

US 101 Express Lanes: Update on Variable Rate Bond



SAN MATEO COUNTY
Transportation
Authority

Board of Directors
February 1, 2023

Overview

- Background
- Flow of funds
- Debt Service
- Bond Outlook



Background

In 2020 TA issued \$100M variable rate Bonds:

- To support JPA's \$581M cost for US 101 Express Lanes (EL)
- Secured by Measures A & W sales tax

Why variable rate Bonds?

- Lowest cost
- 20 Year Historical interest average: 1.1%
- Initial rates: 0.07%
- Prepayment flexibility

Alternative: Fixed rate at issuance

- Estimated 3.00% to 3.50%

TA to be reimbursed for all bond expenses from EL toll revenue from JPA



Flow of Funds



Note: If in any given year, excess revenues to the TA are more than \$5 million, 0.15% of the TA's Credit Enhancement Fee will be used for additional Bond Loan principal repayment.



Debt Service

- Approx \$2.6M per year (with current rates)
- Debt service paid by capitalized interest through March 2, 2024
- Toll revenue will fund debt service and other expenses thereafter

JPA Flow of Funds - FY24 Sources/Uses	
	FY24 Year End Estimate
Sources - Toll Revenue	\$ 26,650,336
O&M Expense	14,256,377
Equity Set-Aside	600,000
Interest on Operating Loans	262,632
Interest & Fees on Bonds	1,430,138
Subtotal - Uses	\$ 16,549,147
Balance (Sources less Uses)	\$ 10,101,189



Bond Outlook

Ability to use Cap Interest and Project funds ends after March 2, 2024

- Unused project funds and cap interest will be used to call bonds.
- JPA toll revenue projected to fully fund ongoing O&M and interest payments after that date

How might TA separate from Bond?

- Fund debt service with toll revenue through life of bonds (25Y)
- Repay principal as quickly as lanes revenue allows
- JPA Refinance bonds (after 3-5 years of steady revenues)



Questions?

US 101 Express Lanes: Operations Update



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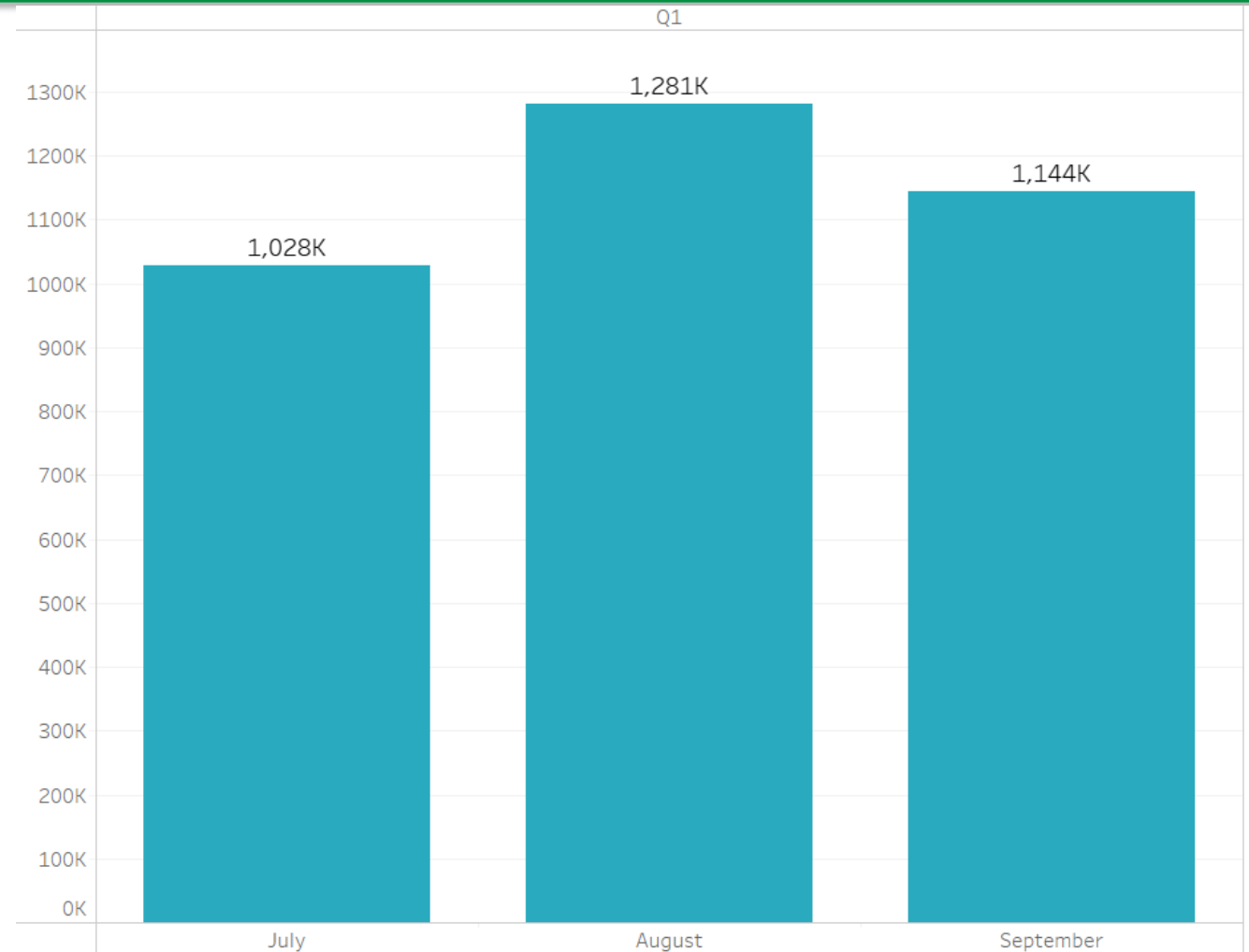
Performance Highlights

- About **3.45 million** express lane trips were taken on over 63 tolling days in the Q1 FY2023-2024.
- Average Toll Rates for Q1:
 - Southbound:
 - AM Peak (6 am – 9 am): \$4.26
 - PM Peak (3 pm – 6 pm): \$4.98
 - Northbound:
 - AM Peak (6 am – 9 am): \$2.89
 - PM Peak (3 pm – 6 pm): \$3.74
- Speeds were generally **above 45 mph** in the Express Lanes on tolling days with an **average benefit of over 10 mph** compared to the General Purpose lanes.



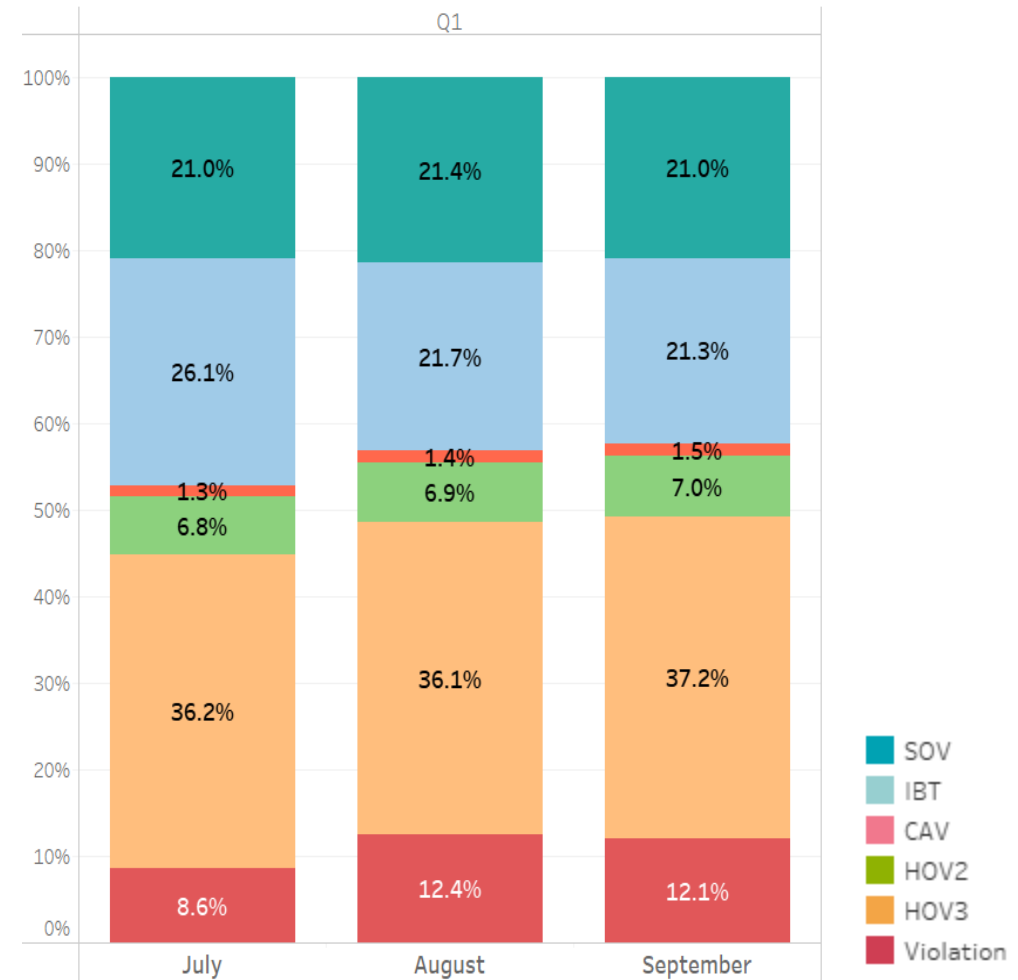
Express Lane Trips

- Q1 of FY24 consisted of 63 tolling days.
- In Q1 of FY24, an average of 54,822 express lane trips have been made daily, totaling 3,453,767 trips for the quarter.

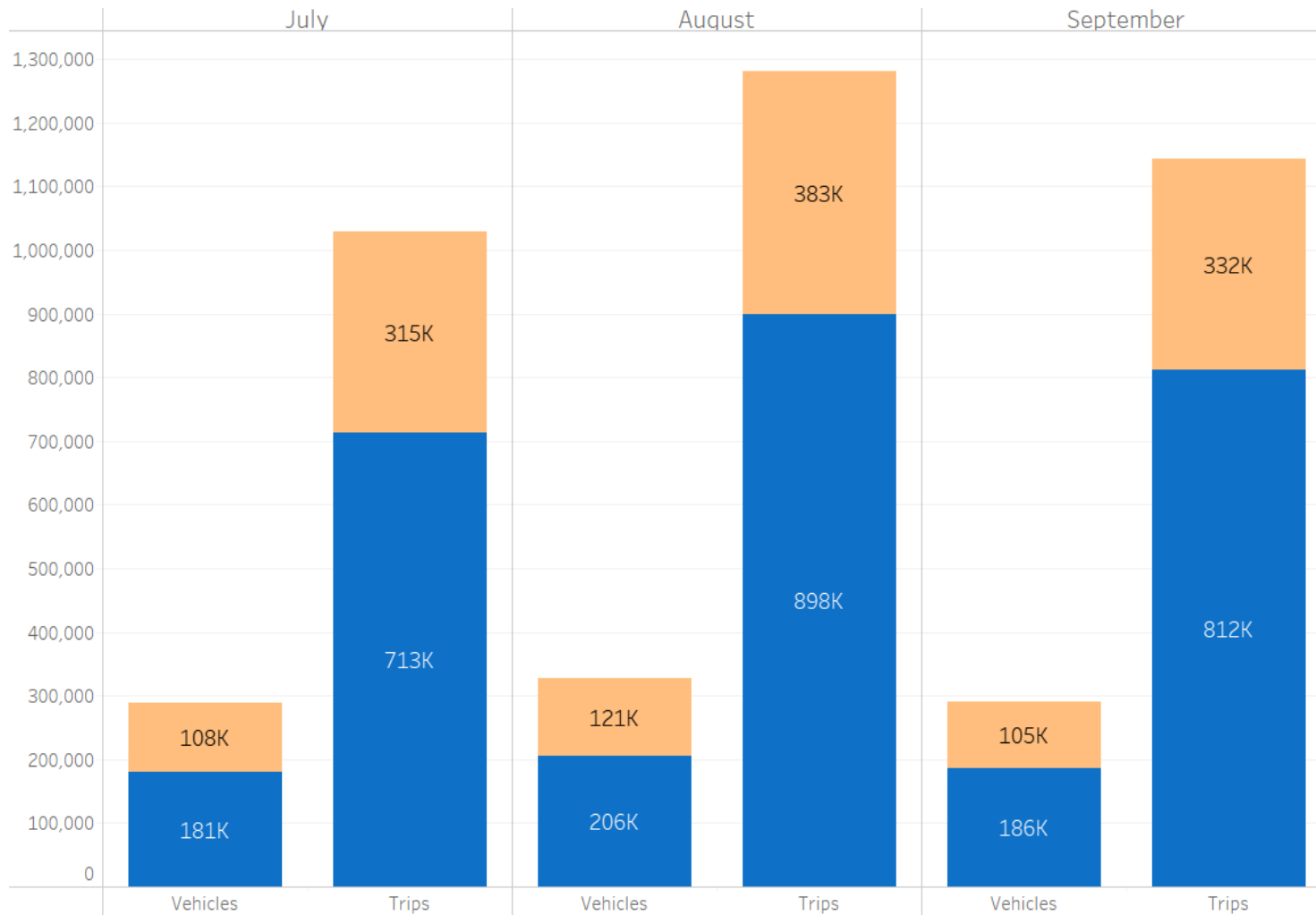


Express Lane Trip Types

- Toll-free trips: 36.5%
 - HOV 3+
- Tolloed trips: 63.5%
 - 55.2% full toll (SOV + IBT)
 - 6.9% half toll (HOV 2)
 - 1.4% half toll (CAV)
- Violation trips: 11.2%
 - IBT trips with No FasTrak account at the time of the trip
 - Express Lane trips are not invoiced
 - Express Lane users must have a FasTrak account to avoid a violation



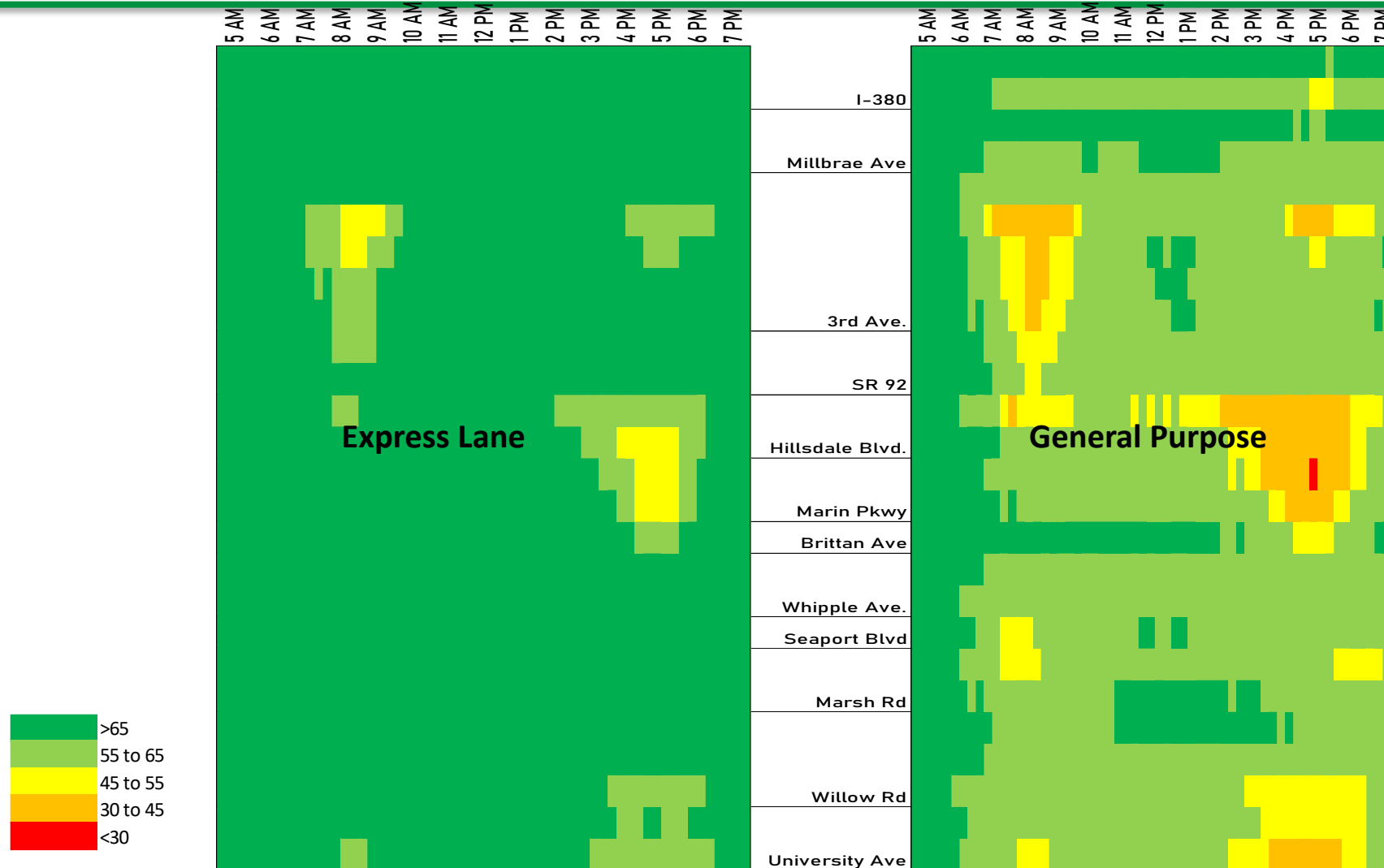
How Drivers Use the Lanes



- In Q1 of FY24, about 608,000 unique vehicles made about 3.45 million express lane trips.
- **61% of these vehicles utilized FasTrak® toll tags** and made 70% of the total trips.
- The other 39% of these vehicles did not carry toll tags and instead were captured as image-based trips for the remaining 30% of the total trips.



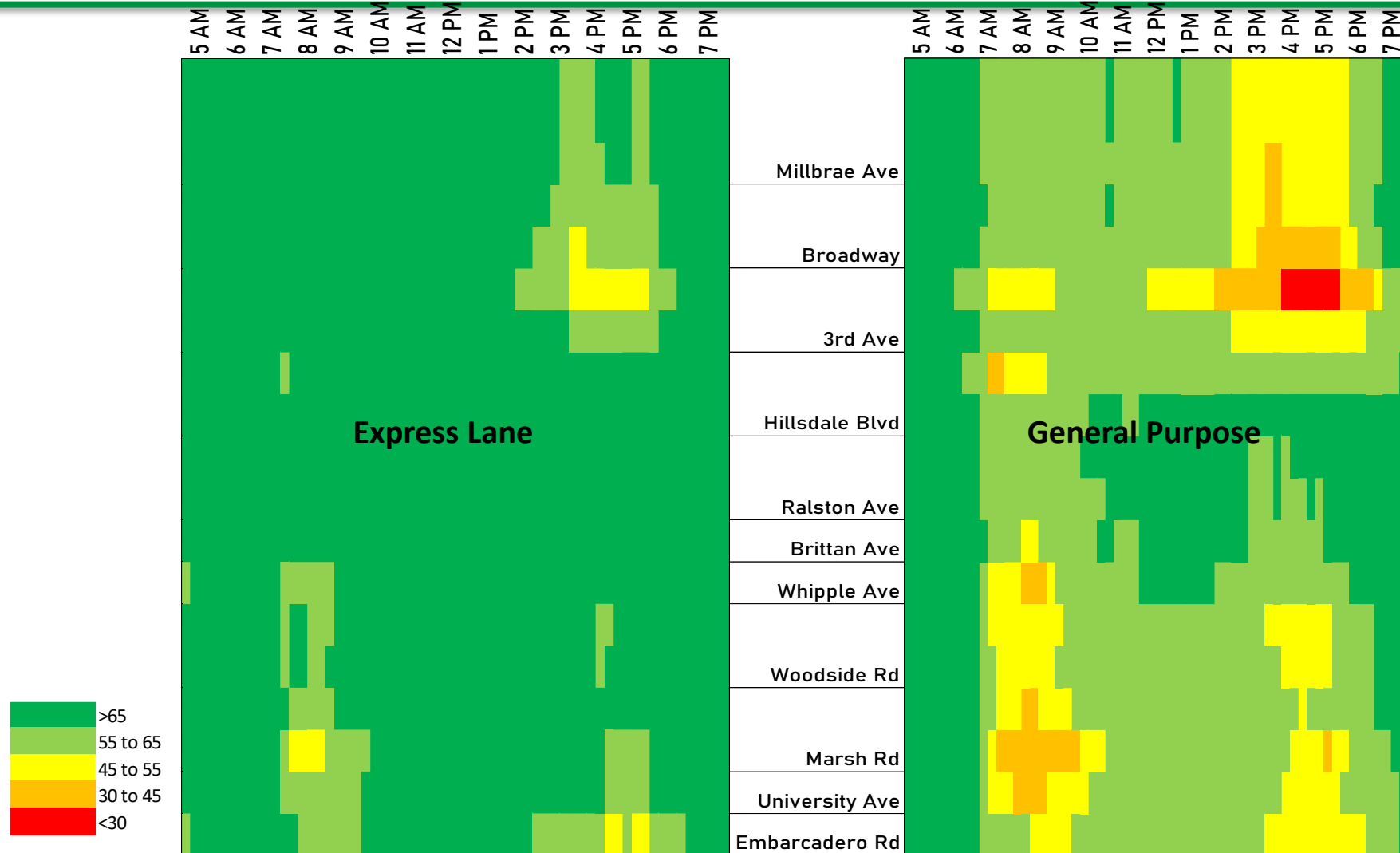
Northbound Speeds by Location & Time



- Average northbound Express Lane speeds were 11 mph or greater during tolling hours.
- Average northbound general purpose lane speeds were lowest in the approach to SR 92.
- Most congested during PM peak period (3-6pm) approaching SR-92.



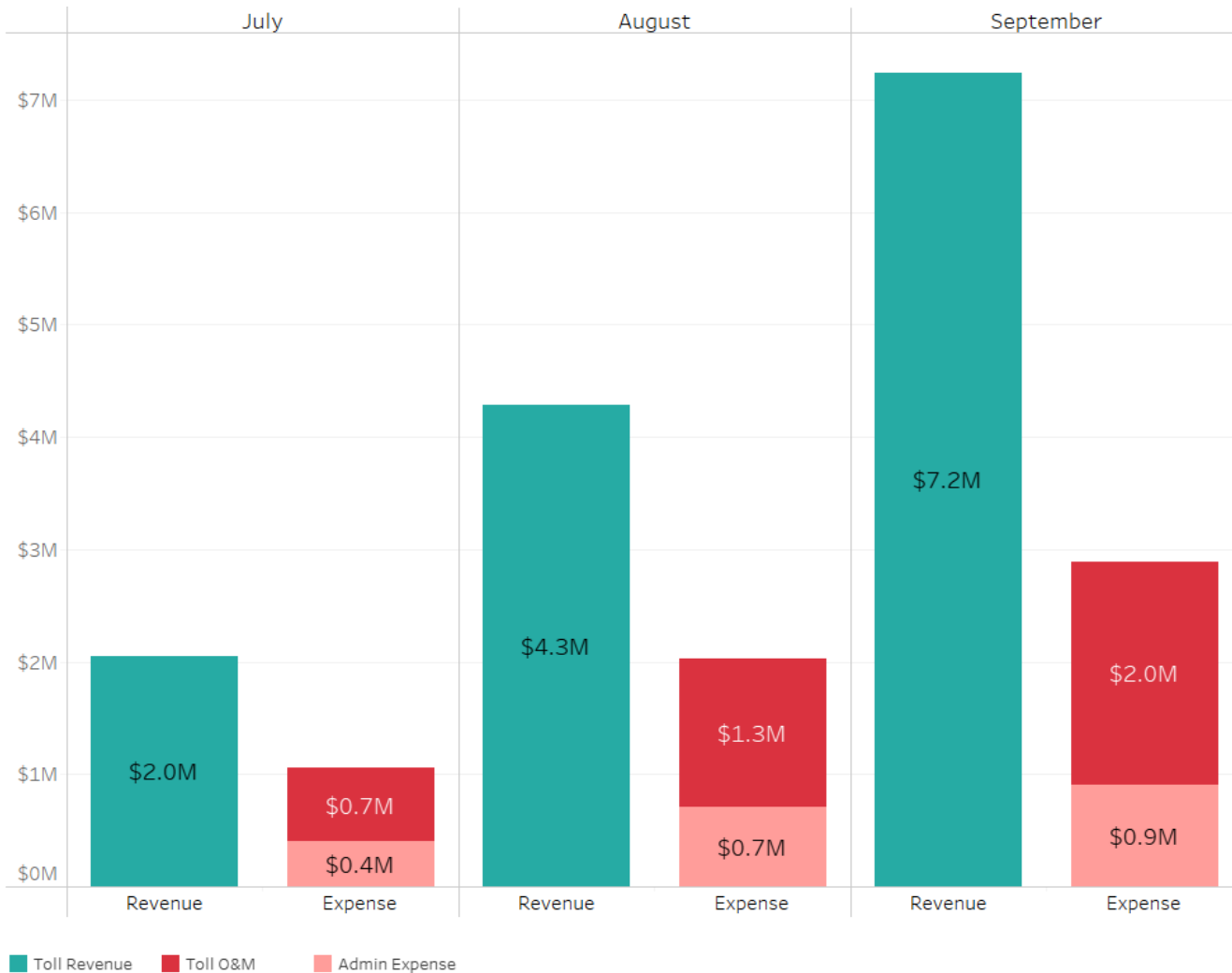
Southbound Speeds by Location & Time



- Average southbound Express Lane speeds were 12 mph or greater during tolling hours.
- Average southbound general purpose lane speeds were lowest between 3rd Ave and Broadway.
- Most congested during PM peak period (3-6pm) north of SR-92.



Express Lanes Actual Cumulative Collected Toll Revenue



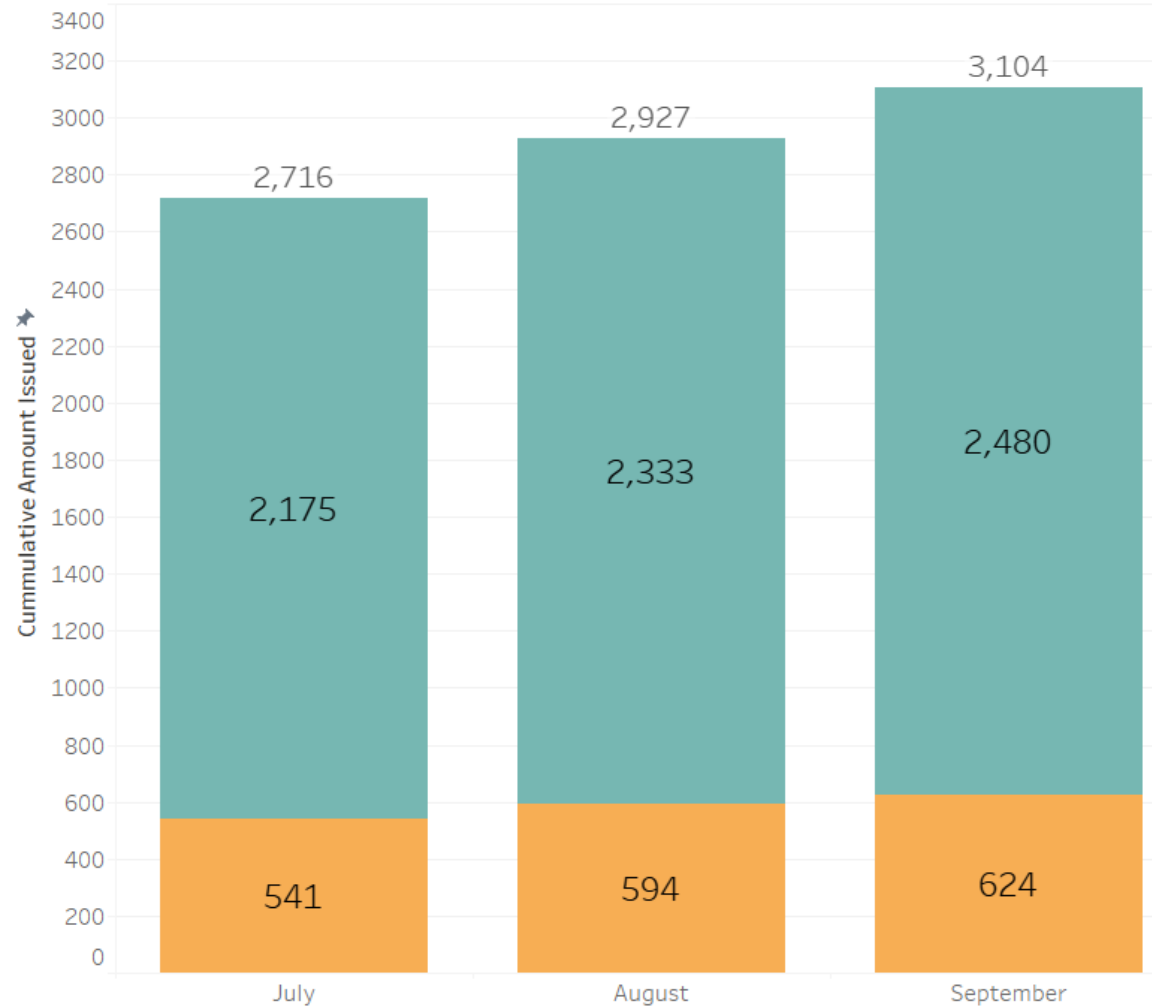
- To date in FY2024, SMCEL-JPA has received \$7.2 million in toll revenue.
- To date in FY2024, SMCEL-JPA has expended \$2 million in toll operations and maintenance (O&M) costs.

Notes:

- Toll revenue collected includes toll and violation fees.
- Toll O&M consists of Caltrans Maintenance, BAIFA O&M, BATA CSC, and CHP enforcement.
- Admin Expense includes all other program expenses (legal, advertising, consultants, staff, CTBP costs, etc.)



Community Transportation Benefits Program – Cumulative Benefits Issued



Questions?