TOLLROADSnews

Golden Gate Bridge Tolls Rise Along With Questions of Revenue Sustainability

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By Kate Holder

The Golden Gate Bridge, Highway and Transportation District (GGBHTD) will raise tolls for the iconic bridge over multiple years to close a projected five-year, $142 million deficit.

Four options for toll increases were introduced last November. Every option includes an initial increase in April 2014 along with annual hikes after that through July 2018.

The four options range from the cheapest, which starts with a 50-cent increase for both FasTrak and pay-by-plate drivers up to a final toll of $6.50 and $8 respectively. That option would raise an estimated $93 million by July 31, 2018.

The most expensive option would begin with a $1 increase and end with tolls of $7 for FasTrak and $8 for pay-by-plate drivers, raising $138 million. All four options are shown in the following chart GGBHTD has published on its web site (http://goldengate.org/news/TollIncreaseProposal2014.php):

PROPOSED GOLDEN GATE BRIDGE TOLL INCREASE OPTIONS

AMOUNT RAISED OVER 5 YEARS		2013	4/14	4/15	7/15	7/16	7/17	7/18
OPTION 1 *$93 Million*	FASTRAK	$5.00	$5.50		$5.75	$6.00	$6.25	$6.50
	PAY-BY-PLATE	$6.00	$6.50		$7.00	$7.25	$7.50	$8.00
OPTION 2 *$117 Million*	FASTRAK	$5.00	$5.50	$6.00		$6.25	$6.50	$7.00
	PAY-BY-PLATE	$6.00	$7.00			$7.25	$7.50	$8.00
OPTION 3 *$123 Million*	FASTRAK	$5.00	$6.00			$6.25	$6.50	$7.00
	PAY-BY-PLATE	$6.00	$7.00			$7.25	$7.50	$8.00
OPTION 4 *$138 Million*	FASTRAK	$5.00	$6.00		$6.25	$6.50	$6.75	$7.00
	PAY-BY-PLATE	$6.00	$7.00		$7.25	$7.50	$7.75	$8.00

The bridge's tolls were last raised in 2008 by $1, bringing current toll rates to $5 for FasTrak users and $6 for pay-by-plate. As explained on its web site (http://goldengate.org/news/TollIncreaseProposal2014.php), GGBHTD wants to increase bridge tolls incrementally for the first time – as it has been doing since 1998 with its bus and ferry services – instead of burdening customers with one large increase every five years or so. Incremental toll increases are now easier to implement, since GGBHTD introduced All-Electronic Tolling (AET) in March 2013.

The bridge district lists several reasons for a toll increase, including: a $75 million commitment to reconstruct Doyle Drive, the southern approach to the bridge; additional capital improvements including installing a moveable median barrier and completing a seismic retrofit; subsidizing the bus and ferry services that the district also runs; and, "keeping pace with inflation as traffic volumes remain flat."

The district says (http://goldengate.org/news/TollIncreaseProposal2014.php) its four main funding sources are "tolls, transit fares, grants, and advertising/concessions," but tolls alone account for about 60% of annual revenue, according to a recent report (http://goldengate.org/board/2013/agendas/documents/Bd10.25.13s10bFinancialSituationRpt.pdf) on the current and future financial condition of GGBHTD. Tolls provide an annual transit subsidy.

According to a December 7, 2013, report by the *Marin Independent Journal* (http://www.marinij.com/goldengatebridge/ci_24672956/golden-gate-bridge-drivers-face-higher-tolls-years?source=pkg), 70% of the district's $179 million annual operating budget is taken up by personnel costs. The district counters that it has aggressively cut costs including reducing its staff by 25% in the last 10 years. By switching to AET, the district eliminated toll-taker positions that will save $16 million in salaries and benefits over eight years, said the newspaper.

The last of four public input meetings on a toll increase took place last Wednesday, February 12, in San Rafael, CA. That same day, the *Marin Independent Journal* reported (http://www.marinij.com/marinnews/ci_25129266/higher-toll-plan-golden-gate-bridge-gets-poo) that while attendance was sparse, opposition was vocal.

One opponent, Susan Deluxe of Tiburon, is a long-time critic of the bridge district itself, calling it a "broken business model," as quoted by the newspaper. Deluxe argues that the California Department of Transportation (Caltrans) should run the Golden Gate Bridge as it does other Bay Area bridges.

However, as noted in a January 16, 2014, feature article in the *Pacific Sun* (http://www.pacificsun.com/news/cover_story/article_b3210c4c-7e47-11e3-96cd-0019bb30f31a.html) newspaper, GGBHTD is a distinctive entity. It is an independent government body that was formed in 1928 by six surrounding counties. In 1969, the state legislature broadened its mandate by authorizing the district to develop mass transit along its corridor.

Critics like Deluxe further argue that, given its broader mandate as a mass transit agency, the district will never raise enough revenue to cover its operating costs under its current structure.

The district receives no sales or property tax support from the counties. In a February 10, 2014, KQED-FM Radio "Forum," the bridge district general manager, Dennis Mulligan, made the case for higher tolls (http://blogs.kqed.org/newsfix/2014/02/11/a-tale-of-two-toll-hikes-all-at-once-or-bit-by-bit) in part because of the lack of a tax base.

Deluxe wonders why such a separate district with its sizable staff should even exist when the state could do the job of managing the bridge and its transit system.

The other long-term concern is the flat traffic volumes on the bridge. In an August 2013 report (http://goldengate.org/board/2013/agendas/documents/Trans08.02.13s7GGBBusFerryTrends.pdf) prepared by Mulligan and the district's director of planning, it was noted that "12-month running, Bridge traffic totals showed a minor decrease of 0.2 percent [in June 2013] compared with June 2012." Total ferry ridership increased 5.7 percent during the same period while bus ridership decreased by 1.0 percent.

The bridge district's 19-member board of directors may vote on the final option for toll increases as soon as late February.