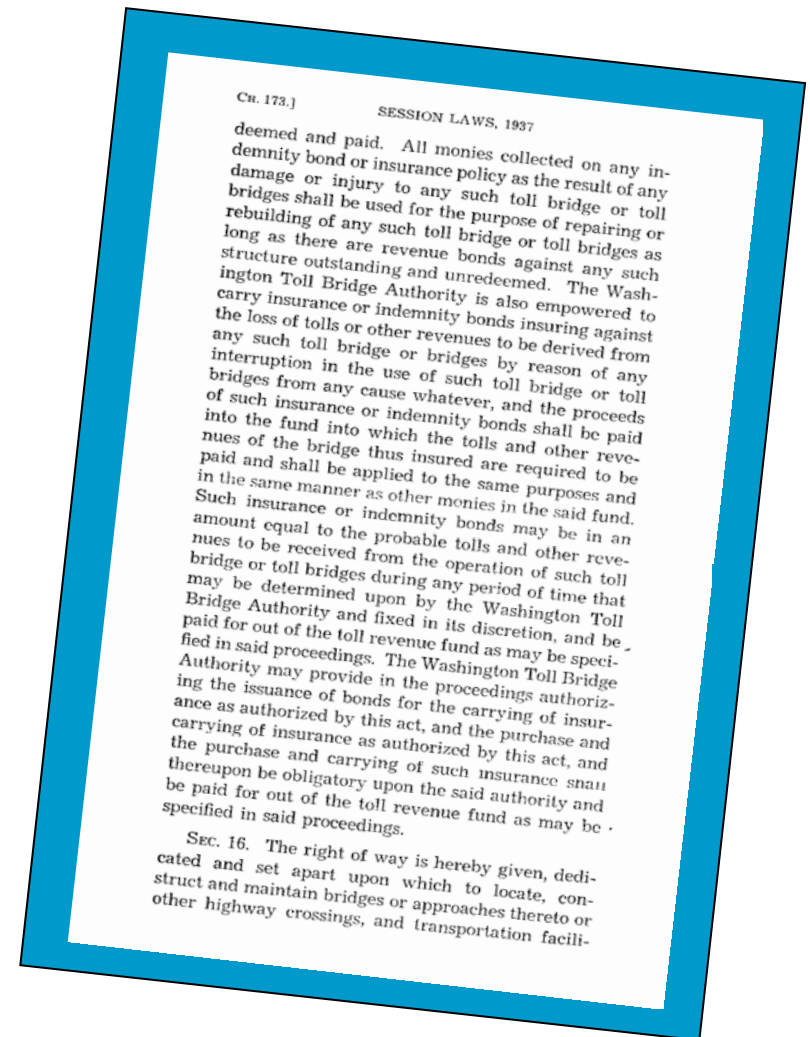


How monies are tracked for two separate toll facilities while allowing customers to have a single account.

**Will be implemented by May 31, 2008.
Currently managed through inter-fund transfers.**

Insurance on the bridge

- Loss of tolling revenue would put the State at risk of defaulting on the outstanding bonds.
- Covers \$500 million property loss from earthquake, flood (tsunami) or terrorism. Property loss deductible of \$10 million and terrorism deductible of \$5 million.
- It also covers up to \$60 million of lost tolling revenue from these events with a deductible of 10 days.
- Cost for the entire policy is \$2,680,038 for calendar year 2008.
- Toll bridges in the state have been insured dating back to original 1937 law (shown at right).



Independent Traffic Analysis

- Independent Evaluation of TransCore's Toll Collection System
- WSDOT Automated Data Recorder
 - Near the east end of the bridge (R044E, MP 5.02)
 - Confirmed with manual counts
- Analysis done during the month of December 2007.
- Accuracy of 99.84% when using Automated Data Recorder to verify TransCore's toll collection system.
- Standard accuracy above 98% using Automated Data Recorder with high volume sites is considered excellent.



For more information go to:

www.wsdot.wa.gov/operations/tolling

Or Contact

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