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Memorandum

TO: BATA Oversight Committee

DATE: May 4, 2011

FR: Executive Director

W. I. 1252

RE: Draft FY 2011-12 Toll Bridge Program Operating and Capital Budget

This memorandum presents the draft FY 2011-12 operating and capital budgets for the toll bridge program. Attachment 1 includes the line item detail for the FY 2011-12 operating budget as compared to the FY 2010-11 budget.

FY 2010-11 Toll Traffic & Revenues

As shown in Table 1, for FY 2010-11 (through March 2011), total traffic is about one percent less than in FY 2009-10. As staff has reported to the Committee, due to the toll charges implemented for carpools in July 2010, vehicles in the carpool lanes have decreased by about 35 percent (-2.5 million vehicles) and vehicles in the full fare lanes have increased by 2.0 percent (+1.6 million vehicles).

Table 1 - Toll Traffic – FY 2009-10 & FY 2010-11 (Through Third Quarter)

	FY 2009-10	FY 2010-11	Percent Change
Full Fare Toll Paying Vehicles	83,144,761	84,797,382	2%
Reduced Fare Carpool Vehicles	6,973,331	4,499,266	-35%
Total Vehicles	90,118,092	89,296,648	-1%

As shown in Table 2, total toll revenue collections through the third quarter of FY 2010-11 (through March 2011) are about \$445 million, which is only 0.5 percent less than budgeted.

Table 2 - Toll Revenues – FY 2010-11 Budget v. Actual (Through Third Quarter)

	FY 2010-11 Budgeted	FY 2010-11 Actual	Percent Change
Full Fare Toll Paying Vehicles	\$435,917,468	\$433,715,810	-0.5%
Reduced Fare Carpool Vehicles	\$11,250,000	\$11,248,165	0%
Total Revenue	\$447,167,468	\$444,963,975	-0.5%

FY 2011-12 Draft Budget

Revenue:

For FY 2011-12, staff is proposing total toll revenue collections of \$614 million, which is about \$18 million more than revenue estimates for FY 2010-11. The revenue estimate for FY 2011-12 is based on a projection of traffic volumes at current year levels and the planned toll increase for multi-axle (more than 2-axes) vehicles scheduled for implementation on July 1, 2011. The revisions to the Toll Schedule (BATA Resolution No. 90) for the state-owned bridges, adopted in January 2010, included a phased implementation of a toll increase for multi-axle vehicles, as shown in Table 3 on the following page.

Table 3 - Multi-axle (more than 2) Vehicle Toll Rates for FY 2011-12 and FY 2012-13

Axes	Current Toll	Toll Effective: July 1, 2011	Toll Effective: July 1, 2012
3	\$6.00	\$10.50	\$15.00
4	\$8.25	\$14.00	\$20.00
5	\$11.25	\$18.00	\$25.00
6	\$12.00	\$21.00	\$30.00
7+	\$13.50	\$24.25	\$35.00

Phasing the increase in the toll rates for multi-axle vehicles was implemented to delay the full increase on the commercial trucking industry while the economy improved. It is estimated that the increase in tolls for multi-axle vehicles will generate approximately \$18 million in added revenues in FY 2011-12 and an additional \$18 million in FY 2012-13 when the full increase is implemented.

Operating Expense:

- For FY 2011-12, the draft budget is estimated to total approximately \$61 million to maintain and operate the bridges, which is about one percent more than the operations budget in FY 2010-11 (\$60.4 million). The major highlights in the operations and maintenance portions of the budget include:
 - The Toll Collections line item for FY 2010-11 is projected to be \$20 million, which reflects a budget about the same as projected expenditures in FY 2010-11, but is about \$1.6 million less than the FY 2010-11 adopted budget. During FY 2010-11, BATA and Caltrans reduced the number of staffed lane hours on all of the bridges to reflect traffic demands in the manual toll lanes. For FY 2011-12, staff is proposing a steady budget, which reflects projected steady traffic volumes for FY 2011-12. However, during FY 2011-12, BATA and Caltrans staff will continue to seek opportunities to reduce the lane staffing to most effectively operate the toll plazas. As shown in Table 4 below, over the past 4 years, manual toll collection staffing levels and costs have both been reduced by about 17 percent, as toll lanes have been converted from manual toll collection to electronic toll collection.

Table 4 - FY 2010-11 Manual Toll Collections Budget

	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Projected	FY 11-12 Proposed	FY 08-09/ FY 11-12 Change
Toll Collection Costs (millions)	\$24	\$22	\$20	\$20	(\$4)
Toll Collection PYs	326	291	270	270	(56)

- Toll funds pay for Caltrans' bridge structure and toll facility maintenance for the state-owned bridges. For FY 2011-12, staff is proposing a total budget of \$7.9 million for Caltrans maintenance activities, which is the same as the FY 2010-11 budget for maintenance services.

- For FY 2011-12, staff is proposing a total budget of \$17.2 million for the operation of the FasTrak® Customer Service Center (CSC), which is about \$1.2 million more than the adopted budget for FY 2010-11. The added budget for FY 2011-12 is a result of staff's estimate of about 90,000 added FasTrak® accounts in FY 2011-12. BATA shares in the funding of the FasTrak® CSC with the Golden Gate Bridge, Highway & Transportation District and with Express Lanes and parking programs that use the FasTrak® program. For FY 2011-12, BATA's share of the total FasTrak® CSC cost is about \$13 million. At present, FasTrak® accounts for about 75% percent of transactions during the morning commute periods and about 60 percent of total transactions on the state-owned bridges.
2. For FY 2011-12, a total of about \$29 million is budgeted for BATA's Administration costs for the RM 1, SRP, and RM 2 toll bridge programs, which represents a 73% percent decrease from the FY 2010-11 budget. Almost all of the decrease in administration costs is due to BATA's financing costs decreasing from \$70 million in FY 2010-11 to \$19 million in FY 2011-12. The decrease in financing costs is because most of the currently authorized bond issuances were completed in FY 2010-11.
 3. For FY 2011-12, the BATA finance plan maintains operating reserves of two times operating costs.

Capital Programs:

Regional Measure 1 Toll Bridge Program

For FY 2011-12, Caltrans has requested a total net allocation of \$2.5 million to fund on-going support for construction oversight of the remaining Regional Measure 1 contracts. There is no change in program budget requested. Based upon BATA's financial plan, the current forecast for the remainder of the program is fundable. Table 5 below shows the distribution of allocations for FY 2011-12.

Table 5 - FY 2011-12 Regional Measure 1 Capital Support Allocations

Project	Total FY 2010-11 Support Allocation (millions)	Notes
Interstate 880/State Route 92 Interchange	\$2.3	Construction oversight support and design of follow-up landscaping contract.
Other RM1 Projects	\$0.2	For oversight of remaining mitigation and landscaping projects.
Total	\$2.5	

Toll Bridge Seismic Retrofit Program

For FY 2011-12, the Toll Bridge Program Oversight Committee recommends a support budget of \$106.2 million for Caltrans on-going construction oversight and design support costs for the San Francisco-Oakland Bay Bridge Retrofit, the Antioch Bridge Retrofit, and Dumbarton Bridge Retrofit Projects. This represents a 20% reduction from current year support expenditures, due primarily to the winding down of fabrication activity in Shanghai after the final shipment of steel this summer.

Table 6 - FY 2011-12 Seismic Retrofit Program Capital Outlay Support Allocations

Project	Total FY 2010-11 Support Allocation (millions)	Notes
SFOBB East Span Replacement	\$93.3	Design, construction, and inspection support
SFOBB West Approach	\$0.3	For oversight of remaining mitigation and landscaping projects.
Antioch Bridge Retrofit	\$3.7	Construction oversight support
Dumbarton Bridge Retrofit	\$8.9	Construction oversight support
Seismic Retrofit Program Total	\$106.2	

Toll Bridge Rehabilitation Program

BATA and Caltrans continually develop and update a ten-year program of bridge and related projects (Toll Bridge Rehabilitation Program) to maintain the safe and efficient operation of the bridges and associated facilities. The current 10-year plan includes a total of about \$670 million in projects over the 10-year period. The total project cost over the 10-year period is consistent with the expected toll revenues available for bridge rehabilitation project over the same time period. For FY 2011-12, staff is proposing fund allocations totaling \$117 million for Toll Bridge Rehabilitation Program projects, as shown in Table 7.

Table 7 - FY 2011-12 Toll Bridge Rehabilitation Program Capital Allocations

Toll Bridge Rehabilitation Projects	Capital Allocation (millions)	Support Allocation (millions)
Bridge Rehabilitation Projects	\$2.8	\$3.9
Plaza and Facility Rehabilitation Projects	\$5.7	\$1.4
Revenue Collection Upgrades and Toll Tag Procurement	\$13.5	\$0.5
FasTrak® Toll Plaza Improvements	\$1.5	\$0.8
Miscellaneous Bridge Projects and Bridge Inspection	\$15.0	\$1.8
Antioch Bridge Approach Improvements (SR4/SR160 Interchange)	\$50.0	\$0.0
Express Lanes Development	\$20.0	\$0.0
Totals	\$108.5	\$8.4

As shown in Table 7, the Rehabilitation Plan includes a \$50 million project to upgrade access to the southern approach of the Antioch Bridge at the State Route 4 / State Route 160 interchange. This project will be carried out by the Contra Costa Transportation Authority in partnership with Caltrans. The rehabilitation budget also includes \$20 million for continued planning and development of the regional Express Lanes network. The funding will allow for preliminary planning and scoping and initial engineering for potential near-term Express Lane projects in the vicinity of the toll bridges.

Recommendation

The draft budget is presented for the Committee's information. Staff will present the final budget for approval in June.

Steve Heminger

SH: rmc