

January 10, 2008

Celia Kupersmith, General Manager  
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Subject: Your letter of 12/20/07 – Responses to Doyle Drive pricing questions

Dear Ms. Kupersmith:

Thank you for writing. This letter provides background on the Doyle Drive project, reiterates the answers to the questions in your letter which were provided to you at the meeting on January 3, and incorporates the results of additional analysis completed since that time.

Doyle Drive was built in 1936 as the southern approach to the Golden Gate Bridge. It is a 70-year old facility with serious geometric design deficiencies, including the lack of shoulders, narrow lanes and the lack of a dividing barrier, which make it inherently dangerous for drivers to use; and with well-documented structural deficiencies, which make it vulnerable to earthquakes. Doyle Drive is a structure similar to the I-35 Bridge which recently collapsed in Minneapolis, except considerably older. It carries well over 90,000 trips per day. With a structural sufficiency rating of 2 over 100, as determined by federal agencies, Doyle Drive is the worst-rated bridge in the state, and the third worst in the nation. Because of the way the facility was built, during an earthquake the low viaduct may be subject to soil liquefaction effects like those that caused buildings to collapse in the Marina during the Loma Prieta Earthquake. Similarly, because of its design, the ongoing maintenance efforts notwithstanding, there is no feasible way, short of complete replacement of the structure, to effectively anchor the deck of the high viaduct to minimize movement in an earthquake. Even after the rehabilitation of the high viaduct (currently underway) is completed, its final structural sufficiency rating will be only 35 out of 100. The sufficiency rating of the I-35 Bridge at the time of its collapse was 50. The replacement of Doyle Drive is therefore a major public safety imperative.

There is no viable roadway alternative to carry the traffic volumes between San Francisco and the North Bay. Even a temporary closure of Doyle Drive would have tremendous impacts on the regional transportation system and cost the region's economy billions of dollars. It would also cost the GGBH&TD many millions of dollars in foregone toll revenues.

In 1997, at the request of the State, the San Francisco County Transportation Authority became the lead agency on the Doyle Drive Replacement Project. Since that time, we have worked diligently to develop and clear environmentally a design concept that reconciles the interests of five federal agencies and numerous state, regional and local agencies, including the GGBH&TD, as well as other groups with a stake in the replacement project and in the preservation of the Presidio National Park, within which Doyle Drive is located. After a lengthy and very public review process, the environmental impact analysis produced two final alternatives, the "replace and widen" alternative and the "Presidio Parkway" alternative, both of which have very similar costs. The Parkway was identified as the preferred alternative by all the stakeholders involved because it minimizes impacts on the Presidio and vastly increases direct access to the Presidio for all modes of transportation, including pedestrians, cyclists and transit users. The GGBH&TD has had staff representatives on the Doyle Drive studies from their very inception.

Over the summer, the U.S. Department of Transportation developed a new initiative called the Urban Partnerships, which sought to provide financial incentives to urban areas that committed to implementing roadway pricing strategies to reduce traffic congestion. The Authority teamed up with the Metropolitan Transportation Commission and other agencies to create an application that sought over \$400 million of the available funds and included roadway pricing projects around the region.



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We sought the participation of the GGH&TD in this process from the start, but the District declined. The DOT selected the Bay Area among only five urban areas in the country to receive an Urban Partnership Agreement (UPA) and offered the region \$158 million in discretionary funding for transportation projects primarily focused on Doyle Drive, and on the condition that the region obtain legislative authority to implement a pricing initiative on Doyle Drive by March 31, 2008. The UPA was finalized in the fall, giving us very little time to seek legislative authorization in Sacramento before the legislative session ended in October. With the resumption of legislative activity in Sacramento, we now have another opportunity to obtain enabling legislation by the DOT deadline.

The pricing initiative that DOT is proposing to fund through the UPA grant, is focused on reducing congestion at peak times on the Doyle Drive corridor itself, not in downtown San Francisco. By tolling the facility at different levels, the initiative seeks to incentivize some drivers to shift their commute hours, thus relieving the worst of the peak hour congestion and spreading the traffic more evenly over the day.

Over the past decade, the Authority has advocated vigorously for funding for the Doyle Drive Replacement Project at every level. In 2003, the voters of San Francisco approved Proposition K, a reauthorization of the local sales tax for transportation, and included funding for Doyle Drive. The Authority has also obtained federal earmarks for the project, as well as funding from state discretionary programs like the Traffic Congestion Relief Program, and last May it secured a \$405 million commitment from the State Highway Operations and Protection Program. It is important to highlight that the totality of the \$600 million so far secured for the project has been the result of San Francisco's advocacy and of Authority Board decisions to prioritize funds to which San Francisco is already entitled by formula, such as the county's share of the State Transportation Improvement Program, and which could have been programmed to other projects in the county. No other Bay Area counties have committed funding to the Doyle Drive replacement, even though the vast majority of all trips on Doyle Drive every day are by non-San Francisco residents headed for downtown and other areas of the city.

Detailed answers to your questions are presented below.

1. Clarify the project cost and how it might change: The EIR/EIS for the project is being developed. The environmental review process is expected to be completed by April 2008. The Doyle Drive replacement project, the Presidio Parkway, including the tolling technology, is expected to cost close to \$1.1 billion. This is an important increase from the cost figure of \$810 million which we had used in the draft EIR. The change reflects the Authority's push to use more conservative project escalation costs than the ones originally proposed by Caltrans. This is intended to bring the project in line with current escalation trends and increase the reliability of the cost estimate. We have gone well beyond the customary in detailing and resolving design issues during the environmental phase. In fact we have cleared nearly 100 design exceptions through Caltrans and the Federal Highway Administration. This reduces the chances for "surprises" that might increase project costs once the project enters the engineering design phase. This notwithstanding, it is important to remember that the project is just now entering the detailed design phase. The best way to guard against future cost increases is to estimate conservatively at this stage, and to gradually reduce contingencies and error margins as the project is further detailed through engineering design. To offer assurances at this stage that the project cost is absolutely not going to change would be as much of a political statement as demanding that the cost be frozen now, but we are confident that the project cost estimate, which has been scrutinized by regional, state and federal agencies, is solid and fairly conservative, and it is therefore not likely to change substantially.

2. Provide a breakout of how the project will be funded: The attachment provides detail of funding sources. The worst case scenario has a funding gap of \$460 million covered entirely by toll revenues (see Attachment page 2). This is a worst case scenario because it does not assume any new federal or state funding beyond the amounts already secured.
3. Provide a detailed breakdown of the toll rates, revenues and spending plan expected: Our analysis has focused on identifying the level of tolling necessary to cover the funding shortfall. While obviously no decisions have been made, in order to facilitate the discussion, we have tested through our travel demand model a potential structure that includes a peak period toll in main commute direction, a lower peak period toll in the reverse commute direction, and an even lower base toll imposed in the off peak periods. All users of Doyle Drive are assumed to pay a toll, whether they cross the Golden Gate bridge or not. The attachment provides the detail, as well as the estimates of revenue generation (see Attachment page 3). It is clear that in order to cover the worst-case scenario funding gap, the toll would have to be in place for 30 years. A bond would be issued to obtain the necessary construction funds, and the toll revenues would have to be used almost exclusively to retire the debt. However, it is important to note that there are several assumptions that can change this picture. For example, pledging San Francisco's transportation sales tax dollars as a guarantee could reduce the coverage ratio on the bonds quite significantly, and save the project significant financing costs. The funds freed up could be used to either reduce the level or duration of the toll, or they could be applied to other projects or services in the corridor. Similarly, we have not assumed additional federal earmarks or even additional revenues from the second round of funding under the UPA program, but either of those could contribute to reducing the funding gap.
4. Provide an overview of the toll collection plan and locations: the plan is to use electronic vehicle detection technology, a mix of FastTrak-style transponders and photo cameras to accomplish toll collection. All entrances to and exits from Doyle Drive would be equipped with gantries to detect vehicles using the facility, thus providing the most flexibility on how the toll is structured, allowing for example the imposition of a smaller toll in both directions, or a single toll in one direction, etc. It is important to highlight that vehicles crossing the Golden Gate Bridge Toll plaza would not be required to stop again anywhere, since the detection and collection is all done electronically. It is also important to highlight that by controlling all entrances and exits, the concern over traffic diversions into the Presidio is eliminated.
5. Provide Summary of Findings from studies of impacts on alternative travel corridors: as explained in 3 above, we used the San Francisco travel demand model to run a test of the likely traffic diversion impacts caused by the imposition of a toll on San Francisco trips, i.e., trips with both origin and destination in San Francisco, currently using Doyle Drive. The model found only minor impacts on three major arterials and negligible impacts elsewhere in the system, largely because the city's grid street system is very efficient at distributing trips. The highest impacts are on the order of 2 to 3 additional cars per minute (see Attachment page 6).
6. Provide details about plans to enact congestion tolling on any other entry corridors into San Francisco: the Authority is currently conducting a study of congestion pricing, funded by a separate DOT grant. The study is evaluating both possibility of gateway tolls or area tolls (cordon-based). The scenarios being considered are based on identifying areas where automobile and transit congestion is worst, areas that offer the most alternatives to driving during the most congested periods, and areas where future growth is expected to exacerbate

congestion conditions. The next round of public meetings on the study, called the Mobility and Pricing Study or MAPS, is planned for March 2008, and it will include a description of the feasible scenarios as well as the proposed complementary improvements. The MAPS study is scheduled to be completed in summer/fall 2008. In his inaugural speech on January 8, Mayor Gavin Newsom highlighted his support for the congestion pricing concept and its applicability to San Francisco, as a way to reduce pollution and control traffic congestion.

Thank you for the opportunity to reiterate our responses to your Board's questions and to provide additional information. I am prepared to provide whatever additional information is available on this important topic, and I look forward to working closely with you and your Board, as we endeavor to address this very important public safety and transportation priority for the region.



José Luis Moscovich  
Executive Director

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