

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

ORDINANCE NO. 2008-02

**AN ORDINANCE TO AMEND MASTER ORDINANCE 2008, AS AMENDED,
TO REVISE BRIDGE TOLLS**

July 11, 2008

THIS ORDINANCE is adopted with reference to the following facts and circumstances which are found and declared by the Board of Directors:

1. In November 2007, the Board of Directors held a workshop to review the financial condition of the District, and the continuing shortfall in funds needed for District operations. The Board reviewed the progress made since the development of the Strategic Plan for Achieving Long Term Financial Stability, a document developed in 2006 that provides guiding principles for any potential toll increase. As a result of the workshop, the Board authorized staff to begin the public process for implementing a toll increase.

2. On January 25, 2008, the General Manager and Auditor-Controller presented to the Board of Directors a report recommending public workshops and a public hearing on a proposed toll increase, based upon an assessment that, although substantial progress has been made since 2002 to reduce a projected \$454 million deficit over a five-year period, there remained a financial shortfall of approximately \$91 million projected over the five-year period from Fiscal Years 2008/09 through 2012/13.

3. At its January 2008 meeting, the Board authorized staff to present for public review and comment a proposed toll for a two axle vehicle of \$6 cash, \$5 FasTrak®; \$3 cash/\$2.50 FasTrak® per additional axle; and a proposed change in toll policy for persons with disabilities to provide for a 50% discount from the applicable cash toll. This proposal was developed in light of the following key guiding principles approved by the Board:

(a) Any toll increase proposal should strive to fully address the existing remaining shortfall with the understanding that the District will always seek out innovative funding opportunities and ways to reduce expenses to address future needs of the organization.

(b) Any increase in the cash toll rate should be in round dollars and not in cents. Toll increases that result in the need for coins will increase toll collection time which increases congestion at the Toll Plaza.

(c) FasTrak® tolls can be increased in increments of less than one dollar without increasing congestion at the toll booth.

(d) A discount should remain available to FasTrak® customers.

(e) The District will consider a toll increase when there is no other viable alternative that will enable the District to meet its needs. The impact of the toll increase should be sufficient to continue operation of current Bridge, Bus, and Ferry services with the understanding that

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staff will continue to focus on finding internal cost savings and seeking out service efficiency and productivity improvements. While cost savings will continue to be a strong focus for the District in all its programs and services, the general level of transit service and Bridge services will remain in operation and necessary capital projects will be undertaken consistent with the adopted multi-year Capital Plan included in the Fiscal Year 2007/08 budget.

4. In late February and March 2008, the District held informal Public Open Houses in Marin, San Francisco and Sonoma counties to provide background information, answer questions, and elicit public comment on the proposed toll increase. Materials about the District's operations, capital program, financial needs and toll analysis process were available at the workshops and on the District's website.

5. In August 2007, the U.S. Department of Transportation awarded \$158.7 million in discretionary funds for the San Francisco Bay Area pursuant to the Urban Partnership Program grant to fund congestion relief projects, including \$12.8 million for Larkspur Ferry Terminal parking improvements. Because one of the grant conditions required that legal authority to implement congestion pricing through tolls at either Doyle Drive or the Golden Gate Bridge had to be in place by March 31, 2008, and because of the inability of the San Francisco Transportation Authority to obtain such toll setting legislation, the Board of Directors, on March 14, 2008, adopted Resolution 2008-020 to allow consideration of a variable toll component on the Golden Gate Bridge, thereby preserving the eligibility of the San Francisco Bay Area region to receive the federal grant.

6. In accordance with Resolution No. 2008-020, in addition to the base toll increase under consideration, District staff developed two variable toll options that would apply during the peak periods of 7-9 a.m. and 4-6 p.m. on weekdays, and 3-7 p.m. on weekends/holidays, as follows:

(a) An increase of \$1 on the cash toll and \$.50 for FasTrak® users for a two axle vehicle, and \$.50 cash, \$.25 FasTrak® per additional axle; or

(b) An increase of \$1 for a two axle vehicle, and \$.50 per additional axle, whether paid by cash or by FasTrak®.

Both variable toll options also included an increase of \$.50 for a two axle vehicle in which an eligible person with disabilities was the driver or passenger during peak periods. At its May 8, 2008 meeting, the Finance-Auditing Committee recommended inclusion of these variable toll options in the June 11, 2008 public hearing.

7. On May 9, 2008, by Resolution 2008-038, the Board of Directors approved inclusion of the two variable toll options in the June 11, 2008 public hearing.

8. A public hearing was held on June 11, 2008 to formally receive public comment on the base toll increase and two variable toll options. Fourteen individuals spoke at the hearing. As of the close of the public comment period on June 12, 2008, 574 public comments were received regarding the toll increase proposals. Comments ranged from expressions of support for a specific toll option to opposition of any toll increase. Staff reviewed and categorized all comments, and prepared a written response to the primary categories of comments, contained in a report for the Finance-Auditing Committee at its July 10, 2008 meeting.

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9. The July 10, 2008 staff report recommended that the Finance-Auditing Committee take action to approve the following toll increase:

Basic Auto Rate (2-axle)	<i>Cash</i>	\$6.00
	<i>FasTrak®</i>	\$5.00
Axle Rate (per axle if more than 2)	<i>Cash</i>	\$3.00
	<i>FasTrak®</i>	\$2.50
Rate for Persons with Disabilities with valid District identification card		50% of applicable cash rate

The staff report noted the significant increase in fuel costs that the District has experienced, which was not included in the last deficit projection. Staff strongly recommended an implementation date of September 1, 2008, in order to sustain the District's financial viability. Each month of delay in implementing the toll increases represents approximately \$1.5 million in foregone revenue, while all indications are that substantial fuel increases will continue for the foreseeable future.

10. In light of pending discussions with the U.S. Department of Transportation and regional transportation agencies concerning congestion pricing alternatives that would satisfy the grant requirements for the Urban Partnership Program, staff recommended that no action be taken on the variable toll options.

11. On July 10, 2008 a meeting of the Finance-Auditing Committee was held to consider a final recommendation to the Board for the toll increase. Following presentation of the staff report, review of the record of public participation, and after receiving further public comment, all members of the Finance-Auditing Committee who were present voted unanimously to recommend to the Board adoption of the toll increase as recommended by staff.

12. The Board has considered all comments, the General Manager's report and the recommendations of the Finance-Auditing Committee. The Board finds that the recommended plan best fulfills the District's mission, policy objectives and financial requirements for the following reasons:

(a) It will raise revenue vitally needed to support proper maintenance and operation of the Golden Gate Bridge and support provision of public transit service in the Golden Gate Corridor, while mitigating the extent to which reserves must be drawn upon and allowing the District to keep an adequate level of reserves.

(b) It facilitates moving forward with essential capital projects for the maintenance and restoration of the Golden Gate Bridge on a timely basis.

(c) The recommended toll increase strikes an appropriate balance among the competing concerns that have been expressed by the District's constituents, and takes into account the initiatives underway to reduce expense and to pursue other sources of funding to achieve long-term financial stability for the District.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT AS FOLLOWS:

Section 1. Section II, "Golden Gate Bridge and Approaches," Subsection B, "Bridge Toll Rates," of Master Ordinance 2008 is replaced in its entirety with the following:

B. BRIDGE TOLL RATES

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:

<u>NUMBER OF AXLES</u>	<u>TOLL</u>
Two-axle vehicle	\$ 6.00
Each additional axle	\$ 3.00 per axle

2. ETC TOLL. The applicable toll for ETC users for a two-axle vehicle shall be \$5.00; and \$2.50 for each additional axle.
3. TOLL RATES FOR PERSONS WITH DISABILITIES. The applicable toll for a vehicle in which an eligible person with disabilities is either the operator or a passenger shall be 50% of the applicable toll set forth in Section II.B.1 above, upon presentation of a valid District-issued identification card by the person with disabilities. The provisions of Section I.B.1, "Bridge Discount for Persons with Disabilities," shall apply.

Section 2. The Board finds that the bridge tolls effected by this Ordinance are exempt from the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code because they are for the purpose 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 directs the General Manager to file a Notice of Exemption in the offices of the clerk of the City and County of San Francisco and the county clerks of the County of Marin and the County of Sonoma.

Section 3. The effective date of this Ordinance shall be September 1, 2008.

Section 4. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are severable.

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ADOPTED this 11th day of July, 2008, by the following vote of the Golden Gate Bridge, Highway and Transportation District Board of Directors:

- AYES (12):** Directors Brown, Cochran, Eddie, Kerns, Newhouse Segal, Pahre, Reilly, Sanders and Stroeh; Second Vice President Ammiano; First Vice President Boro; President Moylan
- NOES (0):** None
- ABSENT (6):** Directors Dufty, Grosboll, Hernández, McGlashan, McGoldrick and Sandoval



John J. Moylan
President, Board of Directors

ATTEST: 

Janet S. Tarantino
Secretary of the District