

**Transportation Revenue  
Forecast Council  
June 2021  
Transportation Economic and  
Revenue Forecasts  
Volume III: Alternate Forecast Tables**

# Transportation Revenue Forecast Council

## Alternative Forecasts

### June 2021

- Alternative Ferry Forecast.....III-3
- Alternative Tolling Forecast.....III-13

# **REVENUE AND RIDERSHIP PROJECTIONS**

## **JUNE 2021 FORECAST**

### **FISCAL YEARS 2021-2031**

Prepared for  
**Washington State Ferries**  
for Presentation to the  
**Transportation Revenue  
Forecast Council**

Prepared by  
WSP USA

March 21, 2021

Note: The COVID-19 pandemic has materially disrupted normal ferry ridership patterns, and the duration and magnitude of the pandemic's temporary near-term effects or its more permanent impacts on the economy and ferry ridership, while becoming more apparent, remain uncertain. As such, the March 2021 Forecast projections, as well as the assumptions upon which they are based at the time of preparation, remain subject to a relatively high level of risk and uncertainty, which may cause actual results to vary considerably from projections.

# Washington State Ferries

## June 2021 Revenue and Ridership Forecasts — Fiscal Years 2021-2031

### JUNE 2021 FORECAST NOTES

The fare revenue and ridership projections for Washington State Ferries (WSF) are prepared using a combination of systemwide econometric, time series, and spreadsheet models to forecast monthly ridership and revenue across 10 routes and seven fare categories through fiscal year (FY) 2031.

The seven fare categories include: (1) passenger full fares, (2) passenger commuter discount fares, (3) passenger other discount fares, (4) auto/driver full fares, (5) auto commuter discount fares, (6) other discount vehicles, and (7) oversize vehicle fares.

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel, with April 2020 ridership 73% lower than 2019. Ridership slowly recovered through October 2020 to 35% below pre-pandemic levels before stalling out during the winter months of 2020-21. Ridership began rebounding again this spring with April and May 2021 ridership recovering to 76% of (24% less than) pre-pandemic levels. The June 2021 Forecast reflects the recent rebound trends while continuing to dampen ridership through 2022, transitioning to a “new normal” for 2023.

Since 2000, passenger and vehicle/driver frequent user discounted fare ridership has been declining in both absolute volumes and in their shares of total passengers and vehicles, respectively. Contributing factors include an aging population in ferry-served communities, telecommuting, and changes in the frequent user multi-ride fare media, reducing their severability for sharing. Passenger commuter ridership has shown little recovery and has the most potential to remain lower longer term; as such, the June Forecast maintains the previous 20% post-pandemic forecast reduction to account for more long-term teleworking. However, the vehicle commuter ridership long-term adjustment has been reduced from 12% to 4% as that category has recovered more closely to a new normal.

Many of the pandemic-related service reductions were restored on May 9, 2021, with three-boat service on the Fauntleroy-Vashon-Southworth routes restored June 7 and peak season two-boat service returning to Port Townsend-Coupeville on June 27 through Labor Day. However, the Anacortes-Sidney, B.C. route is assumed to remain out of service until November 1, 2021.

These forecast assumptions are reflected in the Baseline and Alternative 1 Forecasts.

- **Baseline Forecast** – Assumes no further fare increases beyond that which occurred May 1, 2020, which results in declining real fares over the forecast horizon.
- **Alternative 1 Forecast** – Assumes 2.5% annual increases plus nickel rounding each October, from 2021 (FY 2022) through 2030 (FY 2031).

The June Forecast projections for FY 2021 include actual revenue and ridership through February 2021.

### Ridership Impacts

- The June 2021 Forecast incorporates the latest demographic and economic variable projections plus a COVID-19 pandemic indicator variable.
- The June 2021 Forecast also incorporates revised working- and retirement-age population indices for ferry served communities, which have been revised lower and higher, respectively and collectively result in lower ferry ridership demand.
- The real personal income forecast was revised upward by about 3% across the forecast horizon, bolstering ridership demand.
- The overall employment forecast has been revised slightly higher over the forecast horizon, which marginally boosts full fare ridership, while trade transportation, and utilities employment is lower, dampening commuter fare ridership demand.
- Inflation projections are marginally higher in the near term, and essentially unchanged after FY 2024. This results in slightly lower real fares in the near-term, which contributes to a small lift in ridership demand.
- Forecasted real gasoline prices have been revised markedly higher in the near term, with the increases tapering off through FY 2025 and then trending increasingly lower thereafter through FY 2031. This results in a dampening followed by a bolstering of vehicle/driver ridership demand, respectively.
- Ridership in all fare categories except passenger commuter has sufficiently recovered to warrant the deactivation of the pandemic indicator after Q1 2021.
- Actual ridership for March through May 2021 averaged 13.4% higher than previously forecasted, reflecting a rebound in April and May concurrent with an easing of restrictions on the economy and rising vaccination rates.

### Fare and Surcharge Revenue Impacts

- Actual revenue for March through May 2021 averaged 16.5% higher than previously forecasted. The higher revenue than ridership percentage variance from the prior forecast is due to greater variance in the higher fare categories.
- For the 2019-21 biennium, projected fare revenues for both the Baseline and Alternative 1 Forecasts total \$322.3 M, or \$7.6 M (2.4%) higher than the prior forecast, split as \$313.2 M in base fare revenue and nearly \$9.2 M in surcharges.
- The Baseline Forecast revenue projection for the 2021-23 biennium is \$394.3 M, which is \$12.4 million (3.3%) more than the March forecast, with \$379.6 M in base fare revenue and nearly \$14.8 M in surcharges.
- The Alternative 1 Forecast revenue projection for the 2021-23 biennium is \$403.6 M, which is \$12.6 M (3.2%) higher than projected in March, with \$388.9 M in base fare revenue and \$14.7 M in surcharge revenue.
- For FYs 2024-29, both forecast scenarios are slightly higher, ranging from 0.6% to 1.3% higher than in March.

# Washington State Ferries

## REVENUE PROJECTIONS | JUNE 2021 BASELINE FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020<sup>1</sup> | No Further Fare Increases

Fiscal Years 2021-2031

Fiscal Year	June 2021 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Rate of Change	June Biennium Total	June vs. March Forecast			March 2021 Baseline	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,268,522	1.3%	\$388,096,473					
2020	\$166,825,103	(14.6%)					\$166,825,103	
2021 <sup>2</sup>	\$155,521,000	(6.8%)	\$322,346,103	5.1%	\$7,559,000	2.4%	\$147,962,000	\$314,787,103
2022	\$188,487,000	21.2%		5.6%			\$178,504,000	
2023	\$205,834,000	9.2%	\$394,321,000	1.2%	\$12,446,000	3.3%	\$203,371,000	\$381,875,000
2024	\$212,098,000	3.0%		0.6%			\$210,849,000	
2025	\$215,037,000	1.4%	\$427,135,000	0.8%	\$2,906,000	0.7%	\$213,380,000	\$424,229,000
2026	\$217,081,000	1.0%		0.7%			\$215,469,000	
2027	\$219,228,000	1.0%	\$436,309,000	0.9%	\$3,510,000	0.8%	\$217,330,000	\$432,799,000
2028	\$221,489,000	1.0%		1.1%			\$219,024,000	
2029	\$223,170,000	0.8%	\$444,659,000	1.2%	\$5,103,000	1.2%	\$220,532,000	\$439,556,000
2030	\$224,638,000	0.7%		1.1%			\$222,167,000	
2031	\$226,263,000	0.7%	\$450,901,000	1.0%	\$4,684,000	1.0%	\$224,050,000	\$446,217,000

<sup>1</sup> The Baseline Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Baseline Forecast excludes any further changes to the current base fares, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service, including service reductions associated with the COVID-19 pandemic.

<sup>2</sup> FY 2021 includes actual revenue data through May 2021. Light green shaded values denote historical annual data.

# Washington State Ferries

## REVENUE PROJECTIONS | JUNE 2021 BASELINE FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020<sup>1</sup> | No Further Fare Increases

Fiscal Years 2021-2031

Fiscal Year	June 2021 Capacity-Constrained Revenue Forecast	June Biennium Total	Distribution of Revenue to Operating and Capital Programs					
			25¢ Capital Surcharge Revenue	25¢ Vessel Surcharge Revenue	Total Surcharge Revenue	Biennium Totals for Capital	Base Fare Revenue for Operations	Biennium Totals for Operations
2012	\$155,085,373		\$2,544,970		\$2,544,970		\$152,540,403	
2013	\$162,047,033	\$317,132,406	\$3,626,191		\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867		\$3,662,690		\$3,662,690		\$163,779,177	
2015	\$175,965,750	\$343,407,617	\$3,894,088		\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863		\$4,007,848		\$4,007,848		\$177,437,015	
2017	\$186,973,746	\$368,418,609	\$4,022,681		\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951		\$4,084,581		\$4,084,581		\$188,743,370	
2019	\$195,268,522	\$388,096,473	\$3,987,656		\$3,987,656	\$8,072,237	\$191,280,866	\$380,024,236
2020	\$166,825,103		\$3,304,324	\$378,136	\$3,682,460		\$163,142,643	
2021 <sup>2</sup>	\$155,521,000	\$322,346,103	\$2,737,000	\$2,736,000	\$5,473,000	\$9,155,460	\$150,048,000	\$313,190,643
2022	\$188,487,000		\$3,473,000	\$3,472,000	\$6,945,000		\$181,542,000	
2023	\$205,834,000	\$394,321,000	\$3,906,000	\$3,905,000	\$7,811,000	\$14,756,000	\$198,023,000	\$379,565,000
2024	\$212,098,000		\$4,049,000	\$4,049,000	\$8,098,000		\$204,000,000	
2025	\$215,037,000	\$427,135,000	\$4,097,000	\$4,097,000	\$8,194,000	\$16,292,000	\$206,843,000	\$410,843,000
2026	\$217,081,000		\$4,138,000	\$4,138,000	\$8,276,000		\$208,805,000	
2027	\$219,228,000	\$436,309,000	\$4,184,000	\$4,183,000	\$8,367,000	\$16,643,000	\$210,861,000	\$419,666,000
2028	\$221,489,000		\$4,232,000	\$4,232,000	\$8,464,000		\$213,025,000	
2029	\$223,170,000	\$444,659,000	\$4,273,000	\$4,272,000	\$8,545,000	\$17,009,000	\$214,625,000	\$427,650,000
2030	\$224,563,000		\$4,273,000	\$4,272,000	\$8,545,000		\$216,018,000	
2031	\$226,263,000	\$450,826,000	\$4,354,000	\$4,354,000	\$8,708,000	\$17,253,000	\$217,555,000	\$433,573,000

<sup>1</sup> The Baseline Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Baseline Forecast excludes any further changes to the current base fares, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service, including service reductions associated with the COVID-19 pandemic.

<sup>2</sup> FY 2021 includes actual revenue data through May 2021. Light green shaded values denote historical annual data.

# Washington State Ferries

## REVENUE PROJECTIONS | JUNE 2021 ALTERNATIVE 1 FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020<sup>1</sup> | 2.5% Fare Increases FYs 2022-31

Fiscal Years 2021-2031

Fiscal Year	June 2021 Capacity-Constrained Revenue Forecast	Fiscal Year Annual Rate of Change	June Biennium Total	June vs. March Forecast			March 2021 Alternative 1	
				% Change by Fiscal Year	\$ Change and % Change by Biennium		Capacity-Constrained Revenue Forecast	Biennium Total
2012	\$155,085,373	8.0%						
2013	\$162,047,033	4.5%	\$317,132,406					
2014	\$167,441,867	3.3%						
2015	\$175,965,750	5.1%	\$343,407,617					
2016	\$181,444,863	3.1%						
2017	\$186,973,746	3.0%	\$368,418,609					
2018	\$192,827,951	3.1%						
2019	\$195,268,522	1.3%	\$388,096,473					
2020	\$166,825,103	(14.6%)					\$166,825,103	
2021 <sup>2</sup>	\$155,521,000	(6.8%)	\$322,346,103	5.1%	\$7,559,000	2.4%	\$147,962,000	\$314,787,103
2022	\$191,085,000	22.9%		5.6%			\$181,002,000	
2023	\$212,497,000	11.2%	\$403,582,000	1.2%	\$12,628,000	3.2%	\$209,952,000	\$390,954,000
2024	\$223,160,000	5.0%		0.6%			\$221,924,000	
2025	\$230,935,000	3.5%	\$454,095,000	0.8%	\$3,006,000	0.7%	\$229,165,000	\$451,089,000
2026	\$237,825,000	3.0%		0.7%			\$236,162,000	
2027	\$245,036,000	3.0%	\$482,861,000	0.8%	\$3,693,000	0.8%	\$243,006,000	\$479,168,000
2028	\$252,627,000	3.1%		1.1%			\$249,945,000	
2029	\$259,995,000	2.9%	\$512,622,000	1.3%	\$5,899,000	1.2%	\$256,778,000	\$506,723,000
2030	\$267,358,000	2.8%		1.3%			\$263,938,000	
2031	\$275,192,000	2.9%	\$542,550,000	1.3%	\$6,938,000	1.3%	\$271,674,000	\$535,612,000

<sup>1</sup> The Alternative 1 Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Alternative 1 Forecast also includes annual 2.5% fare increases beginning in October 2021 (FY 2022). This yields slightly increasing real fares over the forecast horizon, given current inflation projections of about 2% annually. Alternative 1 reflects the current programmed level of service.

<sup>2</sup> FY 2021 includes actual revenue data through May 2021. Light green shaded values denote historical annual data.

# Washington State Ferries

## REVENUE PROJECTIONS | JUNE 2021 ALTERNATIVE 1 FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020<sup>1</sup> | 2.5% Fare Increases FYs 2022-31

Fiscal Years 2021-2031

Fiscal Year	June 2021 Capacity-Constrained Revenue Forecast	June Biennium Total	Distribution of Revenue to Operating and Capital Programs					
			25¢ Capital Surcharge Revenue	25¢ Vessel Surcharge Revenue	Total Surcharge Revenue	Biennium Totals for Capital	Base Fare Revenue for Operations	Biennium Totals for Operations
2012	\$155,085,373		\$2,544,970		\$2,544,970		\$152,540,403	
2013	\$162,047,033	\$317,132,406	\$3,626,191		\$3,626,191	\$6,171,161	\$158,420,842	\$310,961,245
2014	\$167,441,867		\$3,662,690		\$3,662,690		\$163,779,177	
2015	\$175,965,750	\$343,407,617	\$3,894,088		\$3,894,088	\$7,556,778	\$172,071,662	\$335,850,839
2016	\$181,444,863		\$4,007,848		\$4,007,848		\$177,437,015	
2017	\$186,973,746	\$368,418,609	\$4,022,681		\$4,022,681	\$8,030,529	\$182,951,065	\$360,388,080
2018	\$192,827,951		\$4,084,581		\$4,084,581		\$188,743,370	
2019	\$195,268,522	\$388,096,473	\$3,987,656		\$3,987,656	\$8,072,237	\$191,280,866	\$380,024,236
2020	\$166,825,103		\$3,304,324	\$378,136	\$3,682,460		\$163,142,643	
2021 <sup>2</sup>	\$155,521,000	\$322,346,103	\$2,737,000	\$2,736,000	\$5,473,000	\$9,155,460	\$150,048,000	\$313,190,643
2022	\$191,085,000		\$3,464,000	\$3,463,000	\$6,927,000		\$184,158,000	
2023	\$212,497,000	\$403,582,000	\$3,875,000	\$3,875,000	\$7,750,000	\$14,677,000	\$204,747,000	\$388,905,000
2024	\$223,160,000		\$4,000,000	\$4,000,000	\$8,000,000		\$215,160,000	
2025	\$230,935,000	\$454,095,000	\$4,029,000	\$4,029,000	\$8,058,000	\$16,058,000	\$222,877,000	\$438,037,000
2026	\$237,825,000		\$4,049,000	\$4,049,000	\$8,098,000		\$229,727,000	
2027	\$245,036,000	\$482,861,000	\$4,075,000	\$4,074,000	\$8,149,000	\$16,247,000	\$236,887,000	\$466,614,000
2028	\$252,627,000		\$4,104,000	\$4,103,000	\$8,207,000		\$244,420,000	
2029	\$259,995,000	\$512,622,000	\$4,129,000	\$4,129,000	\$8,258,000	\$16,465,000	\$251,737,000	\$496,157,000
2030	\$267,315,000		\$4,129,000	\$4,129,000	\$8,258,000		\$259,057,000	
2031	\$275,192,000	\$542,507,000	\$4,177,000	\$4,177,000	\$8,354,000	\$16,612,000	\$266,838,000	\$525,895,000

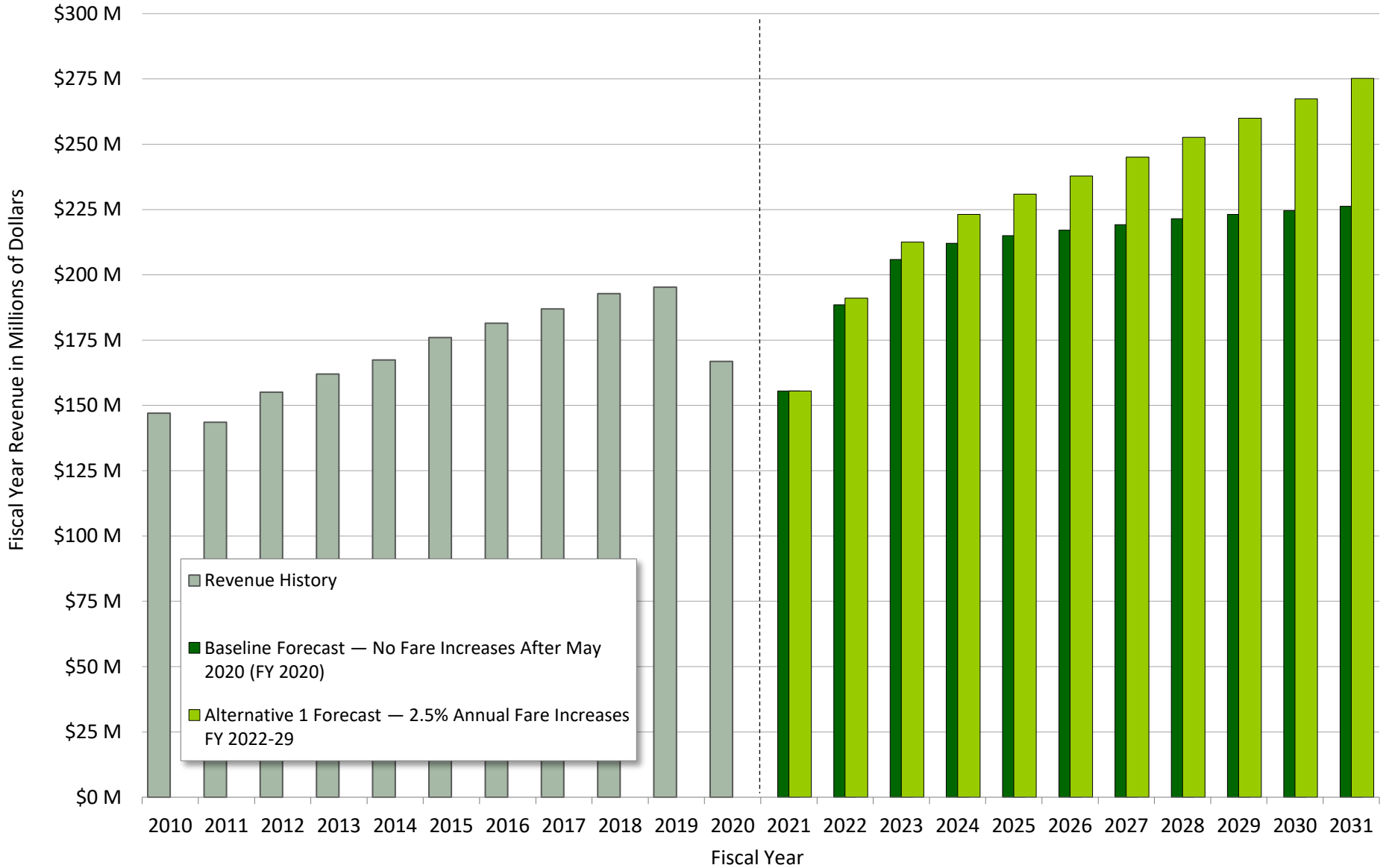
<sup>1</sup> The Baseline & Alt 1 Forecasts includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Alternative 1 Forecast also includes annual 2.5% fare increases beginning in October 2021 (FY 2022), whereas the Baseline forecast includes no further fare increases. Both the Baseline and Alternative 1 Forecasts reflect the current programmed level of service.

<sup>2</sup> FY 2021 includes actual revenue data through May 2021. Light green shaded values denote historical annual data.



# Washington State Ferries — Revenue History and Forecast Trends

June 2021 Forecast – Fiscal Years 2010-2031



# Washington State Ferries

## RIDERSHIP PROJECTIONS | JUNE 2021 BASELINE FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020<sup>1</sup> | No Further Fare Increases

Fiscal Years 2021-2031

Fiscal Year	June 2021 Unconstrained Demand Forecast*	June 2021 Capacity Constrained Projections				March 2021 Baseline	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Change	Total Ridership	June 2021 vs March
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018		13,856,444	10,707,373	24,563,817	1.4%		
2019		13,699,985	10,555,460	24,255,445	(1.3%)		
2020		10,358,348	9,020,899	19,379,247	(20.1%)		
2021 <sup>2</sup>	15,353,000	6,944,000	8,409,000	15,353,000	(20.8%)	14,646,000	4.8%
2022	20,151,000	10,114,000	9,950,000	20,064,000	30.7%	19,329,000	3.8%
2023	23,062,000	12,504,000	10,517,000	23,021,000	14.7%	22,783,000	1.0%
2024	24,033,000	13,176,000	10,759,000	23,935,000	4.0%	23,901,000	0.1%
2025	24,344,000	13,319,000	10,879,000	24,198,000	1.1%	24,221,000	(0.1%)
2026	24,659,000	13,495,000	10,967,000	24,462,000	1.1%	24,515,000	(0.2%)
2027	25,019,000	13,709,000	11,056,000	24,765,000	1.2%	24,804,000	(0.2%)
2028	25,415,000	13,925,000	11,161,000	25,086,000	1.3%	25,091,000	(0.0%)
2029	25,781,000	14,126,000	11,239,000	25,365,000	1.1%	25,353,000	0.0%
2030	25,892,000	14,347,000	11,289,000	25,636,000	1.1%	25,633,000	0.0%
2031	25,968,000	14,611,000	11,344,000	25,955,000	1.2%	25,964,000	(0.0%)

<sup>1</sup> The Baseline Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also includes doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Baseline Forecast excludes any further changes to the current base fares, resulting in declining real fares thereafter. The Baseline Forecast also reflects the current programmed level of service, including service reductions associated with the COVID-19 pandemic.

<sup>2</sup> FY 2021 includes actual ridership data through May 2021. Light green shaded values denote historical annual data.

\* Excludes adjustments for vessel capacity constraints and fiscal year-to-date actual data.

# Washington State Ferries

## RIDERSHIP PROJECTIONS | JUNE 2021 ALTERNATIVE 1 FORECAST

Fare Increases on 10/1/2019 & 5/1/2020 | \$0.25 Surcharge Increase on 5/1/2020<sup>1</sup> | 2.5% Fare Increases FYs 2022-31  
Fiscal Years 2021-2031

Fiscal Year	June 2021 Unconstrained Demand Forecast*	June 2021 Capacity Constrained Projections				March 2021 Alternative 1	
		Passenger Ridership	Vehicle/Driver Ridership	Total Ridership	Annual Rate of Change	Total Ridership	June 2021 vs March
2012		12,236,081	9,983,059	22,219,140	0.0%		
2013		12,350,126	10,045,043	22,395,169	0.8%		
2014		12,696,936	10,154,905	22,851,841	2.0%		
2015		13,270,874	10,387,368	23,658,242	3.5%		
2016		13,523,385	10,559,240	24,082,625	1.8%		
2017		13,669,834	10,544,735	24,214,569	0.5%		
2018		13,856,444	10,707,373	24,563,817	1.4%		
2019		13,699,985	10,555,460	24,255,445	(1.3%)		
2020		10,358,000	9,021,000	19,379,000	(20.1%)		
2021 <sup>2</sup>	15,353,000	6,944,000	8,409,000	15,353,000	(20.8%)	14,646,000	4.8%
2022	20,094,000	10,078,000	9,930,000	20,008,000	30.3%	19,271,000	3.8%
2023	22,859,000	12,380,000	10,445,000	22,825,000	14.1%	22,592,000	1.0%
2024	23,685,000	12,966,000	10,647,000	23,613,000	3.5%	23,588,000	0.1%
2025	23,845,000	13,018,000	10,730,000	23,748,000	0.6%	23,777,000	(0.1%)
2026	23,996,000	13,092,000	10,777,000	23,869,000	0.5%	23,936,000	(0.3%)
2027	24,191,000	13,204,000	10,827,000	24,031,000	0.7%	24,084,000	(0.2%)
2028	24,422,000	13,318,000	10,898,000	24,216,000	0.8%	24,237,000	(0.1%)
2029	24,623,000	13,420,000	10,958,000	24,378,000	0.7%	24,375,000	0.0%
2030	24,683,000	13,541,000	10,989,000	24,530,000	0.6%	24,525,000	0.0%
2031	24,727,000	13,702,000	11,025,000	24,727,000	0.8%	24,725,000	0.0%

<sup>1</sup> The Alternative 1 Forecast includes two FY 2020 fare increases of 2.0% for passengers and 2.5% for vehicles on October 1, 2019 and again on May 1, 2020. The May 1, 2020 increase also include doubling the existing \$0.25 surcharge per fare sold and collected for capital uses to a total of \$0.50. The Alternative 1 Forecast also includes annual 2.5% fare increases beginning in October 2021 (FY 2022). This yields slightly increasing real fares over the forecast horizon, given current inflation projections of about 2% annually. Alternative 1 reflects the current programmed level of service.

<sup>2</sup> FY 2021 includes actual ridership data through May 2021. Light green shaded values denote historical annual data.

\* Excludes adjustments for vessel capacity constraints and fiscal year-to-date actual data.

# Washington State Ferries — Ridership History and Forecast Trends

June 2021 Forecast – Fiscal Years 2010-2031



**Washington State Department of Transportation  
Tolling Division Alternate Forecasts**

**June 2021**

**State Route 520 (SR 520)**

**State Route 99 (SR 99)**

**Tacoma Narrows Bridge (TNB)**

## Transportation Revenue Forecast Council June 2021 SR 520 Toll Alternative Forecast: Toll Rate Increases

### SR 520 Current Toll Rates

Tolls are collected in both directions of the SR 520 floating bridge with *Good To Go!* transponder rates for a two axle vehicles ranging from \$4.30 during the morning (7:00-9:00AM) and afternoon (3:00-6:00PM) peak periods, to \$1.25 for nights (11:00PM-5:00AM). Between peak, off-peak and evening rates there are gradual step changes as indicated in Figure 1. Weekend rates are also variable by time of day ranging from \$1.25 overnight to \$2.65 during the peak midday period (11:00AM-6:00PM).

Incremental fees of \$0.25 per trip are administered to *Good to Go!* Pay By Plate transactions. Non-account Pay By Mail trips pay toll rates \$2.00 higher than the *Good to Go!* base rates. Axle multipliers are applied to rates for vehicles with three or more axles.

SR 520 toll rates are evaluated on an annual basis to ensure sufficiency to meet financial obligations.

Figure 1: Current Toll Rate Schedule for Weekdays

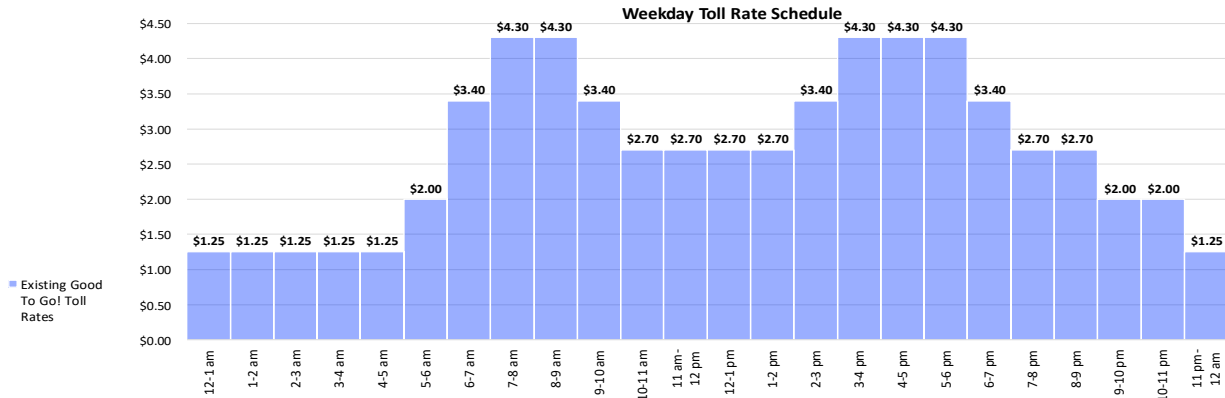
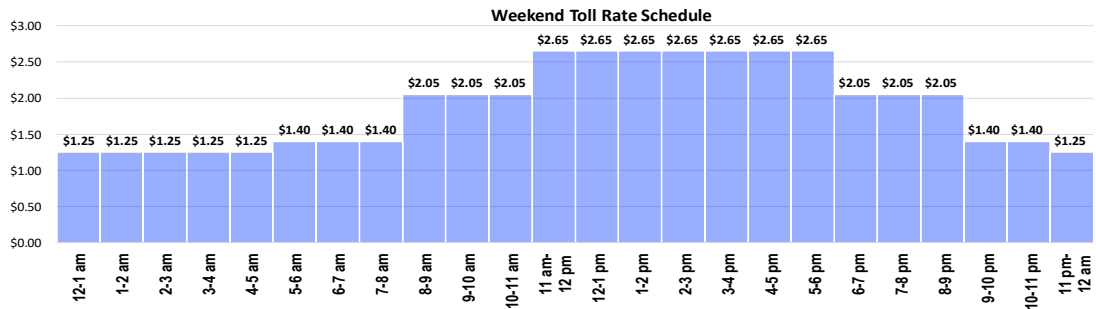


Figure 2: Current Toll Rate Schedule for Weekends



Beginning in March 2020, the COVID-19 pandemic sharply reduced SR 520 bridge traffic and revenues. For the SR 520 bridge from March 2020 – March 2021 (13 months):

- Traffic, gross toll revenue potential, and adjusted gross toll revenues were about 54% below pre-pandemic forecasts

- In dollars, adjusted gross toll revenues collected were \$52.7 million below pre-pandemic forecast levels

SR 520 traffic in FY 2022 (July 1, 2021 – June 30, 2022) is expected to be 36% lower than pre-pandemic levels. The largest traffic declines occurred during peak periods, further impacting revenue loss. Continued pandemic recovery and “new normal” traffic levels pose long-term challenges to meeting financial and legal requirements.

### **SR 520 Toll Rate Evaluation**

In regard to the toll rate setting process, state law (RCW 47.56.830) requires considerations of fairness and equity in the context of the statewide transportation system; avoiding increased traffic diversion to other routes; social equity, environmental, and economic issues; and supporting progress towards the state's greenhouse gas reduction goals.

Furthermore, State law RCW 47.56.850 and RCW 47.56.870 requires variable schedule of toll rates with intent to maintain travel time, speed, and reliability on the facility and generate the necessary revenue to meet funding obligations.

The Transportation Commission, Department of Transportation, and Office of the State Treasurer have collaborated to assess solutions to address revenue shortfalls as a result of the COVID-19 pandemic.

Additional measures were also taken to reduce the extent of toll rate increases. The Office of State Treasurer revised the schedule of repair and replacement (R&R) reserve account deposits to be more backloaded, reducing the near-term uses of net toll revenues. The legislature has authorized American Rescue Plan Act (ARPA) funds in FYs 2022-23 to pay for operations and maintenance (O&M) costs. This will free up sufficient toll revenues to fully refill the revenue stabilization account (RSA), which was fully drawn down during the pandemic.

In May 2021, alternative toll rates were discussed with the Washington State Transportation Commission for consideration, and resulted in two alternative proposals. The June SR 520 alternative forecasts are based on the Washington State Transportation Commission (WSTC) proposals presented to the public for comment in June 2021. Initial results prepared prior to the June TRFC revenue adoption meeting were slightly lower than the current TRFC values in the near term, the latter of which are informed by additional actual operational experience.

### **Proposed Toll Rate Increases**

Two proposed toll rate increases were evaluated, both assuming rate increase deferred until July 1, 2023 (FY 2024). The baseline evaluation assumes legislature's appropriation of up to \$50 million in Federal ARPA funds in the 2021-23 biennium for operations & maintenance. However, rate setting action for FY 2024 must be taken this year to demonstrate that SR 520 net toll revenues will be sufficient to meet all forecast horizon financial obligations.

- Alternative 1 — Tailored increases by time period averaging 15 percent overall on July 1, 2023 (FY 2024). Alternative 1 would also expand the morning and afternoon peak periods by one hour, exclude an increase in the overnight minimum toll, and minimize the percentage increase in the peak period tolls.

Figure 3: Alternative 1 - Tailored Toll Rate Increase (weekday)

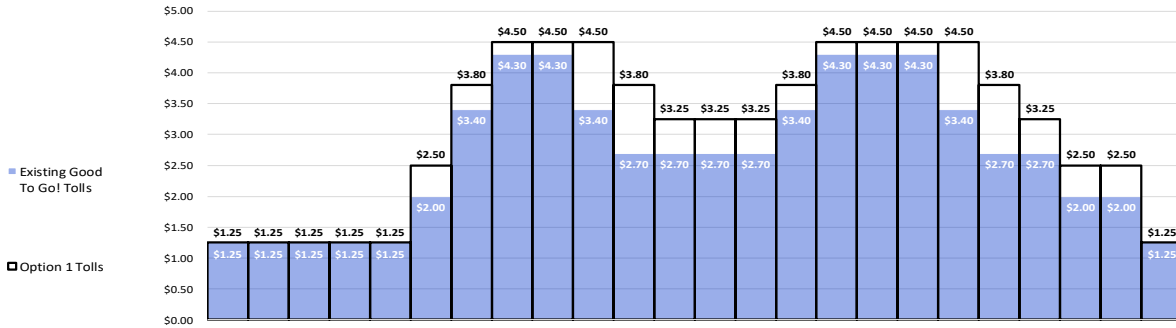


Figure 4: Alternative 1 - Tailored Toll Rate Increase (weekend)



- Alternative 2 — Uniform 15% toll increase to all toll rates on July 1, 2023 (FY 2024) that retains the current variable toll schedule shape and holds the maximum one-way toll under \$5.00.

Figure 5: Alternative 2 - Uniform 15% toll increase (weekday)

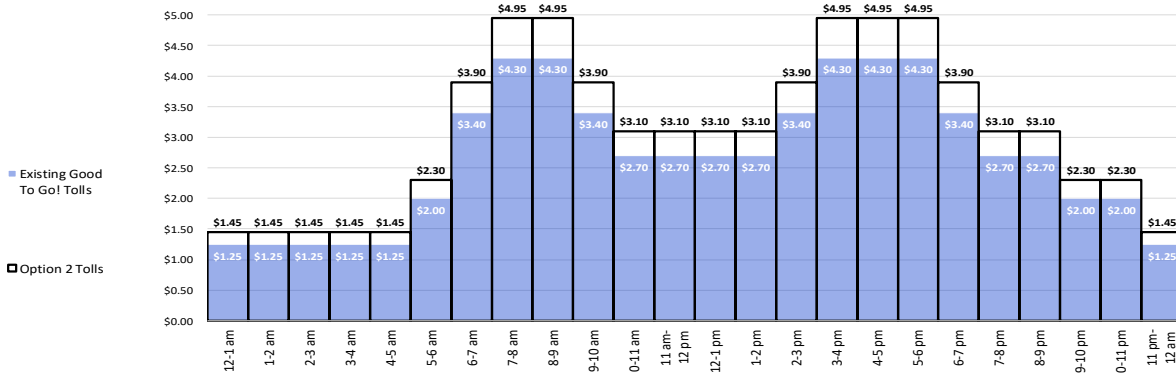
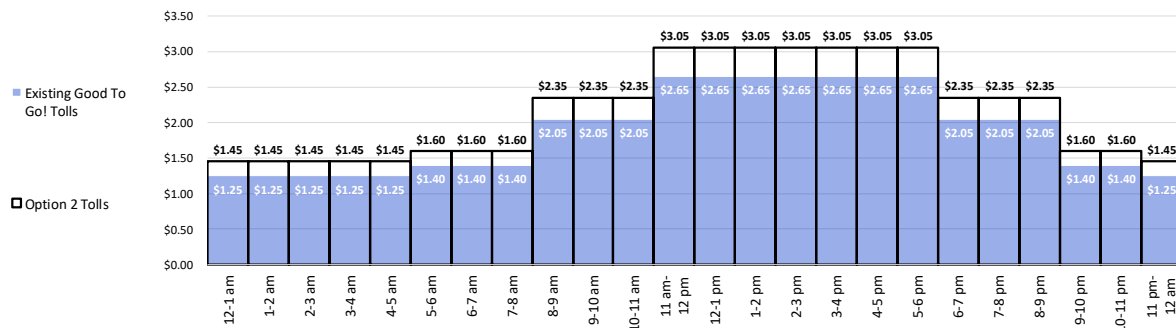


Figure 6: Alternative 2 - Uniform 15% toll increase (weekend)





### **Results of Proposed Toll Rate Increases**

Alternative 1 – Between FY 2024-2031 the tailored toll rate increase has the following impacts to toll traffic and revenue:

- Toll transactions decreased by 6.8 million or 2.8 percent
- Gross toll revenues increased by \$87.6 million or 10.5 percent
- Adjusted gross toll revenues increased by \$82.9 million or 10.6 percent

Alternative 2 – Between FY 2024-2031 the uniform 15% toll rate increase has the following impacts to toll traffic and revenue:

- Toll transactions decreased by 5.4 million or 2.2 percent
- Gross toll revenues increased by \$95.4 million or 11.5 percent
- Adjusted gross toll revenues increased by \$90.2 million or 11.5 percent

**Total Toll Transactions - Alternative 1: Tailored toll rate increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 1	Difference vs. Baseline	
			Value	Percent
2020	20,886,032	20,886,032	-	0.0%
2021	14,741,000	14,741,000	-	0.0%
2022	20,259,000	20,259,000	-	0.0%
2023	24,916,000	24,916,000	-	0.0%
2024	28,118,000	27,330,000	(788,000)	-2.8%
2025	28,566,000	27,770,000	(796,000)	-2.8%
2026	29,188,000	28,370,000	(818,000)	-2.8%
2027	30,051,000	29,210,000	(841,000)	-2.8%
2028	30,826,000	29,970,000	(856,000)	-2.8%
2029	31,479,000	30,600,000	(879,000)	-2.8%
2030	32,146,000	31,260,000	(886,000)	-2.8%
2031	32,827,000	31,920,000	(907,000)	-2.8%

**Total Gross Toll Revenue - Alternative 1: Tailored toll rate increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 1	Difference vs. Baseline	
			Value	Percent
2020	\$72,122,698	\$72,122,698	\$0	0.0%
2021	\$51,308,000	\$51,308,000	\$0	0.0%
2022	\$69,802,000	\$69,802,000	\$0	0.0%
2023	\$86,183,000	\$86,183,000	\$0	0.0%
2024	\$96,670,000	\$106,810,000	\$10,140,000	10.5%
2025	\$97,659,000	\$107,910,000	\$10,251,000	10.5%
2026	\$98,937,000	\$109,330,000	\$10,393,000	10.5%
2027	\$102,208,000	\$112,950,000	\$10,742,000	10.5%
2028	\$104,928,000	\$115,980,000	\$11,052,000	10.5%
2029	\$107,875,000	\$119,240,000	\$11,365,000	10.5%
2030	\$110,905,000	\$122,580,000	\$11,675,000	10.5%
2031	\$114,020,000	\$126,050,000	\$12,030,000	10.6%

**Adjusted Gross Toll Revenue - Alternative 1: Tailored toll rate increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 1	Difference vs. Baseline	
			Value	Percent
2020	\$66,570,378	\$66,570,378	\$0	0.0%
2021	\$46,648,000	\$46,648,000	\$0	0.0%
2022	\$64,688,000	\$64,688,000	\$0	0.0%
2023	\$80,671,000	\$80,671,000	\$0	0.0%
2024	\$90,561,000	\$100,313,000	\$9,752,000	10.8%
2025	\$91,583,000	\$101,243,000	\$9,660,000	10.5%
2026	\$92,844,000	\$102,640,000	\$9,796,000	10.6%
2027	\$95,991,000	\$106,120,000	\$10,129,000	10.6%
2028	\$98,600,000	\$109,024,000	\$10,424,000	10.6%
2029	\$101,433,000	\$112,157,000	\$10,724,000	10.6%
2030	\$104,263,000	\$115,278,000	\$11,015,000	10.6%
2031	\$107,321,000	\$118,679,000	\$11,358,000	10.6%

**Total Toll Transactions - Alternative 2: Uniform 15% toll rate increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 2	Difference vs. Baseline	
			Value	Percent
2020	20,886,032	20,886,032	-	0.0%
2021	14,741,000	14,741,000	-	0.0%
2022	20,259,000	20,259,000	-	0.0%
2023	24,916,000	24,916,000	-	0.0%
2024	28,118,000	27,500,000	(618,000)	-2.2%
2025	28,566,000	27,930,000	(636,000)	-2.2%
2026	29,188,000	28,540,000	(648,000)	-2.2%
2027	30,051,000	29,390,000	(661,000)	-2.2%
2028	30,826,000	30,150,000	(676,000)	-2.2%
2029	31,479,000	30,780,000	(699,000)	-2.2%
2030	32,146,000	31,440,000	(706,000)	-2.2%
2031	32,827,000	32,100,000	(727,000)	-2.2%

**Total Gross Toll Revenue - Alternative 2: Uniform 15% toll rate increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 2	Difference vs. Baseline	
			Value	Percent
2020	\$72,122,698	\$72,122,698	\$0	0.0%
2021	\$51,308,000	\$51,308,000	\$0	0.0%
2022	\$69,802,000	\$69,802,000	\$0	0.0%
2023	\$86,183,000	\$86,183,000	\$0	0.0%
2024	\$96,670,000	\$107,710,000	\$11,040,000	11.4%
2025	\$97,659,000	\$108,830,000	\$11,171,000	11.4%
2026	\$98,937,000	\$110,250,000	\$11,313,000	11.4%
2027	\$102,208,000	\$113,910,000	\$11,702,000	11.4%
2028	\$104,928,000	\$116,960,000	\$12,032,000	11.5%
2029	\$107,875,000	\$120,250,000	\$12,375,000	11.5%
2030	\$110,905,000	\$123,630,000	\$12,725,000	11.5%
2031	\$114,020,000	\$127,110,000	\$13,090,000	11.5%

**Adjusted Gross Toll Revenue - Alternative 2: Uniform 15% toll rate increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 2	Difference vs. Baseline	
			Value	Percent
2020	\$66,570,378	\$66,570,378	\$0	0.0%
2021	\$46,648,000	\$46,648,000	\$0	0.0%
2022	\$64,688,000	\$64,688,000	\$0	0.0%
2023	\$80,671,000	\$80,671,000	\$0	0.0%
2024	\$90,561,000	\$101,161,000	\$10,600,000	11.7%
2025	\$91,583,000	\$102,109,000	\$10,526,000	11.5%
2026	\$92,844,000	\$103,504,000	\$10,660,000	11.5%
2027	\$95,991,000	\$107,023,000	\$11,032,000	11.5%
2028	\$98,600,000	\$109,946,000	\$11,346,000	11.5%
2029	\$101,433,000	\$113,108,000	\$11,675,000	11.5%
2030	\$104,263,000	\$116,265,000	\$12,002,000	11.5%
2031	\$107,321,000	\$119,678,000	\$12,357,000	11.5%

**Calendar Year 2021 Rate Increase schedule**

<b>Date</b>	<b>Milestone</b>
June 15 WSTC Meeting	Review Proposals & Approve Final Low-Income Tolling Study Report
June 24	Transportation Revenue Forecast Update
<i>Mid June – Mid July</i>	<i>Public Input Period to Inform Final Toll Rate Proposal</i>
July 20 WSTC Meeting	Propose Permanent Rates (File CR-102)
<i>Late July – Hearing Date</i>	<i>Public Comment Period on Proposed Permanent Toll Rate Proposal</i>
On or after August 24	Public Hearing & Adoption for Permanent Toll Rate Proposal (File CR-103P)
July 1, 2023 (FY 2024)	Proposed new toll rates take effect

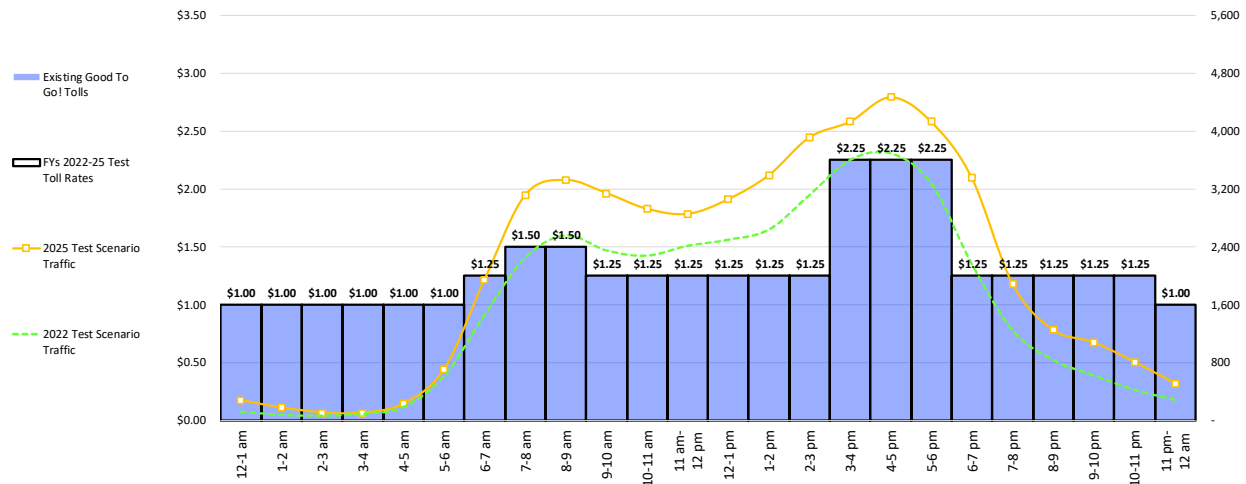
## Transportation Revenue Forecast Council June 2021 SR 99 Toll Alternative Forecast: Toll Rate Increases

### SR 99 Current Toll Rate Schedule

Toll collection started in both directions of the SR 99 tunnel on November 9, 2019 with *Good To Go!* transponder rates for a two axle vehicle starting at \$1.00 for nights (11:00PM-6:00AM) and weekends, and variable pricing on weekdays with \$1.50 during the morning peak (7:00-9:00AM), \$2.25 during the afternoon peak (3:00-6:00PM) and all other times set to \$1.25.

Incremental fees of \$0.25 per trip are administered to *Good to Go!* Pay By Plate transactions. Non-account Pay By Mail trips pay toll rates \$2.00 higher than the *Good to Go!* base rates. Axle multipliers are applied to rates for vehicles with three or more axles.

Figure 1: Current Toll Rate Schedule and Traffic Profile



The Washington State Transportation Commission (WSTC) in their initial rate setting in 2019 assumed that there would be toll rate increases of three percent every three years beginning in July 2022 (FY 2023), subject to annual review.

After four months of initial toll operations ramp-up, the COVID-19 pandemic sharply reduced SR 99 tunnel traffic and revenues in March 2020. For the SR 99 tunnel from March 2020 – March 2021 (13 months):

- Toll traffic was 37% (5.2 million) below pre-pandemic forecasts
- Gross toll revenue was 42% (\$12.2 million) below pre-pandemic forecasts

SR 99 traffic in FY 2022 (July 1, 2020 – June 30, 2022) is expected to be 23% lower than pre-pandemic levels, with net revenue at 59% below expected levels. Continued pandemic recovery and “new normal” traffic levels pose long-term challenges to meeting financial and legal requirements.

### SR 99 Toll Rate Evaluation

In regard to the toll rate setting process, state law (RCW 47.56.830) requires consideration of fairness and equity in the context of the statewide transportation system; avoiding increased traffic diversion to

other routes; social equity, environmental, and economic issues; and supporting progress towards the state's greenhouse gas reduction goals.

Furthermore, State law RCW 47.56.850 and RCW 47.56.862 requires a variable schedule of toll rates with intent to maintain travel time, speed, and reliability on the facility and generate the necessary revenue to meet funding obligations.

The Transportation Commission, Department of Transportation, and Office of the State Treasurer have collaborated to assess solutions to address revenue shortfalls as a result of the COVID-19 pandemic.

The Legislature has authorized additional loans from the Motor Vehicle Account (MVA) to help meet financial obligations and mitigate a necessary toll increase, including a \$13 million MVA loan in FY 2021 and \$6 million MVA loan to be made available in FY 2022. These loans are in addition to the \$10 million MVA loan provided in FY 2019 before tolling began in November 2019.

Lacking sufficient pre-pandemic toll operations experience, SR 99 was not eligible for American Rescue Plan Act (ARPA) relief funds as were made available for SR 520. Given current revenue projections and required uses of toll revenues, a toll rate increase in FY 2022 exceeding the planned three percent increase in FY 2023 is required to meet SR 99's near-term financial obligations.

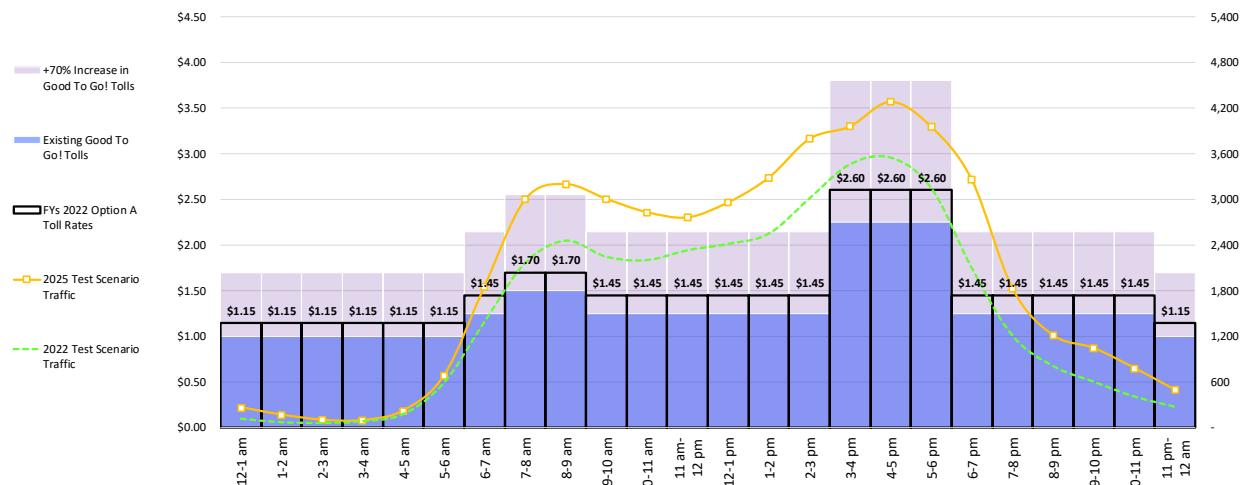
In May 2021, alternative toll rates were discussed with the WSTC for consideration, resulting in two alternatives. The June SR 99 alternative forecast proposals are based on the WSTC options presented to the public for comment in June 2021. Initial results prepared prior to the June TRFC revenue adoption meeting were slightly lower than the current TRFC values in the near term, as the latter are informed by additional actual operational experience.

### Proposed Toll Rate Increases

Two proposed toll rate increases were evaluated both assuming the deferred MVA loan repayment schedule.

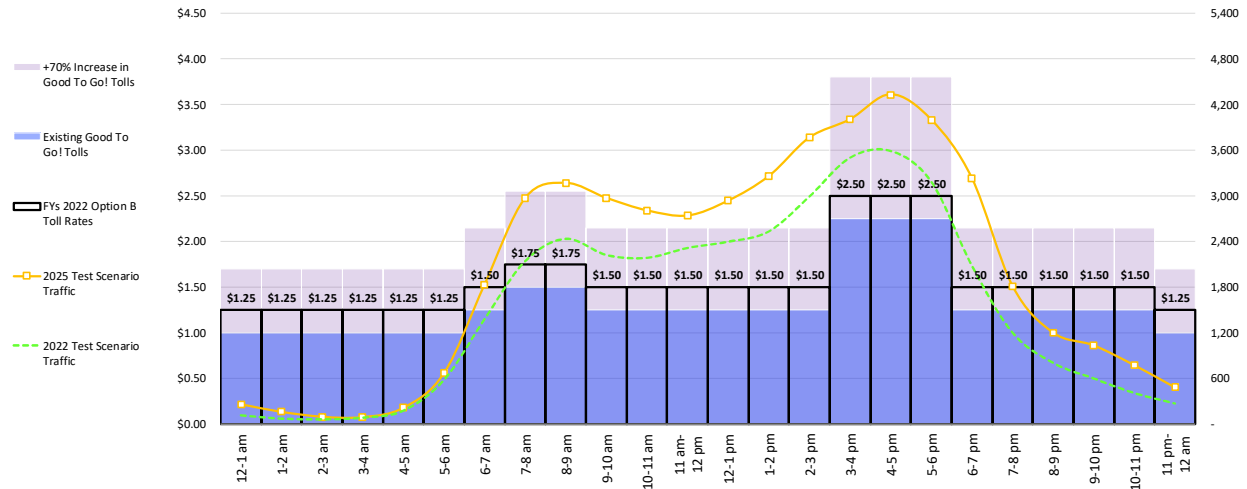
- Alternative 1 — Uniform 15% toll increase on October 1, 2021 (FY 2022) with the planned three percent toll increase on July 1, 2022 (FY 2023) maintained.

Figure 2: Alternative 1 - Uniform 15% Toll Rate Increase



- Alternative 2 — Uniform \$0.25 toll increase on October 1, 2021 (FY 2022) which varies the percentage increase by time of day, but averages approximately 16% on weekdays. As with Alternative 1, Alternative 2 assumes the planned three percent toll increase on July 1, 2022 (FY 2023) is maintained.

Figure 3: Alternative 2 - Uniform \$0.25 Toll Rate Increase



### Results of Proposed Toll Rate Increases versus Baseline

Alternative 1 – Between FY 2022-2031 (FY 2022 incl. 9 months only), the uniform 15% toll increase has the following impact to toll traffic and revenue:

- Toll transactions decreased by 5.4 million or 3.3 percent
- Gross toll revenues increased by \$26.7 million or 8.6 percent
- Adjusted gross toll revenues increased by \$24.7 million or 8.8 percent

Alternative 2 – Between FY 2022-2031 (FY 2022 incl. 9 months only), the uniform \$0.25 toll increase has the following impact to toll traffic and revenue:

- Toll transactions decreased by 5.6 million or 3.5 percent
- Gross toll revenues increased by \$28.2 million or 9.1 percent
- Adjusted gross toll revenues increased by \$26.1 million or 9.3 percent

**Total Toll Transactions - Alternative 1: Uniform 15% toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 1	Difference vs. Baseline	
			Value	Percent
2020	7,369,770	7,369,770	-	0.0%
2021	9,308,000	9,308,000	-	0.0%
2022	13,077,000	12,731,000	(346,000)	-2.6%
2023	14,970,000	14,460,000	(510,000)	-3.4%
2024	15,958,000	15,413,000	(545,000)	-3.4%
2025	16,157,000	15,606,000	(551,000)	-3.4%
2026	16,282,000	15,726,000	(556,000)	-3.4%
2027	16,492,000	15,929,000	(563,000)	-3.4%
2028	16,704,000	16,134,000	(570,000)	-3.4%
2029	16,850,000	16,275,000	(575,000)	-3.4%
2030	17,060,000	16,478,000	(582,000)	-3.4%
2031	17,300,000	16,710,000	(590,000)	-3.4%

**Total Gross Toll Revenue - Alternative 1: Uniform 15% toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 1	Difference vs. Baseline	
			Value	Percent
2020	\$13,753,715	\$13,753,715	\$0	0.0%
2021	\$17,563,000	\$17,563,000	\$0	0.0%
2022	\$24,584,000	\$26,233,000	\$1,649,000	6.7%
2023	\$28,672,000	\$31,176,000	\$2,504,000	8.7%
2024	\$30,389,000	\$33,037,000	\$2,648,000	8.7%
2025	\$30,600,000	\$33,265,000	\$2,665,000	8.7%
2026	\$31,429,000	\$34,188,000	\$2,759,000	8.8%
2027	\$31,671,000	\$34,456,000	\$2,785,000	8.8%
2028	\$31,932,000	\$34,744,000	\$2,812,000	8.8%
2029	\$32,839,000	\$35,755,000	\$2,916,000	8.9%
2030	\$33,104,000	\$36,048,000	\$2,944,000	8.9%
2031	\$33,400,000	\$36,375,000	\$2,975,000	8.9%

**Adjusted Gross Toll Revenue - Alternative 1: Uniform 15% toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 1	Difference vs. Baseline	
			Value	Percent
2020	\$11,851,190	\$11,851,190	\$0	0.0%
2021	\$15,087,000	\$15,087,000	\$0	0.0%
2022	\$21,950,000	\$23,527,000	\$1,577,000	7.2%
2023	\$25,940,000	\$28,269,000	\$2,329,000	9.0%
2024	\$27,510,000	\$29,950,000	\$2,440,000	8.9%
2025	\$27,732,000	\$30,189,000	\$2,457,000	8.9%
2026	\$28,538,000	\$31,086,000	\$2,548,000	8.9%
2027	\$28,762,000	\$31,332,000	\$2,570,000	8.9%
2028	\$29,021,000	\$31,616,000	\$2,595,000	8.9%
2029	\$29,899,000	\$32,593,000	\$2,694,000	9.0%
2030	\$30,146,000	\$32,864,000	\$2,718,000	9.0%
2031	\$30,437,000	\$33,185,000	\$2,748,000	9.0%



**Total Toll Transactions - Alternative 2: Uniform \$0.25 toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 2	Difference vs. Baseline	
			Value	Percent
2020	7,369,770	7,369,770	-	0.0%
2021	9,308,000	9,308,000	-	0.0%
2022	13,077,000	12,721,000	(356,000)	-2.7%
2023	14,970,000	14,440,000	(530,000)	-3.5%
2024	15,958,000	15,394,000	(564,000)	-3.5%
2025	16,157,000	15,586,000	(571,000)	-3.5%
2026	16,282,000	15,707,000	(575,000)	-3.5%
2027	16,492,000	15,910,000	(582,000)	-3.5%
2028	16,704,000	16,114,000	(590,000)	-3.5%
2029	16,850,000	16,255,000	(595,000)	-3.5%
2030	17,060,000	16,457,000	(603,000)	-3.5%
2031	17,300,000	16,689,000	(611,000)	-3.5%

**Total Gross Toll Revenue - Alternative 2: Uniform \$0.25 toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 2	Difference vs. Baseline	
			Value	Percent
2020	\$13,753,715	\$13,753,715	\$0	0.0%
2021	\$17,563,000	\$17,563,000	\$0	0.0%
2022	\$24,584,000	\$26,330,000	\$1,746,000	7.1%
2023	\$28,672,000	\$31,315,000	\$2,643,000	9.2%
2024	\$30,389,000	\$33,189,000	\$2,800,000	9.2%
2025	\$30,600,000	\$33,416,000	\$2,816,000	9.2%
2026	\$31,429,000	\$34,347,000	\$2,918,000	9.3%
2027	\$31,671,000	\$34,616,000	\$2,945,000	9.3%
2028	\$31,932,000	\$34,905,000	\$2,973,000	9.3%
2029	\$32,839,000	\$35,922,000	\$3,083,000	9.4%
2030	\$33,104,000	\$36,215,000	\$3,111,000	9.4%
2031	\$33,400,000	\$36,545,000	\$3,145,000	9.4%

**Adjusted Gross Toll Revenue - Alternative 2: Uniform \$0.25 toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative 2	Difference vs. Baseline	
			Value	Percent
2020	\$11,851,190	\$11,851,190	\$0	0.0%
2021	\$15,087,000	\$15,087,000	\$0	0.0%
2022	\$21,950,000	\$23,616,000	\$1,666,000	7.6%
2023	\$25,940,000	\$28,391,000	\$2,451,000	9.4%
2024	\$27,510,000	\$30,086,000	\$2,576,000	9.4%
2025	\$27,732,000	\$30,328,000	\$2,596,000	9.4%
2026	\$28,538,000	\$31,232,000	\$2,694,000	9.4%
2027	\$28,762,000	\$31,480,000	\$2,718,000	9.4%
2028	\$29,021,000	\$31,765,000	\$2,744,000	9.5%
2029	\$29,899,000	\$32,748,000	\$2,849,000	9.5%
2030	\$30,146,000	\$33,018,000	\$2,872,000	9.5%
2031	\$30,437,000	\$33,342,000	\$2,905,000	9.5%

**Calendar Year 2021 Rate Increase schedule**

<b>Date</b>	<b>Milestone</b>
June 15 WSTC Meeting	Review Proposals & Approve Final Low-Income Tolling Study Report
June 24	Transportation Revenue Forecast Update
<i>Mid June – Mid July</i>	<i>Public Input Period to Inform Final Toll Rate Proposal</i>
July 20 WSTC Meeting	Propose Permanent Rates (File CR-102)
<i>Late July – Hearing Date</i>	<i>Public Comment Period on Proposed Permanent Toll Rate Proposal</i>
On or after August 24	Public Hearing & Adoption for Permanent Toll Rate Proposal (File CR-103P)
October 1	Proposed new toll rates take effect

## **Transportation Revenue Forecast Council June 2021 TNB Toll Alternative Forecast: Toll Rate Increase**

### **TNB Current and Proposed Toll Rates**

The Tacoma Narrows Bridge (TNB) passenger car toll rates are \$5 for *Good To Go!* account holders, \$6 for tollbooth customers and \$7.00 for post-paid Pay By Mail transactions. Vehicles with multiple axles pay a multiple of the passenger car rate equal to half the 2-axle toll times the number of axles for up to six axles.

The June TNB alternative forecast proposal is based on the Washington State Transportation Commission (WSTC) proposals presented to the public for comment in June 2021. The proposed toll rates are 25 cent higher for all toll rates, using the same formula for multi-axle rates. Passenger car rates would rise to \$5.25 for *Good To Go!*, \$6.25 for tollbooths and \$7.25 for Pay By Mail. New rates would be effective on October 1, 2021.

### **TNB Loan & Subsidy for 2021-2023 Biennium**

In 2018 the Legislature passed SHB 2990 establishing legislative intent to mitigate future toll increases beyond a one-time toll rate increase of 25 cents beginning in FY 2022. To forestall rate increases to cover rising debt service costs the Legislature declared its intent to loan funds from other sources to the TNB Account in amounts needed to mitigate toll rate increases, up to a total loan amount of \$85 million. These loans would be repaid using toll revenue after debt service and deferred sales tax obligations have been met, extending the period of tolling as needed to repay.

### **Purpose of Proposed Toll Rate Increase**

This 25-cent increase being proposed by WSTC is consistent with the legislative intent defined in [RCW 27.46.190](#). Despite the impacts of COVID-19 on both toll rates and costs over the past year, the 2021 Legislature provided sufficient funding support to the TNB Account to implement its intent to mitigate future TNB toll rate increases. The 25 cent increase is intended to meet all TNB financial obligations and meet the Transportation Commission's \$10 million sufficient minimum balance policy for the facility.

### **Proposed Toll Rate Increase Results**

\$0.25 rate increase impacts Toll Traffic and Revenue as the following:

- Annual Toll Transactions are decreased by 0.5%, FY 2022 reduction (9 months) is 0.4%
- Annual Gross Toll Revenues are increased by 4.1%, FY 2022 increase (9 months) is 3.0%
- Annual Adjusted Gross Toll Revenues are increased by 4.2%, FY 2022 (9 months) increase is by 3.0%
- Ten-years FY 2022-2031 Adjusted Gross Toll Revenues are increased by \$34.9 million, or 4.1%

**Total Toll Transactions - \$0.25 toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative	Difference vs. Baseline	
			Value	Percent
2020	14,237,507	14,237,507	-	0.0%
2021	14,354,000	14,354,000	-	0.0%
2022	15,596,000	15,538,000	(58,000)	-0.4%
2023	15,942,000	15,862,000	(80,000)	-0.5%
2024	16,142,000	16,060,000	(82,000)	-0.5%
2025	16,345,000	16,261,000	(84,000)	-0.5%
2026	16,508,000	16,424,000	(84,000)	-0.5%
2027	16,673,000	16,588,000	(85,000)	-0.5%
2028	16,839,000	16,754,000	(85,000)	-0.5%
2029	17,008,000	16,922,000	(86,000)	-0.5%
2030	17,179,000	17,091,000	(88,000)	-0.5%
2031	17,351,000	17,263,000	(88,000)	-0.5%

**Total Gross Toll Revenue - \$0.25 toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative	Difference vs. Baseline	
			Value	Percent
2020	\$80,298,562	\$80,298,562	\$0	0.0%
2021	\$81,597,000	\$81,597,000	\$0	0.0%
2022	\$87,404,000	\$90,016,000	\$2,612,000	3.0%
2023	\$89,194,000	\$92,850,000	\$3,656,000	4.1%
2024	\$90,163,000	\$93,860,000	\$3,697,000	4.1%
2025	\$91,142,000	\$94,885,000	\$3,743,000	4.1%
2026	\$91,902,000	\$95,682,000	\$3,780,000	4.1%
2027	\$92,824,000	\$96,641,000	\$3,817,000	4.1%
2028	\$93,751,000	\$97,608,000	\$3,857,000	4.1%
2029	\$94,690,000	\$98,586,000	\$3,896,000	4.1%
2030	\$95,638,000	\$99,573,000	\$3,935,000	4.1%
2031	\$96,596,000	\$100,571,000	\$3,975,000	4.1%

**Adjusted Gross Toll Revenue - \$0.25 toll increase**

Fiscal Year	Baseline (June 2021 TRFC)	Alternative	Difference vs. Baseline	
			Value	Percent
2020	\$75,466,053	\$75,466,053	\$0	0.0%
2021	\$76,027,000	\$76,027,000	\$0	0.0%
2022	\$81,000,000	\$83,451,000	\$2,451,000	3.0%
2023	\$82,835,000	\$86,277,000	\$3,442,000	4.2%
2024	\$83,914,000	\$87,397,000	\$3,483,000	4.2%
2025	\$85,009,000	\$88,539,000	\$3,530,000	4.2%
2026	\$85,897,000	\$89,475,000	\$3,578,000	4.2%
2027	\$86,759,000	\$90,370,000	\$3,611,000	4.2%
2028	\$87,629,000	\$91,274,000	\$3,645,000	4.2%
2029	\$88,506,000	\$92,188,000	\$3,682,000	4.2%
2030	\$89,392,000	\$93,111,000	\$3,719,000	4.2%
2031	\$90,288,000	\$94,045,000	\$3,757,000	4.2%

**Calendar Year 2021 Rate Increase schedule**

<b>Date</b>	<b>Milestone</b>
June 15 WSTC Meeting	Review Proposals & Approve Final Low-Income Tolling Study Report
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