

Bay Area Toll Authority

Ad Hoc Recovery Committee

May 14, 2021

Agenda Item 3 - 21-0648

BATA Ad Hoc Recovery Committee Report

Subject: A report on BATA's Response to Impacts from the COVID-19 pandemic and recommended actions for Authority considerations.

Background: The COVID-19 pandemic has had a dramatic impact on toll traffic and revenues over the last year. Following the issuances of State and county-level shelter-in-place orders in mid-March 2020, toll traffic dropped 40 percent below prior years' traffic levels with a significant negative impact on toll revenues. Further, on March 31, 2020, the State removed cash toll collectors from the toll booths for health and safety reasons, necessitating the rapid deployment of all-electronic tolling (AET) by BATA.

With the reductions in revenues caused by the pandemic, BATA adopted an austere FY 2021 operating and capital budget in June 2020. For the first time, BATA had an operating deficit that required a draw its reserve to cover all operating expenses to maintain the safe operations and repair of the bridges. The Rehabilitation Program was significantly reduced in the near-term to prioritize on-going operations, maintenance and inspections and a limited number of projects in construction and near delivery.

More recently, toll traffic has recovered to approximately 80 percent of pre-pandemic levels in total, but recovery has been uneven across individual bridges, with substantially less traffic returning on the southern bridges. Of additional concern is the sustained reduction in high-occupancy vehicles and transit riders traveling across the bay and possible ramifications to future traffic congestion on the bridges.

In June 2020, Chair Haggerty appointed the BATA Recovery Ad Hoc Working Group to assist the Authority in understanding the impacts of the COVID-19 pandemic on the BATA toll bridges and approaches and to guide the Authority and Caltrans in addressing these impacts on bridge operations, maintenance, and rehabilitation.

The Ad Hoc Working Group reviewed the impact of the pandemic and BATA's initial response in three areas:

- I. Toll Revenues and Toll Bridge Operations, Maintenance and Rehabilitation
- II. Tolling Operations
- III. Traffic Operations on Bridges and Approaches

Based on this review, the Working Group provided direction for follow-up action by BATA on operations, budgeting, and policy in the short- and long-term.

Staff has developed a multi-year Action Plan for the Working Group's approval and referral to BATA, shown in Exhibit 1, that reflects a two-pronged approach, with efforts focused on both (A) securing funding and maintaining a state of good repair and (B) effective and efficient program administration.

The Action Plan presents a strategy for funding key projects to support a state of good repair, open road tolling and mobility over the next ten years. The funding strategy includes both toll funding and supplemental, non-toll funding, which are in both cases subject to future board actions. Priorities for toll funding will be vetted by BATA in conjunction with approval of the FY 2021-22 budget and future budgets. The need to make trade-offs among competing regional priorities will be at least as fierce when seeking supplemental, non-toll funding from future State and Federal sources since these may be used to fund a wide variety of projects.

Recommendation: Approval by the Ad Hoc Working Group to move the proposed BATA Recovery Ad Hoc Working Group Action Plan and Timeline forward for presentation to the BATA Oversight Committee and ultimately for approval by BATA.

Attachments: None

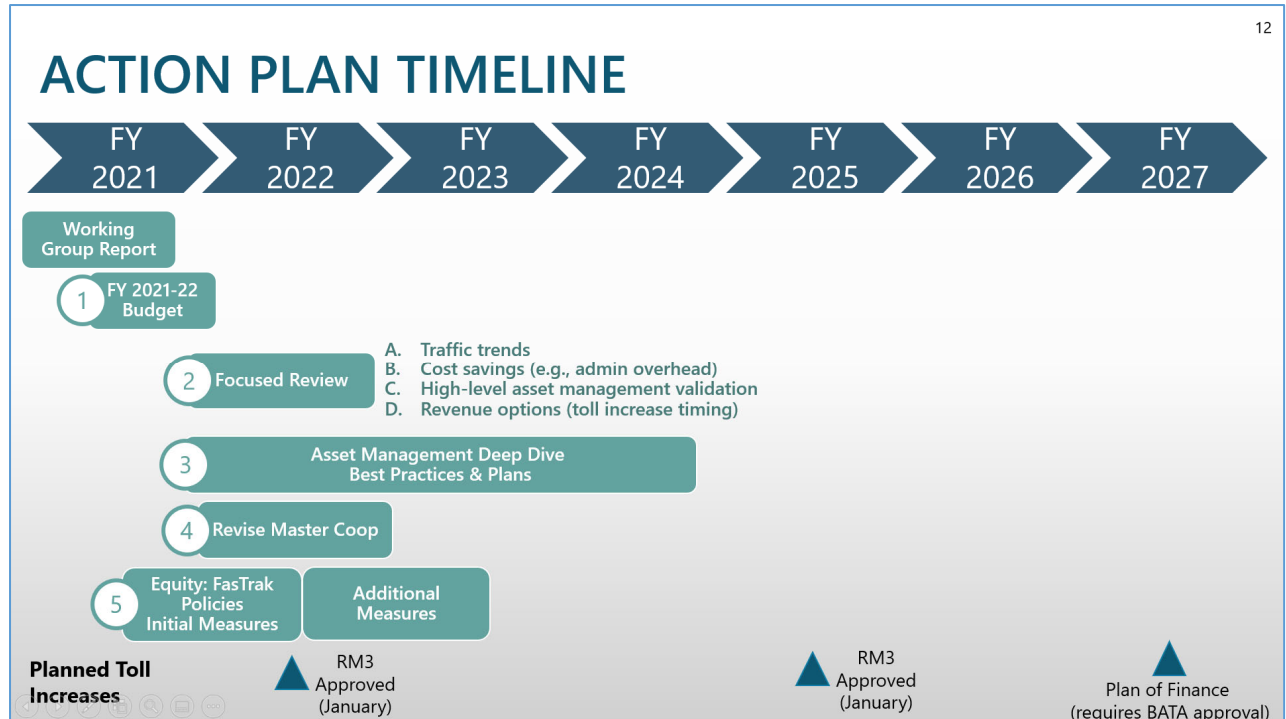


Therese W. McMillan

**Exhibit 1: Proposed BATA Recovery Ad Hoc Working Group
Action Plan and Timeline**

ACTION PLAN	
A. <u>Funding & State of Good Repair</u>	
1. Proceed with Core Projects in FY 2022 Budget	<ul style="list-style-type: none">• Request additional toll funding in the FY 2021-22 Budget for core, bridge safety projects, recognizing near-term draw on reserve.• Seek supplemental state/federal funding, recognizing this will require weighing priorities and trade-offs for each funding program.
2. Undertake Focused Review of Annual Rehabilitation Funding Needs and Recommend Next Steps (6-12 months)	<ul style="list-style-type: none">• Track return of traffic• Pursue cost savings• Complete high-level asset management review• Review revenue options, including replenishment of reserves
3. Implement a Deep Dive Asset Management Program (1-3 years)	<ul style="list-style-type: none">• Institute Asset Management best practices (ISO 55000 or comparable).• Develop detailed Bridge Asset Management Plans for all toll bridges.• Add dedicated staffing/consultant support starting in the FY 2022 Budget.
B. <u>Program Administration</u>	
4. Strengthen the BATA/Caltrans Partnership and Revise the Master Cooperative Agreement (1 Year)	<ul style="list-style-type: none">• Articulate a common understanding of shared risks, building on experience.• Formalize a joint executive decision-making process to reflect shared risk.• Commit to creative delivery for transit priority projects.• Reflect current responsibilities such as BATA maintenance and All Electronic Toll collection.
5. Address Equity in FasTrak® Policies (1 Year and Continuing)	<ul style="list-style-type: none">• Initiate review of current policies, including violation penalties and procedures, and identify low-hanging fruit for quick implementation as well as more complex measures that may require additional time to implement.
6. Leverage State Legislative Bills to Advance Transit Priority Opportunities (6 months)	

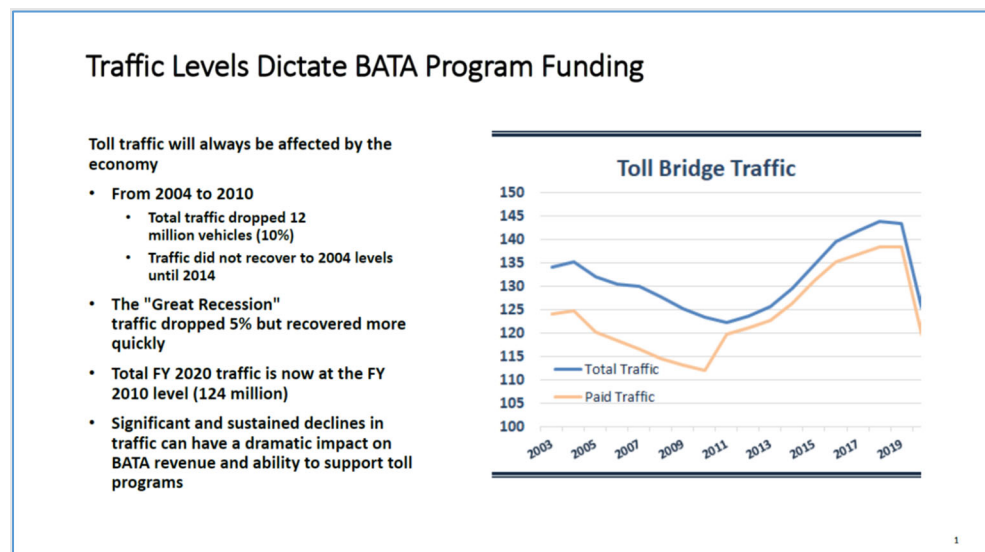
- Advocate for language in bills currently under consideration that will enable Caltrans and BATA to quickly and effectively implement transit priority projects in BATA bridge corridors.



I. Impacts to Toll Revenues and Toll Bridge Operations, Maintenance and Rehabilitation

Background

The COVID-19 Pandemic has had a dramatic impact on toll traffic and revenues over the last year. Following the issuances of State and county-level shelter-in-place orders in mid-March 2020, toll traffic dropped 40 percent below the prior pre-COVID traffic levels, to approximately the level of traffic in 2010 that followed the “Great Recession” with a significant negative impact on toll revenues.



**Significant Declines in Traffic Due to COVID-19 Pandemic
(Slide from August 21, 2020 BATA Ad Hoc Meeting)**

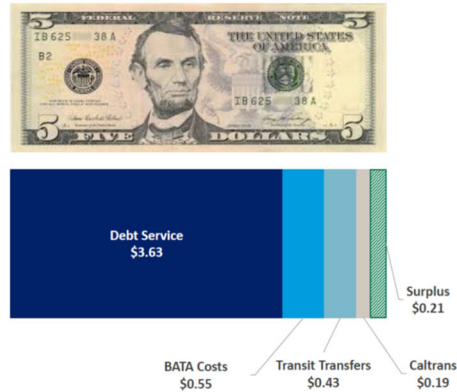
Initial Actions

With the reductions in revenues caused by the pandemic, BATA adopted an austere FY 2021 operating and capital budget in June 2020. For the first time, BATA had an operating deficit that required a draw its reserve to cover all operating expenses and fund capital expenditures in the Toll Bridge Rehabilitation Program.

The Rehabilitation Program had been funded by BATA as a “paygo” program from operating surpluses (total toll revenues less debt service, operating and maintenance expenses). At a \$5 toll rate and pre-COVID traffic levels, tolls had been sufficient to generate some surplus revenue for rehabilitation projects, as illustrated below. However, with reduced traffic levels, no surpluses were projected for FY 2021 and a draw on BATA’s reserve was required to meet prior rehabilitation program and project commitments.

Tolls Alone Are Not Sufficient to Fund BATA Operations & Capital

- A \$5 toll is sufficient to fund operations, maintenance and debt service on bridge and voter approved projects
- Fixed costs represent 96% of total toll dollars*
- Capacity to fund paygo capital costs is limited to surplus



*Assumes FY2019 toll revenue of \$725 million

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Capacity to Fund Capital Costs Was Limited to Surplus Available Prior to COVID-19 (Slide from August 21, 2020 BATA Ad Hoc Meeting)

BATA established a reserve to protect against regional emergencies that could threaten toll collection. The goal of the reserve is to protect toll operations for up to two years in the event of a regional emergency without the need to raise tolls. The reserve was established at \$1 billion and had not been utilized since its creation for operating expenses.



MANAGING THE TOLL BRIDGE REHABILITATION PROGRAM

Potential Eligible Projects (\$2.5B+)

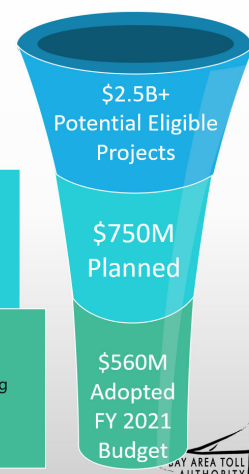
- Potential eligible projects on the bridges and approaches and tolling systems have been identified in the long-term but are **not yet optimized for need, priority, and cost.**

Planned in FY 2020 Rehab Program Budget, thru FY 2029 – Prior to COVID-19 (\$750M)

- In the normal, pre-COVID budget process, staff **optimized and refined bridge projects** for priority by evaluating need, cost and risks. Timing and costs of projects will evolve as studies are completed.

Adopted in FY 2021 Rehab Program Budget, thru FY 2029 (\$560M)

- In response to COVID-19, program reduced by \$190M from \$750M to \$560M
- **Prioritized Projects** On-going operations, maintenance, and inspections; completing projects in construction; funding projects near delivery.
- **Other projects rescoped or postponed** including ORT and some preventative maintenance projects on bridges.



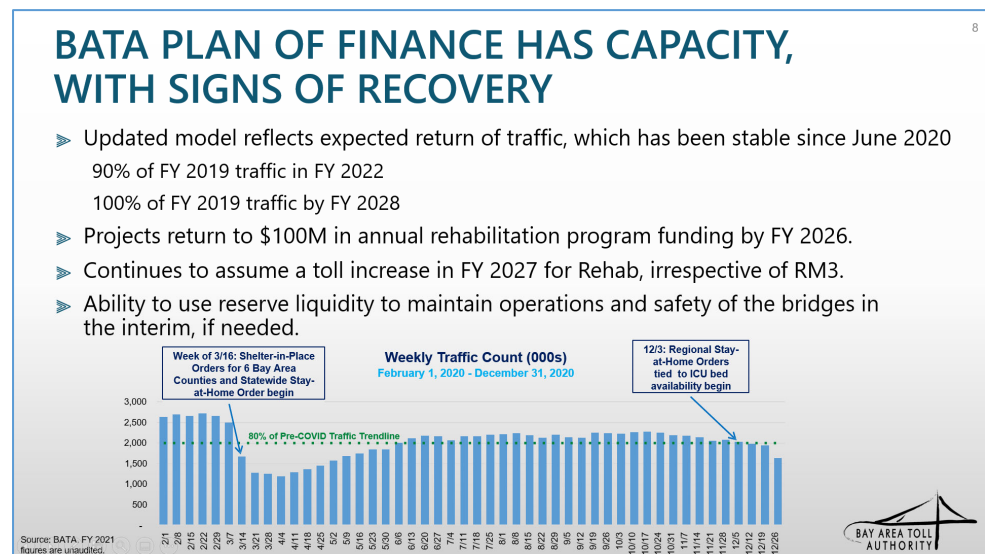
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Toll Bridge Rehabilitation Program (Slide from March 5, 2021 BATA Ad Hoc Meeting)

The Toll Bridge Rehabilitation Program focuses on preserving and restoring the bridges and toll collection systems. Since 2007, BATA has funded over \$1.5 billion in rehabilitation projects and will need to continue to invest in the bridges to maintain a state-of-good repair.

Prior to COVID-19, BATA had planned to fund \$750 million in Toll Bridge Rehabilitation Program projects through FY 2029. In response to the revenue reductions due to COVID-19, BATA had to quickly recalibrate priorities and reduce the program by \$190 million to \$560 million through FY 2029, as shown above. No projects were cancelled, but BATA needed to rescope, slow, or otherwise postponed projects to address the loss in toll revenue. Staff kept the safety of the bridges and traveling public as BATA's and Caltrans' highest priority and focused on continued funding for:

- On-going operations, maintenance and inspections
- Completing projects in construction
- Funding projects near delivery



BATA Plan of Finance
(Slide from March 5, 2021 BATA Ad Hoc Meeting)

Assuming a return to FY 2019 traffic levels by FY 2028, the Plan of Finance forecasts a return to operating surpluses and \$100 million in annual funding by FY 2026 for the Toll Bridge Rehabilitation Program, prior to a planned toll increase in 2027 to fund major bridge repairs and/or replacement expected as certain bridges age. (See image above.)

The targeted \$100 million annual funding level for Toll Bridge Rehabilitation is based on a BATA commissioned study by KPMG in 2017 that assessed the planned maintenance, repair, and rehabilitation schedules for the bridge system. This study is being reviewed and updated. Further, there remains the ability to draw upon the reserve liquidity to maintain the operations and safety of the bridges in the interim, if needed but is not unlimited.

Challenges

The FY 2021 Toll Bridge Rehabilitation Program budget was developed and adopted soon after the shelter-in-place and stay-at-home orders were issued in late March 2020. As noted, while prioritizing bridge and operations safety, BATA reacted quickly to recalibrate priorities and reduce near-term expenditures to meet the uncertain funding. The delay in funding has the potential to slow the momentum of several planned core BATA rehabilitation projects, including implementation of open road tolling. Through the work with the Ad Hoc Working Group, staff identified the following challenges to be addressed:

1. Prioritizing core bridge and operational safety and integrity projects and identifying additional toll and other supplemental funding for the BATA Rehabilitation Program projects beginning with the FY 2022 BATA Budget.
2. Improving the BATA/Caltrans Asset Management process on the Toll Bridges to better manage the program and inform BATA on the needs of the bridges relative to the toll increase for bridge rehabilitation identified in the BATA Plan of Finance.
3. Expediting project delivery and seeking cost savings and efficiencies with Caltrans.

Future Actions

1. Restore Toll Bridge Rehabilitation Program Funding with Toll and Supplemental Funding for Core Bridge Projects starting in the FY 2022 Budget

For FY 2022, traffic is projected to reach 90 percent of FY 2019 pre-COVID levels and could produce positive paygo funding for capital, as shown above. As a priority, the Ad Hoc Working Group recommended maintaining bridge safety and integrity. Staff presented core projects for toll funding priority. These core projects included repair of the fire suppression system at the Yerba Buena Island tunnel, open road tolling, and bridge paint projects. Restoration of toll funding will require future approval by BATA as part of the BATA Operating and Capital Budget.

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REHABILITATION PROGRAM FUNDING OUTLOOK

- FY 2022 traffic projection is 90% of FY 2019 total
 - 14% increase in traffic from FY 2021
- FY 2022 estimate could produce positive paygo capital

Toll Revenue	\$652M
Other Revenue	\$120M
<u>Operating Exp</u>	<u>(\$724M)</u>
Net Revenue (available for capital)	\$ 48M
<u>Rehab avg</u>	<u>(\$100M)</u>
Reserve draw	(\$ 52M)
- FY 2022 will still require reserve draw for paygo capital at average of planned 10-year rehab program funding
- Current 10-year plan will require estimated \$150 M additional reserve draw until traffic recovery estimated in FY 2025




Annual Budget (millions \$)

	2017	2018	2019	2020
Toll Revenue	\$ 721	\$ 727	\$ 725	\$ 627
Operating Costs	\$ 84	\$ 95	\$ 102	\$ 100
Transfers	57	64	66	62
Debt Service	521	526	526	517
Total Costs	\$ 662	\$ 685	\$ 694	\$ 679
Operating gain/(loss)	\$ 59	\$ 43	\$ 31	(\$ 52)
Other Revenue*	114	126	173	149
Other Expenses	-	-	(1)	(7)
Available for Capital	\$ 173	\$ 169	\$ 202	\$ 90
Project Costs				
Bridge Rehabilitation	(134)	(132)	(76)	(87)
RM2	(83)	(78)	(28)	(45)
1171	(39)	(6)	(2)	(4)
Other	-	-	(50)	(31)
Project Total	(256)	(216)	(156)	(167)
Reserve Increase/(Draw)	\$ (84)	\$ (47)	\$ 46	\$ (77)

* Build America payment, violations, interest




Rehabilitation Program Funding Outlook
(Slide from April 5, 2021 BATA Ad Hoc Meeting)

To fund core priority Toll Bridge Rehabilitation Program projects, staff is proposing to utilize available paygo and draw upon the reserve as needed to provide a total of \$126 million in toll funding in FY 2022, as shown below.

① PROCEED WITH KEY PROJECTS IN FY 2021-22				
	PRIORITY PROJECTS	BATA FUNDED CORE	SUPPLEMENTAL, SUBJECT TO EXTERNAL APPROVALS	NOTES
 BRIDGE INTEGRITY	<ul style="list-style-type: none"> SFOBB Yerba Buena Isl. Tunnel Fire Suppression (\$11M) Contingency and emergency work (\$22M) Various: bridge paint, misc. electrical mechanical, SFOBB fender (\$26M) 	\$59M	\$2M (Caltrans)	<ul style="list-style-type: none"> Pursue up to \$94M in COVID-19 Relief Highway Funding for future eligible Rehabilitation Projects (e.g., Paint)
 TOLL COLLECTION	<ul style="list-style-type: none"> Open Road Tolling (\$20M) 	\$17M	\$3M (BATA/CTC)	<ul style="list-style-type: none"> \$3M SB-1 Local Partnership Program Formula
 APPROACHES, FACILITIES & OTHER	<ul style="list-style-type: none"> Richmond-San Rafael Bridge HOV Lane (\$2M) Bay Skyway (\$3M) Link Design(\$6M) Richmond-San Rafael Bridge Share Use Path Gap Closure (\$5M) 	\$8M	\$9M (BATA/CTC/MTC or Caltrans/Fed)	<ul style="list-style-type: none"> \$2M Quick Strike \$3M Alameda CTC \$4M Active Transportation Program
	Annual Capital Rehab	\$43M		Inspections, State Painters, Existing Electronic Toll Collection System
	TOTAL (10 YEARS)	\$126M	\$14M	

FY 2022 Toll Bridge Rehabilitation Program Proposal
(Updated Slide from April 5, 2021 BATA Ad Hoc Meeting)

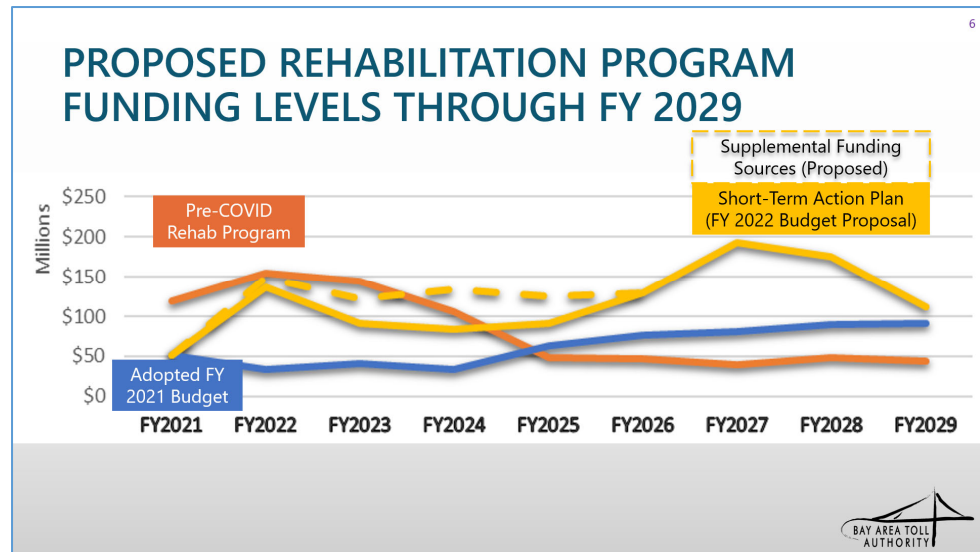
Over the 10-Year Rehabilitation Program in the FY 2022 Budget, staff proposes to restore funding to a level of nearly \$1.2 billion in toll revenue to maintain momentum on core BATA bridge safety and operations projects, as shown below.

10-YEAR PROGRAM – KEY PROJECTS PROPOSED FOR FY 2021-22 BUDGET				
	PRIORITY PROJECTS	BATA FUNDED CORE	SUPPLEMENTAL, SUBJECT TO EXTERNAL APPROVALS	NOTES
 BRIDGE INTEGRITY	<ul style="list-style-type: none"> SFOBB Yerba Buena Isl. Tunnel Fire Suppression (\$11M) Annual contingency for emergency work (\$76M) Preventative Maintenance Painting Projects on Richmond-San Rafael Br and SFOBB (\$300M) Various Br structural, deck repairs, electrical and mechanical, SFOBB fender and cable (\$271M) 	\$658M	\$94M (Caltrans)	<ul style="list-style-type: none"> Pursue up to \$94M in COVID-19 Relief Highway Funding for future eligible Rehabilitation Projects (e.g., Paint)
 TOLL COLLECTION	<ul style="list-style-type: none"> Open Road Tolling (\$80M) 	\$66M	\$14M (BATA/CTC)	<ul style="list-style-type: none"> \$14M SB-1 Local Partnership Program Formula Funds (next 2 cycles) on Bay Bridge Open Road Tolling
 APPROACHES, FACILITIES & OTHER	<ul style="list-style-type: none"> Bay Bridge Forward 2020 (\$5M) Richmond-San Rafael Bridge HOV Lane (\$7M) Bay Skyway (\$3M) Link Design(\$6M) Richmond-San Rafael Bridge Share Use Path Gap Closure. (\$5M) 	\$8M	\$22M (BATA/CTC/MTC or Caltrans/Fed)	<ul style="list-style-type: none"> \$5M SB-1 Local Partnership Program Formula \$3M Federal \$2M Quick Strike \$5M COVID-19 \$3M Alameda CTC \$4M Active Transportation Program
	Annual Capital Rehab	\$477M		Inspections, State Painters, Existing Electronic Toll Collection System
	TOTAL (10 YEARS)	\$1.2B	\$130M	

10 Year Toll Bridge Rehabilitation Program Proposal
(Updated Slide from April 5, 2021 BATA Ad Hoc Meeting)

Further, while BATA has funded voter-approved regional programs such as Regional Measure 2 with toll funding, BATA has not previously pursued supplemental non-toll funding for Toll Bridge Rehabilitation. With Ad Hoc Working Group support, staff proposes to seek and compete for supplemental, non-toll funding opportunities for both bridge rehabilitation and other bridge related projects.

In total, BATA is seeking a minimum of \$80 million in State/Federal funding from sources such as Senate Bill 1 Local Partnership Program Formula Funds, Federal COVID Relief funds directed to the State SHOPP, and Federal funding that may become available such as with Reauthorization or an infrastructure program. Funding is targeted for preventative maintenance (structural steel painting), Forward and Bay Skyway projects slated to proceed in the next few years. The funds are not guaranteed and MTC and other stakeholders will need to consider priorities and trade-offs attached to utilizing the various funding programs.



**Recalibrated Toll Bridge Rehabilitation Program Funding
(Updated Slide from April 5, 2021 BATA Ad Hoc Meeting)**

Should the staff proposals be successful, BATA Toll Bridge Rehabilitation Program funding would be restored to more than \$80 million per year, as shown above. Additional funding would be available should toll traffic return sooner than projected.

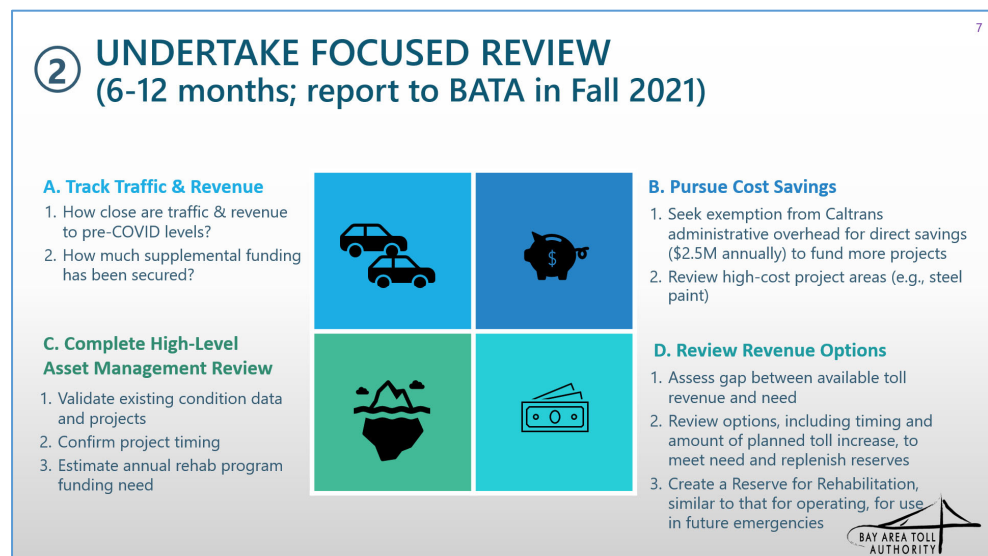
2. Undertake Focused Review of BATA Funding Needs and Recommend Next Steps

The COVID-19 pandemic will continue to impact BATA operations and revenues for the foreseeable future. While vaccinations and relaxation of social distancing, traffic is projected to return over time. The speed of the return of traffic and revenues will have a significant impact to BATA's ability to fund operations, projects and replenish the reserve. Further, a better understanding of the needs of the bridges is critical to the future funding needs of the bridges.

The Ad Hoc Committee discussed the need to keep BATA better informed and requested staff to continue regular updates to BATA on traffic, revenues, operations. In the next several months, BATA will undertake a focused review that involves

- Closely monitoring traffic and revenue as the region recovers from COVID-19 and pursues near-term supplemental, non-toll funding.

- Seeking cost savings that would allow BATA and Caltrans to deliver more rehabilitation projects with a given level of funding, such as those described under Future Action 3 described below.
- Completing a high-level asset management review to validate existing data on condition of the bridge assets and project timing to confirm the cost of achieving a state of good repair.
- Assessing the gap between revenue and costs and identifying options to ensure future funding stability and replenish BATA's reserve. This could include advancing the 2027 toll increase anticipated in the BATA Plan of Finance and/or creating a reserve dedicated to toll bridge rehabilitation, similar to that in place for operating expenses.



Focused BATA and Caltrans Review
(Updated Slide from April 5, 2021 BATA Ad Hoc Meeting)

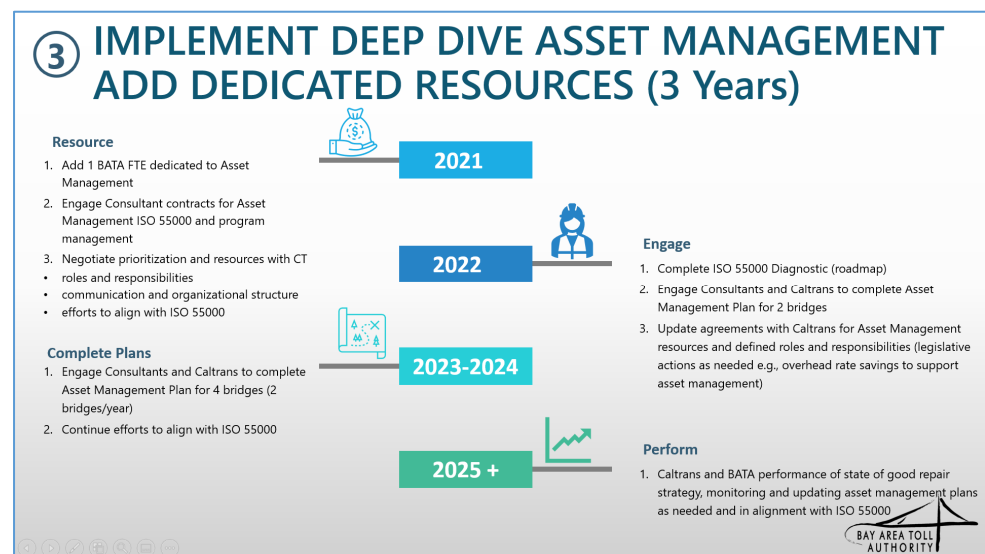
3. Commit to a Robust Toll Bridge Asset Management Program

While the bridges are in a state of good repair, the bridges will require ongoing investment, with more than \$2.5 billion in projects identified over next twenty years. The BATA Plan of Finance provides for on-going investment assuming bridge traffic returns to pre-COVID levels by 2028 and with a planned toll increase in 2027 and as prior debt is retired in the longer-term.

The Ad Hoc Working Group has highlighted the value of better understanding, documenting and communicating toll bridge rehabilitation needs to BATA and the public especially for a future toll increase.

A second element involves further commitment by BATA and Caltrans to the asset management effort that started with the Richmond-San Rafael Bridge.

- Staff proposes to review current asset management procedures and implement best practices for the efficient upkeep of the bridges, like ISO 55000.
- Staff proposes to develop Bridge Asset Management Plans on the remaining toll bridges to optimally maintain the bridges in a state of good repair over their remaining lifecycle. (See Roadmap image below.) The effort will require additional and on-going BATA, Caltrans and consultant resources to implement. Successful execution of this work will require developing a common understanding of both agencies' strengths and risk exposure.



**Toll Bridge Asset Management Roadmap
(Slide from April 5, 2021 BATA Ad Hoc Meeting)**

In addition, staff will pursue legislative or administrative opportunities for cost and schedule efficiencies. Most notably, this includes seeking an exemption from a requirement to pay Caltrans administrative overhead costs consistent with that extended to the Self-Help Counties.

4. Expedite Project Delivery and Seek Cost Savings and Efficiencies with Caltrans

While the COVID-19 pandemic has been challenging, it has also presented many agencies with opportunities to reshape and adapt their infrastructure.

MTC's Blue Ribbon Transit Recovery Task Force has identified transit priority on local streets and freeways as critical to meet regional mobility, equity and environmental goals and manage transit operating costs. Local cities have been able implement new transit prioritization, slow streets, and other mobility initiatives over the last year. BATA continues to work with Caltrans on delivery of innovative Forward initiatives in the bridge corridor and state highway system.

BATA staff is currently working to amend the BATA Caltrans Master Cooperative Agreement that stipulate the roles and responsibilities of each agency for the funding and operation of the seven State-owned toll bridges in the Bay Area. The Cooperative Agreement addresses a number of topics, including toll collection, toll bridge operations and maintenance, toll bridge rehabilitation, financial management, funding and project delivery.

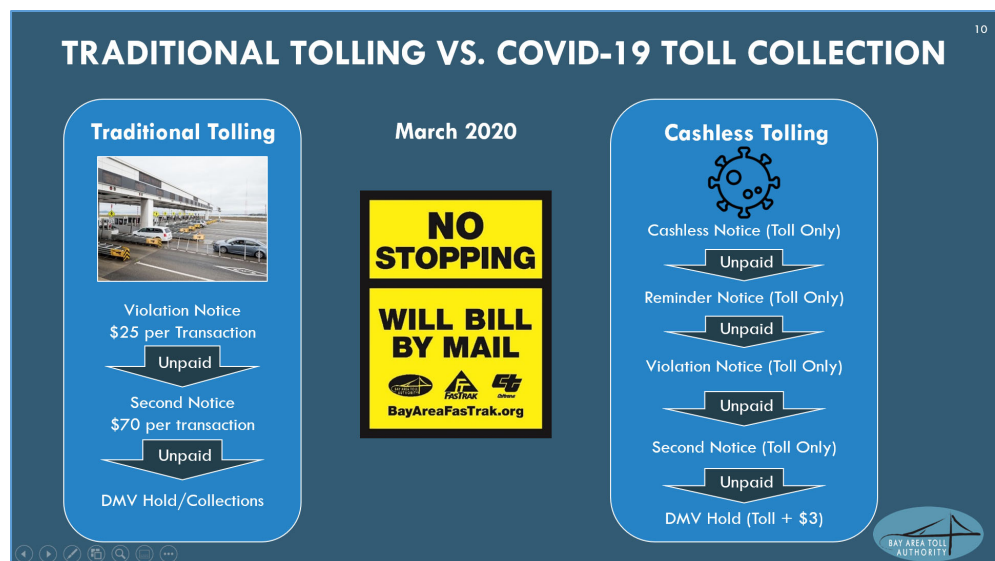
Revising the master cooperative agreement is an opportunity to partner with Caltrans to expedite delivery and address other issues. Staff proposes to update and revise the cooperative agreement to address current responsibilities and risks, to seek efficiencies in project delivery, and commit to a more robust asset management program. One key strategy to better manage risk and expedite decisions, thereby gaining cost-efficiencies, involves establishing a joint-decision making process involving executive staff from BATA, Caltrans District 4 and Caltrans Headquarters, as appropriate for certain BATA toll bridge asset management and structural matters.

II. Impacts to Tolling Operations

Background

On March 31, 2020, Caltrans removed cash toll collectors from the toll bridges for health and safety concerns related to COVID-19. With the suspension of cash toll collections, BATA initiated an all-electronic tolling (AET) process of direct invoicing by mail for those vehicles without FasTrak® that normally would have paid cash at the toll bridges.

BATA began “Cashless Tolling” operations immediately after the removal of toll collectors. Non-FasTrak® customers received a notice for the toll only, with no penalty for each trip. These no-penalty notices were intended as a short-term solution to maintain toll collection during the emergency COVID situation. In addition, BATA further suspended violations, penalties, and DMV holds until invoice functionality was deployed. (See illustration below.)



Initial COVID-19 Cashless Tolling Violation Fee Structure
(Slide from October 23, 2020 BATA Ad Hoc Meeting)

Initial Actions

BATA elected to expedite a previously approved five-year plan to implement robust AET. In this model, based on the existing invoicing model already used at the Golden Gate Bridge, non-FasTrak® customers receive a monthly invoice in the mail before receiving a toll violation, if the invoice is unpaid.

Starting January 1, 2021, monthly invoicing began on the State-owned bridges. Non-FasTrak® customers no longer receive single notices for each

unpaid toll. System upgrades now permit all unpaid tolls within a given month to be compiled into a single invoice. Prior approved fees, penalties and DMV holds were also reinstated. Roadway signage at the toll plazas and overhead approach structures was also partly updated, with additional improvements planned for the spring of 2021.

Challenges

The FY 2021 Toll Bridge Rehabilitation Program budget was developed and adopted soon after the shelter-in-place and stay-at-home orders were issued in late March 2020. To address the uncertain funding, BATA had to react quickly to recalibrate priorities and reduce near-term Toll Bridge Rehabilitation Program expenditures, including funds for open road tolling (ORT), which would remove the toll booths (no longer required with AET) and reconfigure the toll plaza to allow unimpeded and safer travel.

Further with the reinstatement of fees, penalties and DMV holds, the Ad Hoc Working Group requested a review of BATA's policies on fees and toll violation penalties to address affordability for residents earning a low-income.

Future Actions

1. Implement Open Road Tolling

The emergence of COVID-19 forced BATA to implement AET much faster than originally planned. Although this milestone has been achieved, the work to ultimately convert the bridges to open road tolling continues. Open road tolling has the potential to provide considerable safety benefits and is a key component of other regional transportation projects, including BATA's "Forward" projects to provide transit and carpool priority.

The current program schedule shows the first bridge converting to open road tolling in late 2023 and the last bridge (Bay Bridge) in 2026. BATA has started environmental clearance and civil design of the new open road tolling system and gantries. A new toll system integrator contract, with scope including replacement of BATA's aging toll system and providing updated equipment in the new open road tolling environment, is scheduled to be advertised and awarded later this year.

The estimated cost of the program is \$77 million with \$17 million in design costs and \$60 million to complete civil construction, toll system installation and customer service center integration over five years. The program was fully programmed in the BATA Toll Bridge Rehabilitation Program, however, due to COVID-19, some project funding was postponed in the FY 2021 Budget. To get the project back on schedule for completion by 2026, staff has developed a plan to fully fund the project within the multi-year Rehabilitation program in the

FY 2022 BATA Budget using toll revenue and supplemental Senate Bill 1 Local Partnership Program funds. Securing these funds is subject to future approvals by both BATA and CTC; BATA, in particular will need to consider the evolving landscape including other eligible projects, including traffic operations projects on the bridge approaches.

2. Address Equity of Violation and Fee Policies

Along with all electronic tolling, BATA staff is beginning the work to modernize FasTrak® tolling policies and procedures. The BATA Ad Hoc Committee requested a review of the fees and penalties that BATA currently applies to non-payment of tolls on the BATA bridges with an effective equity lens. In response, staff proposes to undertake a FasTrak Equity Action Plan, incorporating the four pillars of MTC's Equity Platform and leveraging experience from MTC's Clipper® STARTSM means-based transit fare discount program and BAIFA's FasTrak START means-based toll discount pilot.

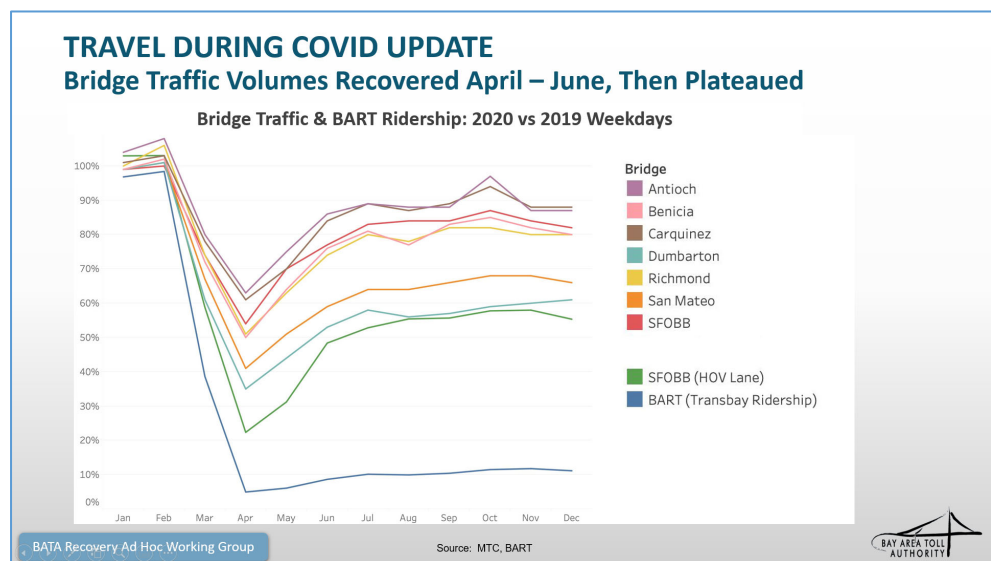
For most Bay Area households, transportation is the third-biggest monthly expense-trailing only the cost of housing and food. Staff aims to create a fair and just system that ensures access to transportation options and eases the toll payment process, while acknowledging and addressing barriers that affordability and enforcement can present. The policy updates will require a holistic approach that considers many aspects of customers interacting with the system. Staff will conduct a comprehensive review of current FasTrak® policies – from becoming a FasTrak customer (e.g., tag deposit, initial balance requirement, etc.), to keeping an account in good standing (e.g., grace periods and account balance notifications, more/easier ways for customers to load value to accounts, etc.), to enforcement and violations (e.g., violation penalties, administrative review procedures, etc.). Enforcement and violations have additional considerations as penalty fees may also generate additional burdens if unpaid fees result in high fines or the inability to renew vehicle registration.

BATA will need to engage community/customers to ensure the agency creates meaningful solutions that address their challenges and will have the most impact. Solutions must be deliberate, meaningful, and impactful, and it takes time to “listen and learn.” Staff will explore actions that can be taken immediately and develop plans for more extensive review and input in other areas.

III. Impacts on Traffic Operations on Bridges and Approaches

Background

While general bridge traffic has partly recovered from the COVID-19 lows in April and May of 2020 on the San Francisco-Oakland Bay Bridge, neither HOV3+ volumes on the San Francisco-Oakland Bay Bridge nor BART Transbay Ridership has recovered to the same level as general traffic on the span. (See image below.) The apparent reluctance of travelers to return to Transbay bus, BART, and carpooling puts the bridge corridors at risk for additional traffic congestion post-pandemic.



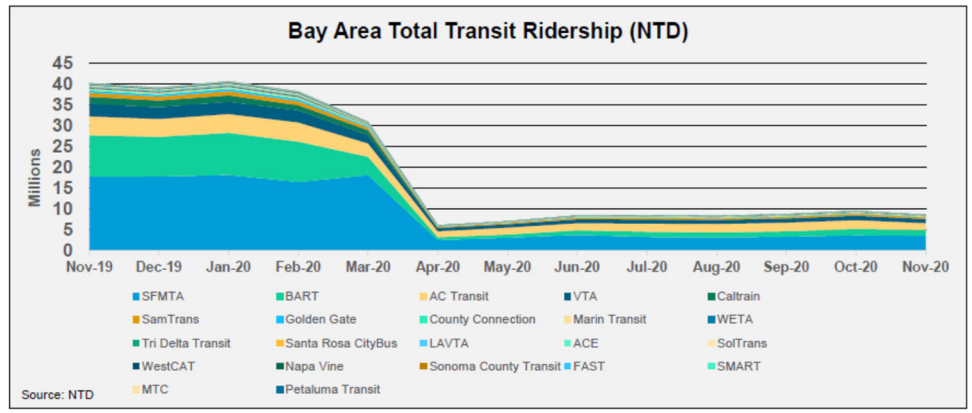
Bridge Traffic and BART Ridership During COVID
(Updated Slide from September 28, 2020 BATA Ad Hoc Meeting)

The drop in Transbay BART ridership mirrors declines in transit ridership across the region. Since April 2020, Bay Area transit ridership has declined 80 percent with the sharpest declines among operators that disproportionately carried peak hour commuters pre-pandemic such as BART, Caltrain, Golden Gate, and WETA, as shown below.

TRANSIT RIDERSHIP

Bay Area ridership has declined 80%, comparing April-November 2020 to the same period in 2019.

The sharpest declines are among operators that disproportionately carried peak hour commuters pre-pandemic such as BART, Caltrain, Golden Gate, and WETA. Small bus operators that served, and continue to serve, more transit-dependent riders have seen a somewhat greater ridership recovery.



Transit Ridership During COVID (Slide from February 24, 2021 MTC Operator Update)

Addressing the sustained declines in transit ridership has been a focus of the MTC Blue Ribbon Transit Recovery Task Force. The Task Force is assisting MTC in understanding the scale of the crisis facing all Bay Area transit systems because of the COVID-19 pandemic and is developing a Bay Area Public Transit Transformation Action Plan. The plan will describe the actions needed to re-shape the region's transit system into a more connected, more efficient, and more user-focused mobility network across the entire Bay Area and beyond.

Both the MTC Blue Ribbon Transit Recovery Task Force and BATA Recovery Ad Hoc Working Group have emphasized the need for transit prioritization to entice riders back to transit and other high occupancy modes. This emphasis is further reaffirmed by past direction from BATA Chair Haggerty and former State Assembly member Rob Bonta that seek transit priority improvements in the San Francisco-Oakland Bay Bridge corridor.

Initial Actions

Staff had already embarked on a series of Forward initiatives at the Dumbarton, Richmond-San Rafael, and San Francisco-Oakland Bay Bridges to vet and deliver projects on the bridges and approaches that provide transit and HOV priority, and supplement with active transportation enhancements where appropriate. These projects, while critical for the effective operation

of the BATA bridges as the region recovers from COVID-19, are in various stages of delivery and in some case still require funding and other approvals.



Toll Bridge Forward Projects
(Slide from September 28, 2020 BATA Ad Hoc Meeting)

Challenges

While many agencies used the lower traffic levels during COVID-19 as opportunities to reshape and adapt their infrastructure with initiatives like transit prioritization, slow streets, and other mobility projects, BATA has been challenged to quickly deliver these projects for several reasons, including lack of funding.

Future Actions

1. Seek Supplemental Funding for Forward Initiatives

With Ad Hoc Working Group support, staff proposes to seek and compete for supplemental, non-toll funding opportunities for Forward Initiatives. In total, BATA will seek \$80 million in State/Federal funding opportunities in the coming year including Senate Bill 1 Local Partnership Program Formula Funds, Federal COVID Relief funds directed to the State SHOPP, and Federal funding that may become available such as with Reauthorization or an infrastructure program. Funding is targeted for Forward and Bay Skyway Bicycle/Pedestrian projects. However, the funds are not guaranteed, MTC and others will need to consider priorities and trade-offs attached to the various funding programs. Staff will continue to assess opportunities for additional supplemental funding over time.

2. Improve the Ability of BATA and Caltrans to Deliver Transit Priority Projects

Revising the BATA/Caltrans master cooperative agreement is an opportunity to improve the project process with Caltrans to expedite delivery and address other issues. Staff proposes to update and revise the cooperative agreement within one year to address transit prioritization and coordinate highway and transit system management. The executive joint decision-making process recommended to address risk and partnership in the Asset Management program will also facilitate consistent direction, conflict resolution and risk management for transit priority projects, which often do not follow the traditional Caltrans project model.

In addition, several bills are currently being proposed that could improve our ability to deliver on transit prioritization efforts, including legislation on transit performance and coordination and a Bay Bridge Fast Forward program. The legislation offers opportunities to prioritize transit and streamline approval processes. Legislative initiatives sponsored by Assembly members Chiu and Bonta highlight key areas of overlap between the BATA Recovery Ad Hoc Working Group and the Blue Ribbon Transit Recovery Task Force. (See diagram below.)



Transit Recovery Opportunities Shared between MTC and BATA

Specifically, staff proposes principles such as authorizing MTC/BATA to: 1) designate regionally significant transit corridors on Caltrans' right of way in consultation with Caltrans, transit operators, county transportation authorities and stakeholders; and 2) implement transit priority improvements.

3. Expand Forward Initiatives to Other Toll Bridges

The Ad Hoc Working Group requested that staff pursue Forward type projects on the remaining bridges. Staff proposes to explore opportunities as part of the open road tolling projects being implemented on the bridges.