

Bay Area Infrastructure Financing Authority
Network and Operations Committee

April 10, 2026

Agenda Item 4c

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

Subject:

Statement of Revenues and Expenses for the Period Ended December 31, 2025 (unaudited).

Background:

BAIFA manages the operations of the Metropolitan Transportation Commission (MTC)'s express lanes on the 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 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 \$39.1 million, the same as the prior year-to-date actual. Approximately 72% of the total toll revenues, \$28.5 million, were from I-880 express lanes.

Violation revenues collected were \$4.9 million, about \$155,000 below the prior year-to-date actual.

Interest and other revenues were \$6.8 million as of December 31, 2025, an increase of \$0.9 million compared to the prior year-to-date actual. The increase in interest income was due to higher investment balances in the current year, despite a lower interest-rate environment and yield-curve movements that negatively impacted market values.

The SM Highway 101 reimbursement revenue decreased by \$0.6 million by the end of the second quarter. The decrease is mainly due to the timing difference in reimbursable invoices paid compared to the prior year.

Operating Expenses:

BAIFA's operating expenses are incurred from express lane operations, such as FasTrak® operations and maintenance, and from roadway and backhaul operations and maintenance. As of December 31, 2025, total operating expenses were \$11.2 million, which was \$2.6 million higher than the prior year-to-date actual. The increase was primarily driven by timing differences of \$1.1 million in administrative indirect costs and \$1.5 million in operations and maintenance expenses.

Transfers:

As of December 31, 2025, total transfer for BAIFA was \$44.5 million, a decrease of \$72.3 million compared to the prior year-to-date actual. This decrease was due to a timing difference in the quarterly transfer to capital funds. In FY 2024-25, the transfer to capital funds was completed annually in the second quarter.

Budget Status Update:

As of the second quarter of FY 2025–26, BAIFA generated \$52.2 million in total revenue, reaching 45% of the annual budget. Toll revenues totaled \$39.1 million, where I-680 made \$10.4 million, or a strong 63% of the budget, and I-880 raised \$28.5 million, or 50% of its budget, while I-80 posted \$200,000, or 1% of the full-year budget, due to early-year operating conditions that started in the middle of December 2025. When excluding the I-80 portion, which is still ramping up to regular operations, toll revenues from I-680 and I-880 are tracking in line with expectations for their combined budget. Violation revenue is tracking at 62% of the budget, largely due to consistent collection efforts, and in interest earnings at 76% of the budget, due to higher-than-expected interest earnings.

Total expenses were \$11.2 million, or 23% of the annual plan, reflecting invoice timing delays, lower early-year roadway maintenance activity, and deferred consulting work. Major operating areas, including FasTrak® and express lanes operations, California Highway Patrol enforcement, and toll system maintenance, remain below straight-line pacing and are expected to rise in the second half of the fiscal year. Administrative costs totaled \$2.8 million or 33% of the budget, with salaries trending at midyear levels and consulting work at 10% of the budget. Audit costs exceed the 50% spending benchmark due to milestone payments and insurance costs that reflect a full-year contribution.

BAIFA recorded an operating surplus before transfers of \$41.0 million at mid-year. Planned transfers were executed at approximately 50% of the annual budget, including \$25.8 million to the Capital Program, \$18.7 million to the Capital Reserve, and \$23,556 to MTC to fund staff costs for MTC projects. After transfers, BAIFA reported a net operating shortfall of \$3.5 million, in line with expectations given the scheduled mid-year capital funding. The shortfall is covered by the operating reserve, which is offset in the transfer between programs.

Corridor results remain consistent with planned performance. The I-680 and I-880 lanes continue to perform strongly, with total revenues at 65% and 53% of budget, respectively. The newly initiated I-80 Express Lanes remain in a ramp-up period with minimal early revenue and expenses at 5% of the budget. For the San Mateo 101 Express Lanes, expenses of \$1.8 million, or 27% of the budget, exceeded reimbursements of \$1.3 million, or 20% of the budget, due to billing timing. This variance is expected to be resolved as subsequent invoices are processed.

Overall, BAIFA financial results remain aligned with FY 2025–26 projections, with revenues for the established corridors continuing to perform steadily. The I-80 corridor is an exception at this time, where performance is still in the early stages of its inaugural operations and therefore too preliminary to assess against full-year targets. Operating costs are predominantly incurred in the latter months, and all transfers to support capital programs and reserves are occurring as budgeted.

Issues:

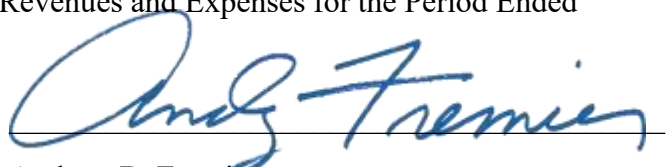
None identified.

Recommendations:

Information

Attachments:

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended December 31, 2025 (unaudited)



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