



Agenda Item No. 4

To: Finance-Auditing Committee/Committee of the Whole
Meeting of May 28, 2010

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO ESTABLISHING A CARPOOL
TOLL AND INCREASING THE MULTI-AXLE VEHICLE TOLL RATES
ON THE GOLDEN GATE BRIDGE**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve the following actions relative to establishing a carpool toll and increasing the multi-axle vehicle toll rates on the Golden Gate Bridge, as follows:

1. Establish a carpool toll rate at 50% of the cash toll for two-axle vehicles, effective July 1, 2010. This toll is only effective during the District's carpool hours and collected via FasTrak, and applies to two-axle vehicles with three or more occupants, motorcycles, and buses;
2. Increase the toll rates for multi-axle vehicles with three or more axles, consisting of a cash toll rate of \$6 per axle, capped at a maximum cash toll of \$42, and a discounted FasTrak toll rate of \$5 per axle, capped at a maximum FasTrak rate of \$35, to be implemented in two phases - the first increase to take effect July 1, 2011, and the second increase to take effect July 1, 2012; with the understanding that staff is directed to investigate and report back to the Board on the legality, fiscal impact, and operational aspects of creating a new toll classification category for privately operated, California Public Utilities Commission certificated providers of regularly scheduled bus transportation services from established points in Sonoma and Marin Counties to the San Francisco International and Oakland International Airports under which such vehicles would continue to be treated as carpools during designated carpool hours and during all other hours of the day would pay a reduced per axle toll rate equivalent to 50 percent of the otherwise applicable two-axle toll;
3. Amend Master Ordinance 2010, as outlined in Attachment A, accordingly;
4. Find and declare that these toll increases are necessary for the purposes of: (a) meeting operating expenses; (b) purchasing or leasing supplies, equipment or materials; (c) meeting financial reserve needs and requirements; and (d) obtaining funds for capital projects necessary to maintain service within existing service areas, and therefore these tolls are exempt from the California Environmental Quality Act under Section 21080(b)(8) of the Public Resources Code; and,
5. File Notices of Exemption under the California Environmental Quality Act.

Summary

The staff recommendation above originated in the Financial Plan for Achieving Long-Term Financial Stability (Plan) approved by the Board on October 30, 2009. The Plan identifies 33 initiatives that will address the \$132 million five-year projected deficit that the District faces. The carpool vehicle toll is initiative #23 in the Plan; the multi-axle vehicle toll provides additional revenue to address the deficit.

The recommendations will help return the District to stable financial footing, and maintain a toll incentive for carpools and clean air vehicles while requiring their financial support of District operations and maintenance. The recommendations will also align the Golden Gate Bridge with industry norms regarding discount toll policies and eliminate multi-axle vehicle toll disparities with the state-owned bridges.

On February 12 the Board authorized implementing a public review process for the proposed carpool toll and increased multi-axle vehicle toll rates, and instructed staff to report on the results of this process. At the Board's direction staff held three community open houses on April 7, 13 and 14 and conducted two public hearings on May 12 and 14. The public comments and staff's responses are summarized in Attachment B.

FasTrak Toll Proposal for Carpool Vehicles

Staff recommends that the Board establish a carpool toll rate at 50% of the cash toll for two-axle vehicles (i.e., \$3.00 for FY 10/11). The carpool toll will apply to two-axle vehicles with three or more occupants, motorcycles, and buses during the District's carpool hours, which are between the hours of 5:00 to 9:00 a.m. and 4:00 to 6:00 p.m., Mondays through Fridays. Vehicles will be required to pay the carpool toll with a valid FasTrak transponder and stop in a staffed lane to verify carpool qualification; otherwise, the regular cash or FasTrak toll rate will apply. The proposed carpool toll will not apply on New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas, which are the same days that toll free passage of carpools are not available under the current policy.

Clean air vehicles with white California DMV Clean Air decals that currently qualify for toll-free passage during the District's carpool hours will qualify for the discounted FasTrak carpool toll rate as long as California Vehicle Code Sections 5205.5 and 21655.9 remain in effect (these laws are scheduled to expire January 1, 2011). Vehicles will be required to pay with a valid FasTrak transponder and stop in a staffed lane for verification; otherwise, the regular cash or FasTrak toll rate will apply. Vehicles with yellow California DMV Clean Air decals do not currently receive toll-free passage and will continue to be treated as regular vehicles.

Multi-Axle Vehicle Toll Proposal

Staff recommends that the Board approve the following multi-axle vehicle toll rate increases:

- \$5.00 per axle for vehicles with three or more axles paying with FasTrak with a maximum toll of \$35.

- \$6.00 per axle for vehicles with three or more axles paying with cash with a maximum toll of \$42.
- It is proposed that 50% of the toll increase (rounded down for cash toll payment only) take effect July 1, 2011, and the remaining 50% of the toll increase take effect July 1, 2012, summarized as follows:

Axles	Current		July 1, 2011		July 1, 2012	
	FasTrak Toll	Cash Toll	FasTrak Toll	Cash Toll	FasTrak Toll	Cash Toll
3	\$ 7.50	\$9	\$11.25	\$13	\$15	\$18
4	\$10.00	\$12	\$15.00	\$18	\$20	\$24
5	\$12.50	\$15	\$18.75	\$22	\$25	\$30
6	\$15.00	\$18	\$22.50	\$27	\$30	\$36
7	\$17.50	\$21	\$26.25	\$31	\$35	\$42
8	\$20.00	\$24	\$26.25	\$31	\$35	\$42
9	\$22.50	\$27	\$26.25	\$31	\$35	\$42
10	\$25.00	\$30	\$26.25	\$31	\$35	\$42
11	\$27.50	\$33	\$26.25	\$31	\$35	\$42
12	\$30.00	\$36	\$26.25	\$31	\$35	\$42

Additionally, staff recommends that they be directed to investigate and report back to the Board within the next few months on the legality, fiscal impact, and operational aspects of creating a new toll classification category for privately operated, California Public Utilities Commission certificated providers of regularly scheduled bus transportation services from established points in Sonoma and Marin Counties to the San Francisco International and Oakland International Airports under which such vehicles would continue to be treated as carpools during designated carpool hours and during all other hours of the day would pay a reduced per axle toll rate equivalent to 50 percent of the otherwise applicable two-axle toll.

Summary of Public Involvement

In order to educate the public about the District’s financial condition and receive comments and feedback about the proposed toll for carpool vehicles and the multi-axle vehicle toll increase, staff pursued a comprehensive public involvement campaign. Public outreach included the following:

- Three community open houses: San Rafael, April 7; Petaluma, April 13; and Golden Gate Bridge, April 15.
- Two public hearings: Whistlestop Wheels, San Rafael, May 12; Golden Gate Bridge, May 14.
- Notices for the open houses and public hearings were placed in the *San Francisco Chronicle*, *Marin Independent Journal*, *Commuter Times*, *Santa Rosa Press Democrat* and *La Voz* newspapers. Flyers were developed and distributed to carpool and multi-axle vehicles in the toll lanes. Information regarding the open houses was posted on the District’s website, Facebook page and broadcasted via the Twitter account. Information regarding the open houses and public hearings was mailed to the California Trucking

Association with a request that it be disseminated to their constituents. Posters announcing the open houses and public hearings were also displayed in transit vehicles. Finally, a series of emails were sent to opt-in subscribers informing them of the open houses and public hearings.

- A press release was issued and interviews given to various Bay Area new media outlets by the Public Affairs Director commencing on February 11, 2010, and continuing through the public outreach period noted above.

Staff presented information and received feedback regarding the proposed transit service cuts at all of the open houses and public hearings listed above.

Overview of Public Comments

At the close of the public hearing period on May 14, 2010, 100 comments offered by 80 individuals and organizations were received by the District.

Of these, 6 comments (6.0%) expressed support for a toll increase and 25 comments (25.0%) suggested alternatives to the toll increase proposal. Sixty-six comments (66.0%) expressed opposition to a toll increase, including 64 comments specifically opposing a toll for carpools and 2 opposing an increased toll for multi-axle vehicles. Three comments (3.0%) made no statement of opposition to or support for a toll increase.

Attachment B provides a summary of these comments, aggregated by main topic, with a staff response below each topic.

Fiscal Impact

Implementation of the toll for carpool vehicles on July 1, 2010, is projected to generate \$1.2 million in additional annual toll revenues in FY 10/11, impacting 2.3% of southbound traffic or an estimated 433,000 vehicles annually. Implementation of the first half of the multi-axle vehicle toll increase on July 1, 2011, is projected to generate approximately \$600,000 in additional annual toll revenues, impacting 0.75% of southbound traffic or an estimated 137,000 vehicles annually; total additional toll revenues in FY 11/12 are estimated to be \$1.8 million. Implementation of the remainder of the multi-axle vehicle toll increase on July 1, 2012, is projected to generate approximately \$600,000 in additional annual toll revenue, resulting in \$2.4 million in total additional toll revenues in FY 12/13.

Attachment A: *Proposed Ordinance*

Attachment B: *Summary of Public Comments and Staff Responses*

Proposed Ordinance

Proposed Amendments to Golden Gate Bridge 2010 Master Ordinance Carpool and Multi-Axle Vehicle Toll

II. GOLDEN GATE BRIDGE AND APPROACHES

B. BRIDGE TOLL RATES - to be amended in its entirety as follows:

1. GENERAL. The Bridge toll rates, southbound only, for all vehicles shall be based on the total number of axles of the vehicle, or connected combination of vehicles, as follows:

Effective through June 30, 2011:

Vehicle Type	Cash Toll	FasTrak Toll
2-Axle	\$6.00	\$5.00
3-Axles	\$9.00	\$7.50
4-Axles	\$12.00	\$10.00
5-Axles	\$15.00	\$12.50
6-Axles	\$18.00	\$15.00
7-Axles	\$21.00	\$17.50
8-Axles	\$24.00	\$20.00
9-Axles	\$27.00	\$22.50
10-Axles	\$30.00	\$25.00
11-Axles	\$33.00	\$27.50
12-Axles	\$36.00	\$30.00

Effective July 1, 2011 through June 30, 2012:

Vehicle Type	Cash Toll	FasTrak Toll
2-Axle	\$6.00	\$5.00
3-Axles	\$13.00	\$11.25
4-Axles	\$18.00	\$15.00
5-Axles	\$22.00	\$18.75
6-Axles	\$27.00	\$22.50
7-Axles or More	\$31.00	\$26.25

Effective July 1, 2012:

Vehicle Type	Cash Toll	FasTrak Toll
2-Axle	\$6.00	\$5.00
3-Axles	\$18.00	\$15.00
4-Axles	\$24.00	\$20.00
5-Axles	\$30.00	\$25.00
6-Axles	\$36.00	\$30.00
7-Axles or More	\$42.00	\$35.00

2. REDUCED TOLL FOR DESIGNATED VEHICLES DURING COMMUTE HOURS. A reduced toll rate, calculated at 50% of the base cash toll for two-axle vehicles, is available between the hours of 5:00 to 9:00 a.m., and 4:00 to 6:00 p.m., Mondays through Fridays, excluding the following holidays: New Year's Day; Presidents' Day (third Monday in February); Memorial Day (last Monday in May); Independence Day (July 4); Labor Day; Thanksgiving Day; and Christmas Day. The reduced toll applies to carpools, motorcycles, and buses. All vehicles that qualify for the reduced toll shall be registered with a FasTrak account in good standing and the reduced toll shall

be paid with a valid transponder. Vehicles must stop in a staffed toll lane to verify eligibility in order to qualify for the reduced toll rate.

Only vehicles that bear a DMV issued WHITE Clean Air Vehicle decal, that allows the vehicle to be operated by a single occupant in High Occupancy Vehicle (HOV) lanes are eligible for the reduced toll, for as long as California Vehicle Code Sections 5205.5 and 21655.9 remain in effect. Vehicles bearing the YELLOW Clean Air Vehicle are not eligible for the reduced toll.

3. **TOLL RATES FOR PERSONS WITH DISABILITIES.** The applicable toll for a two-axle vehicle in which an eligible person with disabilities is either the operator or a passenger shall be 50% of the base cash toll for two-axle vehicles, upon presentation of a valid District-issued identification card by the person with disabilities. The discount toll is not available for vehicles with more than two axles. The provisions of Section I.B.1, "Bridge Discount for Persons with Disabilities," shall apply.

F. EXEMPTIONS FROM TOLLS - to be amended in its entirety as follows:

No toll shall be charged to the following classifications of traffic:

1. Vehicles of members of the California Highway Patrol, while traveling in official patrol vehicles and on duty policing the Bridge and District facilities.
2. Vehicles of the United States Government required to be passed free of charge under the terms of Public Law 255-78th Congress.
3. Pedestrians and bicyclists on East and West sidewalks.
4. Vehicles in funeral procession of a person who dies while on active duty with the Armed Forces of the United States.
5. Vehicles of the United States Park Police while crossing the Bridge on official business.
6. Vehicles of officers and enlisted personnel of the U.S. Coast Guard, while engaged in the performance of their official duties, with the understanding that civilian Coast Guard employees are excluded from the toll-free privilege; with the further understanding that the U.S. Coast Guard will be subject to the same rules that apply to other branches of the military with regard to toll-free privileges on the Golden Gate Bridge.
7. Buses operated by the Municipal Railway of the City and County of San Francisco, on Saturdays and Sundays, when providing scheduled service to Forts Cronkite and Baker within the Golden Gate National Recreation Area.
8. Vehicles of the Golden Gate National Recreation Area (GGNRA), with government license plates, while crossing the Bridge on official business, with the understanding that commute trips are excluded from the toll-free privilege, that all GGNRA employees utilizing toll free passage must obtain a District photo ID card at a cost of \$6.00 per card that must be handed to the toll collector each trip, that all GGNRA vehicles must be equipped with ETC transponders to receive toll free passage, and that any GGNRA employee who misuses this privilege will have this privilege revoked, and with the further understanding that staff will maintain a computer record of the time and date of each toll-free crossing authorized by this provision, and staff will monitor such use and report periodically to the Board.
9. Emergency vehicles such as police, fire, and ambulances when responding to incidents on the Bridge and approaches, or police vehicles when involved in pursuits that require crossing the Bridge.

To receive the toll exemption, qualified vehicles, with the exception of emergency vehicles, pedestrians and bicycles, must stop in a staffed lane to allow the toll collector to classify the transaction correctly.

Attachment B

Staff Responses to General Categories of Public Comments

Summary

At the close of the public hearing period on May 14, 2010, 100 comments offered by 80 individuals and organizations were received by the District.

Of these, 6 comments (6.0%) expressed support for a toll increase and 25 comments (25.0%) suggested alternatives to the toll increase proposal. 66 comments (66.0%) expressed opposition to a toll increase, including 64 comments specifically in opposition to a toll for carpools and 2 in opposition to an increased toll for multi-axle vehicles. 3 comments (3.0%) made no statement of opposition to or support for a toll increase.

The following provides a summary of these comments, aggregated by main topic, with a staff response below each comment.

Comments on the Toll Proposal

Comments Made in Support of Raising Bridge Tolls

The District received 6 comments in support of the carpool and multi-axle vehicle toll increase proposal.

Comments Made as an Alternative to the Toll Proposal

25 comments expressed support for the following alternatives to the Toll Proposal, as addressed below.

Comment: Institute Bridge Tolls for Bicycles, Pedestrians and Fees for Visiting the Golden Gate Bridge (11)

Additional toll collection resources are required to implement any bicycle and pedestrian tolling. The District Board has previously determined such a toll is not under consideration.

The District is continuing to evaluate the feasibility of raising revenues for visitors to the Golden Gate Bridge.

Comment: Further Increase Bridge Tolls for Cash Customers (3)

The base cash toll and FasTrak discount toll rates for the Golden Gate Bridge were last increased on September 2, 2008, further increases in the cash toll rate are not currently under considerations. The District's Financial Plan also recognizes the increase in efficiency by collecting tolls electronically. Future proposals will consider the feasibility of these toll collection methods.

Comment: Raise Bridge Tolls Only Under Certain Conditions (11)

Several comments received from the public indicate support for a toll increase with conditions other than those listed above. These qualifications include concurrently revising carpool policies

(e.g., increasing vehicle occupancy, exemptions for low/zero emission vehicles), instituting a toll for northbound traffic, and increasing violation rates for speeding on the Golden Gate Bridge.

Comments Made in Opposition to Raising the Bridge Tolls

The District received 66 comments in opposition to the toll proposal. Several of these comments included specific reasons for opposition, as addressed below.

Comment: Raising Tolls Would Result in Increased Traffic Congestion (18)

The District is concerned that the current multi-axle rates charged at the Golden Gate Bridge could lead to increased multi-axle vehicular traffic by drivers avoiding higher state-owned bridge toll rates. Since multi-axle vehicle crossings only represent 0.72 percent of all southbound traffic, this proposal should not increase multi-axle traffic and congestion on the Golden Gate Bridge.

Vehicles currently qualifying for the carpool toll exemption are required to stop in a staffed lane for toll collector verification. The proposed toll for carpool vehicles will operate in a similar manner as vehicles stop in a staffed lane for manual toll collector verification and the toll is collected electronically via the FasTrak tag. This proposal should not increase congestion or delay on the Golden Gate Bridge.

Comment: Raising Tolls Is Bad Policy and Bad for the Environment (16)

The District supports the use of carpooling as an effective way to reduce traffic congestion while benefiting the environment. The proposal would not eliminate the carpool toll but would encourage carpooling by continuing to provide a substantial discount and eliminate any disparity between the Golden Gate Bridge and Caltrans state-owned toll bridges.

In addition, Golden Gate Transit bus and ferry services were instituted in the 1970s to reduce traffic congestion on the Bridge and provide a public service between San Francisco and North Bay communities. Public transit service averts about 32% of Bridge traffic during the morning peak hours.

The combined effects of supporting carpools during peak hours of congestion and a comprehensive public transit service, has and will continue to benefit the environment.

Comment: Raising Tolls Would Result in Financial Hardship (11)

Currently, carpools with three or more people can cross the Bridge free of charge weekdays 5 to 9 a.m. and 4 to 6 p.m. Currently, the Golden Gate Bridge is the only major toll facility in the USA that provides a 100% discount for carpools. The proposal to provide a 50 percent discount to carpools is based on the premise that although carpooling is an excellent way to reduce traffic congestion and benefits the environment, all vehicles on the Golden Gate Bridge should participate to some degree in its operation and upkeep. Providing a 50 percent discount for carpools is also a common practice for many toll facilities across the USA.

Comment: Raising Tolls for Airport Shuttles Undermines Their Viability as Transit Alternatives to Car Trips to the Regional Airports (2)

The District recognizes the important regional role played by California Public Utilities Commission certificated providers of regularly scheduled bus transportation services from points

in Sonoma and Marin Counties to the San Francisco International and Oakland Airports, and agrees that such services complement the regional bus services provided by the District.

Comment: Better Manage Existing Revenues and/or Reduce Expenses (4)

District management developed a strategic plan to address projected financial shortfalls, including prioritizing needs and identifying opportunities to increase revenues and reduce expenses. The District raised the toll in 2002 and 2008, raises transit fares annually, generates revenues from new sources, and has implemented numerous cost-saving initiatives. In addition, the District has developed a comprehensive five-year financial plan designed to eliminate a projected shortfall of \$132 million.

Comment: Raising Carpool and Multi-axle Tolls Only Generates a Small Increase in Revenue (3)

This toll proposal is only one initiative contained in a comprehensive, multi-year financial plan to eliminate a projected five-year shortfall of \$132 million. Although the projected revenue increase for this specific proposal may be modest, the District needs to address this shortfall as soon as possible in order to avoid an increase in this shortfall.

Comments Not Related to the Toll Proposal

The District received 3 comments that did not relate to either the toll increase or requested additional information pertaining to the toll proposal.