

**Bay Area Toll Authority
Oversight Committee**

July 10, 2024

Agenda Item 6b-24-0878

Information – Toll Bridge Stewardship

Subject:

Overview of the BATA toll bridge program, including traffic and revenue trends, tolls, expenditures and toll bridge capital program funding needs as discussed at the April 25, 2024, Commission Workshop. Staff seeks direction in light of pressures on the program and importance of the revenue stream in order to fund the maintenance of the bridges in a state of good repair.

Background:

At the April 25, 2024, Commission Workshop, staff provided an overview of the BATA toll bridge program and toll revenue portfolio, including investor communication, capital structure, debt issuance considerations, asset management and rehabilitation program funding needs.

As presented in April, nearly half the current \$7 bridge toll is directed toward voter-approved regional measures (\$3), which do not directly fund toll bridge rehabilitation needs. The remaining \$4 directed to toll bridge needs has remained flat since 2010 when BATA approved a toll increase to fully fund the seismic retrofit program. Since then, costs have risen with inflation and impacts from the pandemic have had a significant effect on BATA's toll revenues. Paid bridge traffic is approximately 80% of pre-pandemic levels, and the pandemic-accelerated transition to all electronic tolling has presented toll collection challenges and exacerbated the reduction in revenue from decreased traffic.

BATA has a responsibility to fund \$4.45 billion in Regional Measure 3 (RM3) projects, operating transfers directed by RM3 and Regional Measure 2 (RM2), bridge maintenance, and bridge rehabilitation totaling \$1.9 billion in the current 10-year capital improvement plan (CIP). In addition, BATA's bond indentures include covenants which require toll increases in certain circumstances and require specific coverage levels be met for the issuance of additional bonds.

As discussed at the April 25, 2024, Commission Workshop, BATA's Plan of Finance has long assumed a need to increase revenue for rehabilitation and modeled a toll increase in 2027 for this purpose. The BATA Ad Hoc Recovery Working Group, convened from 2020 to 2021, acknowledged the need to track post-pandemic traffic trends, costs and asset management needs to inform the timing and amount of a future toll increase to maintain the toll bridges in a state of good repair.

Issues:

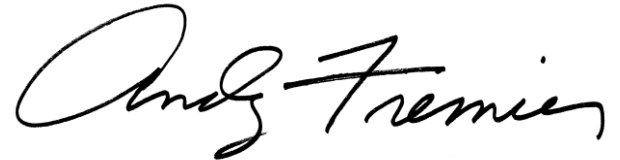
None identified.

Recommendations:

None. Information Only.

Attachments:

- Presentation

A handwritten signature in black ink that reads "Andrew B. Fremier". The signature is written in a cursive, flowing style.

Andrew B. Fremier