

Bay Area Infrastructure Financing Authority
Network and Operations Committee

June 12, 2026

Agenda Item 4b – 26-0583

**Fiscal Year (FY) 2025-26 Bay Area Infrastructure Financing Authority (BAIFA) Statement
of Revenues and Expenses for the Period Ended March 31, 2026 (Unaudited)**

Subject:

Statement of Revenues and Expenses for the Period Ended March 31, 2026 (unaudited).

Background:

BAIFA manages the operations of Metropolitan Transportation Commission (MTC)'s express lanes on Interstate 680 (I-680), Interstate 880 (I-880), and Interstate 80 (I-80), which began toll collections on December 16, 2025. BAIFA uses FasTrak[®], the electronic toll payment system, which is managed by the Bay Area Toll Authority (BATA), to collect cash-free tolls on the express lanes. BAIFA also operates the express lane tolling on the Highway 101 in San Mateo County (SM Highway 101) under a cooperative agreement between BAIFA and the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA).

Operating Revenues:

BAIFA's main operating revenues are toll revenues collected through FasTrak[®] from BAIFA's express lanes. Current year-to-date toll revenues collected were \$57.8 million, an increase of \$3.4 million compared to the prior year-to-date actual. Approximately 69% of the total toll revenues, \$40.0 million, was from I-880 express lanes. The I-80 express lanes have generated \$2.8 million toll revenues during the three months since its opening. Violation revenues collected were \$7.3 million, which was about \$0.3 million lower than the prior year-to-date actual.

Interest and other revenues were \$9.5 million as of March 31, 2026, a decrease of \$0.7 million compared to the prior year-to-date actual. The decrease in interest income was due to a lower interest rate environment and yield curve movements negatively impacting market values.

The SM Highway 101 reimbursement revenue decreased by \$0.5 million by the end of the third quarter. The decrease is mainly a result of the timing difference in reimbursable invoices paid compared to the prior year.

Operating Expenses:

BAIFA's operating expenses are the expenses incurred from the express lane operations, such as FasTrak[®] operations and maintenance and roadway and backhaul operations and maintenance. As of March 31, 2026, total operating expenses were \$21.3 million, which was \$3.9 million higher than the prior year-to-date actual. The increase was primarily driven by the expenses of \$2.2 million from the newly opened I-80 express lanes and the timing difference of \$1.7 million in operation and maintenance expenses.

Transfers:

As of March 31, 2026, total transfer for BAIFA was \$66.8 million, a decrease of \$50.1 million compared to prior year-to-date actual. This decrease was due to timing difference in the quarterly transfer to capital funds. In FY2024-25, the transfer to capital funds was completed in one journal entry in the second quarter.

Budget Status Update:

As of the third quarter of FY 2025–26, BAIFA continues to demonstrate solid financial performance, with results largely aligned with the adopted budget and prior-quarter trends. Total operating revenues reached \$77.2 million, representing 66.1% of the annual budget. This performance reflects steady toll revenue generation from established corridors and interest earnings exceeding projections, contributing to positive performance results year-to-date.

Toll Revenues totaled \$57.8 million (62.0% of budget), driven primarily by robust performance on I-680 and I-880, benefiting from sustained demand and pricing performance. I-680 revenues reached \$15.0 million (91.5% of annual budget) remaining ahead of straight-line pacing. I-880 generated \$40.0 million (70.1% of budget) and is expected to stabilize until year-end. The I-80 Express Lanes, which began operations mid-December, recorded \$2.8 million (14.1% of budget) lower than its preliminary revenue assumption. The corridor is still at ramp-up phase as traffic volumes and pricing behavior are still developing but it is not expected to achieve its full year budget based on its first full quarter of actual data. Violation Revenues of \$7.3 million (91.5% of budget) continue to outperform expectations, attributed to ongoing enforcement and collection effectiveness, including continued catch up of DMV hold. Interest and Other Revenues reached \$9.5 million (105.1% of budget), reflecting favorable cash balances and higher-than-anticipated

interest rates. San Mateo County Hwy-101 reimbursements totaled \$2.6 million (39.7% of budget), lower than proportional pacing due to invoice timing, a variance expected to normalize by fiscal year-end.

Total operating expenses were \$21.3 million, or 44.1% of the annual budget, reflecting continued timing differences and later year concentration of costs. FasTrak® Operations and Maintenance expenses were \$5.1 million (36.2% of budget), remaining below straight-line pacing due to deferred contractual billings. Express Lanes & Backhaul O&M totaled \$7.5 million (39.5% of budget), with higher CHP enforcement and toll system maintenance costs partially offset by lower roadway maintenance activity. Express Lanes Administration costs reached \$4.2 million (48.5% of budget). Salaries and benefits are tracking as expected at this point in the year, while consulting costs remain modest relative to budget. San Mateo Hwy-101 tolling services expenses were \$4.5 million (69.1% of budget), exceeding reimbursements due to the timing of costs versus revenue recovery, consistent with the second-quarter narrative and expected to reconcile later in the year.

BAIFA generated an operating surplus before transfers of \$55.8 million (81.7% of budget) through the third quarter. Planned transfers totaling \$66.8 million were executed largely in line with the annual transfer plan, including funding for capital programs and reserves. After transfers, BAIFA recorded a net operating shortfall of \$10.9 million, which is anticipated at this stage of the fiscal year and covered by available reserves.

Overall, BAIFA's third-quarter financial results remain aligned with the FY 2025–26 approved budget. Established corridors continue to perform well against budget, administrative and operating costs remain manageable, and variances are primarily attributable to timing and ramp-up factors rather than underlying performance issues. BAIFA remains well-positioned to meet FY 2025–26 financial objectives, with continued monitoring of I-80 operations and reimbursement timing for San Mateo 101 through year-end.

Issues:

None identified.

Recommendations:

Information only.

Attachments:

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended March 31, 2026 (unaudited)



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