



SAN MATEO COUNTY
**Transportation
Authority**

US 101 Express Lanes: Update on Variable Rate Bonds



Board of Directors – September 5, 2024

OVERVIEW

- **Background**
- **Interest Rates**
- **Debt Service**
- **Outlook**



BACKGROUND

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

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

Why variable rate bonds?

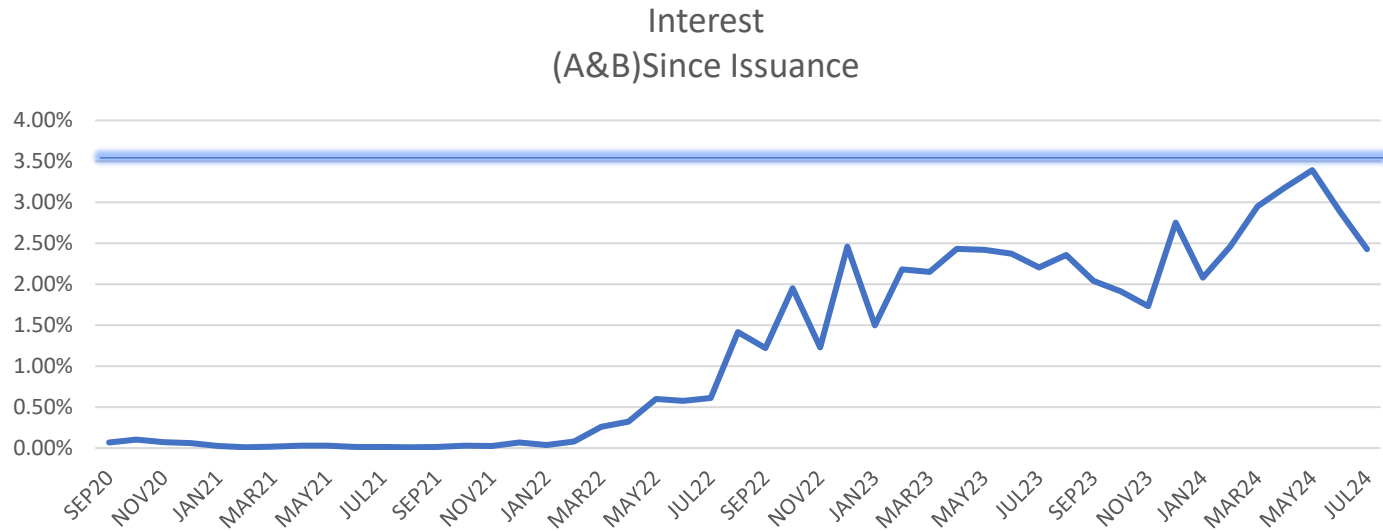
- Lowest cost
- 20-year average historical interest rate: 1.1%
- Estimated Fixed Rate issuance in Sep 2020 = 3.50%
- Initial rates: 0.07%
- Prepayment flexibility



INTEREST RATES

Interest Rate Overview Six Months- Feb to July 2024	
Average Rate A&B combined	2.63%
Highest Rate weekly reset (4/18/2024)	3.68%
Highest Rate daily reset (6/28/24)	4.45%
Lowest Rate weekly reset (7/11/2024)	1.89%
Lowest Rate daily reset (Feb 5&6, 2024)	1.00%

Interest Rate Overview Since Issuance	
Average Rate A&B combined	1.21%
Highest Rate weekly reset (4/18/2024)	3.68%
Highest Rate daily reset (6/28/24)	4.45%
Lowest Rate weekly reset (7/11/2024)	0.01%
Lowest Rate daily reset (Feb 5&6, 2024)	0.01%



Fixed Rate Issuance in
Sep 2020 = 3.50%



Debt Service

Total Estimated Annual Debt Service*



* Based on estimated Interest Rate of 2.00%



Outlook

- The Federal Reserve at their July meeting continued hints they might begin to lower the Fed Funds rate later this year.
- Market expectations have rates lowering by 1.00% between now and the end of calendar year 2025.
- Any reduction in the Fed Funds rates is expected to reduce rates on the VRDOs below current levels and keep them below the 3.50% budgeted this FY.





San Mateo 101 Express Lanes
Performance
Q3 and Q4 of FY2024
(January – June 2024)



Rules of the Road

- Hours: 5 a.m. to 8 p.m. Monday – Friday
- FasTrak® required
- Carpools (HOV 3+), buses, and motorcycles travel toll-free with FasTrak® Flex toll tags
- Carpools (HOV 2) pay half-price tolls with FasTrak® Flex toll tags
- Solo drivers in eligible clean-air vehicles pay half-price toll with FasTrak® CAV toll tags

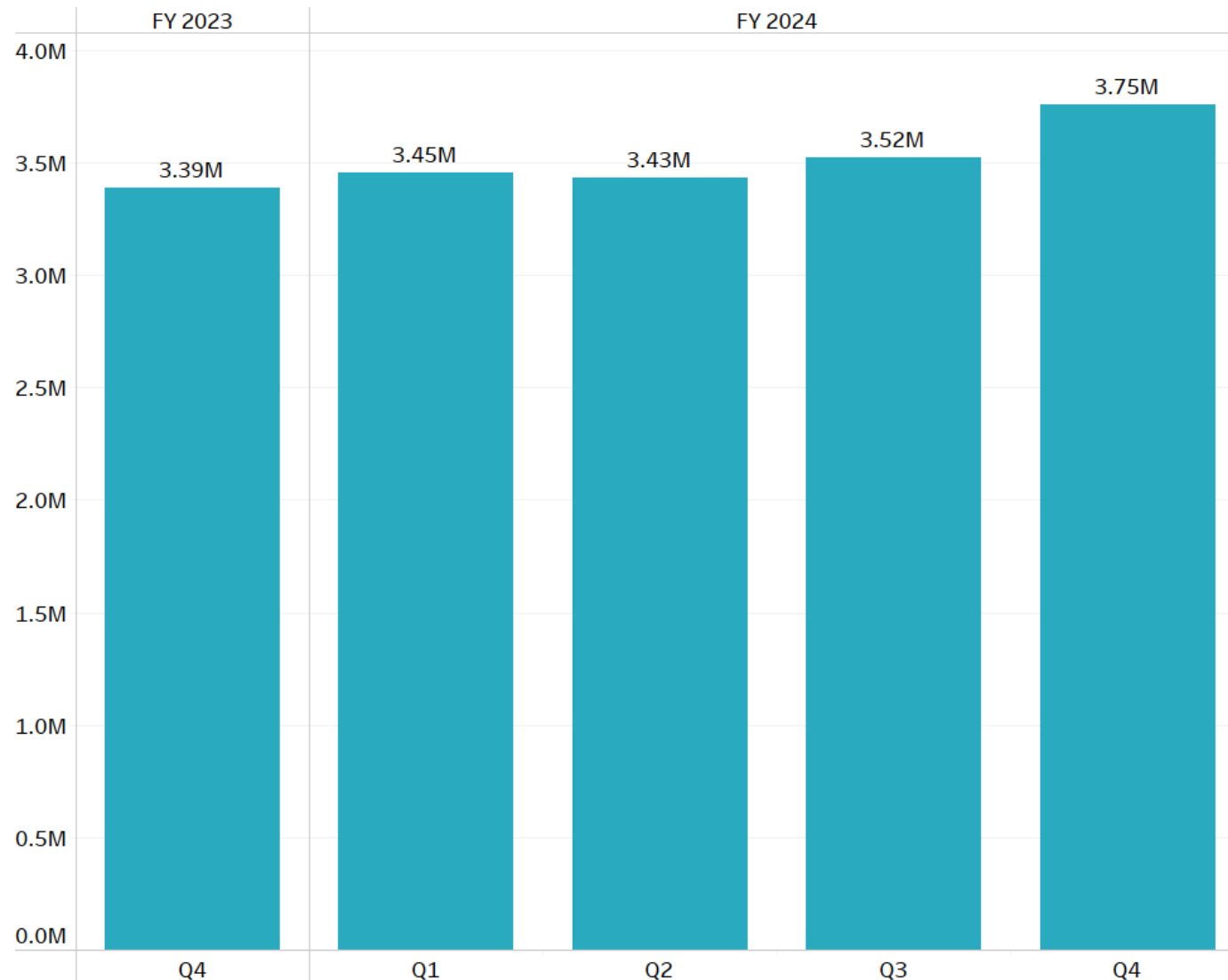


Key Performance Highlights

- **Consistent Trends:** Over the course of the full year of operations, observed performance has been fairly consistent.
- **Increase in Average Assessed Tolls:** Q3 and Q4 of FY24 saw a slight uptick in overall average assessed tolls for both directions compared to the Q1 and Q2 of FY24.
- **Express Lane Performance:** Both trip volume and revenue for the express lanes increased when compared to the Q1 and Q2 of FY24.
- **Express Lane Volume:** With 3 additional operating days for the Q3 and Q4 of FY24, the average daily express lane volume experienced a slight increase compared to Q1 and Q2 of FY24.



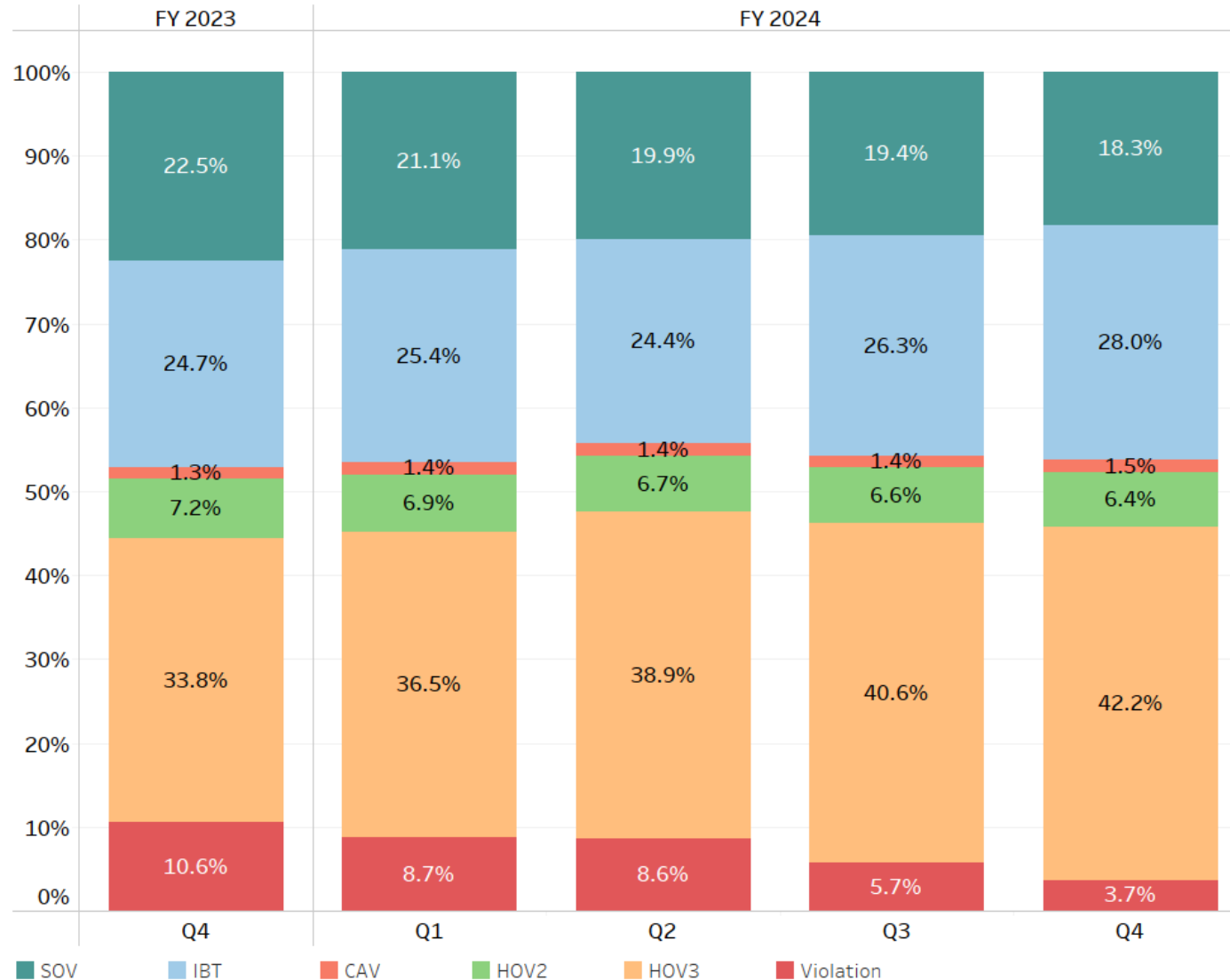
Express Lane Trips



- FY24 Q3 and Q4 consisted of 128 tolling days.
- In the 6-month period of FY24 Q3 and Q4, an average of 56,863 express lane trips have been made daily, which is a 3.2% increase over the 6-month period between FY24 Q1 and Q2.
- A total of 7,278,479 trips for FY24 Q3 and Q4.



Express Lane Trip Types



Toll-free trips: 41.4%

- HOV 3+ and Non-Revenue

Tolled trips: 54%

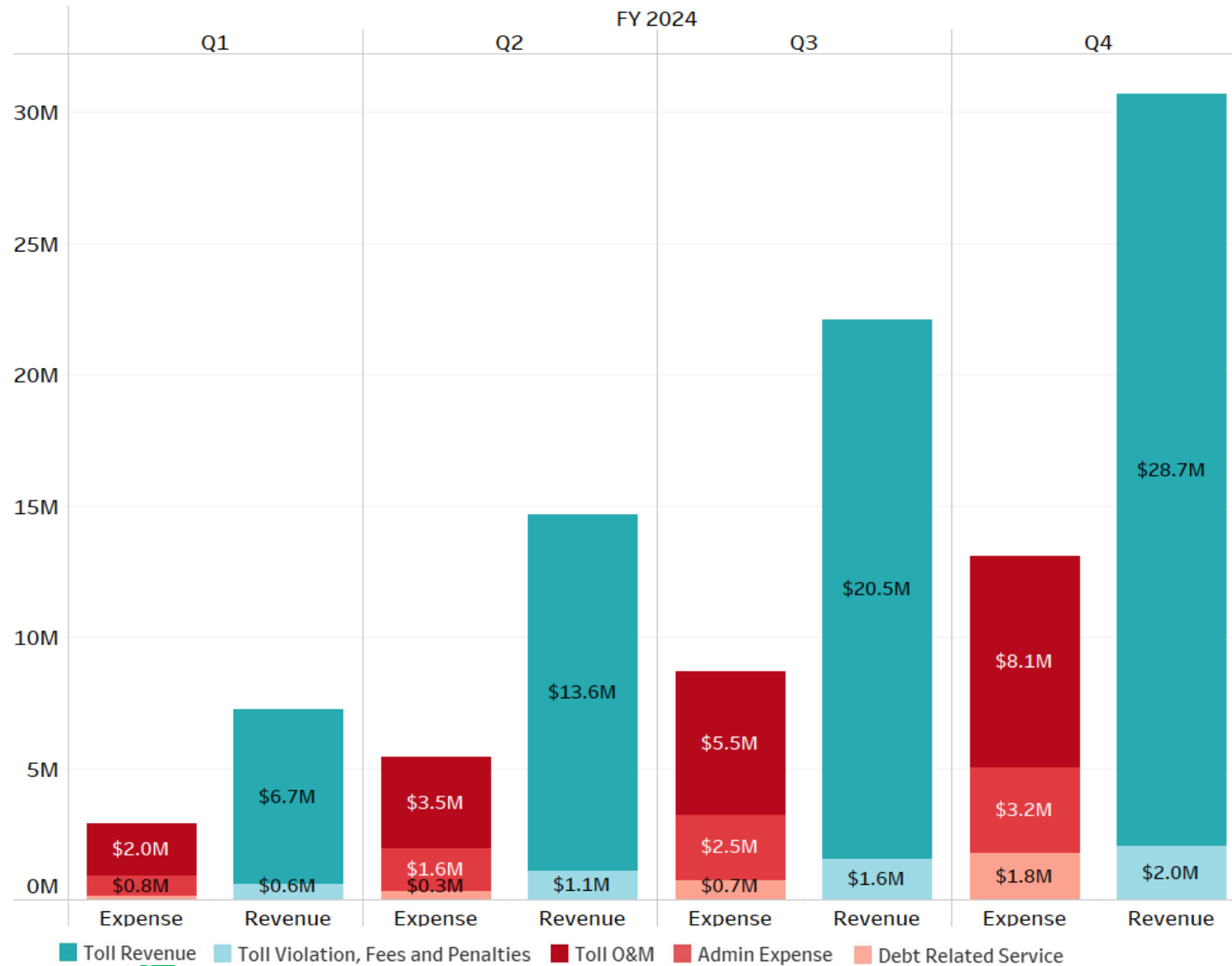
- 46% full toll (SOV + IBT)
- 6.5% half toll (HOV 2)
- 1.5% half toll (CAV)

Violation trips: 4.7%

- Image-based Toll (IBT) trips with No FasTrak account at the time of the trip



Express Lanes Actual Cumulative Collected Toll Revenue

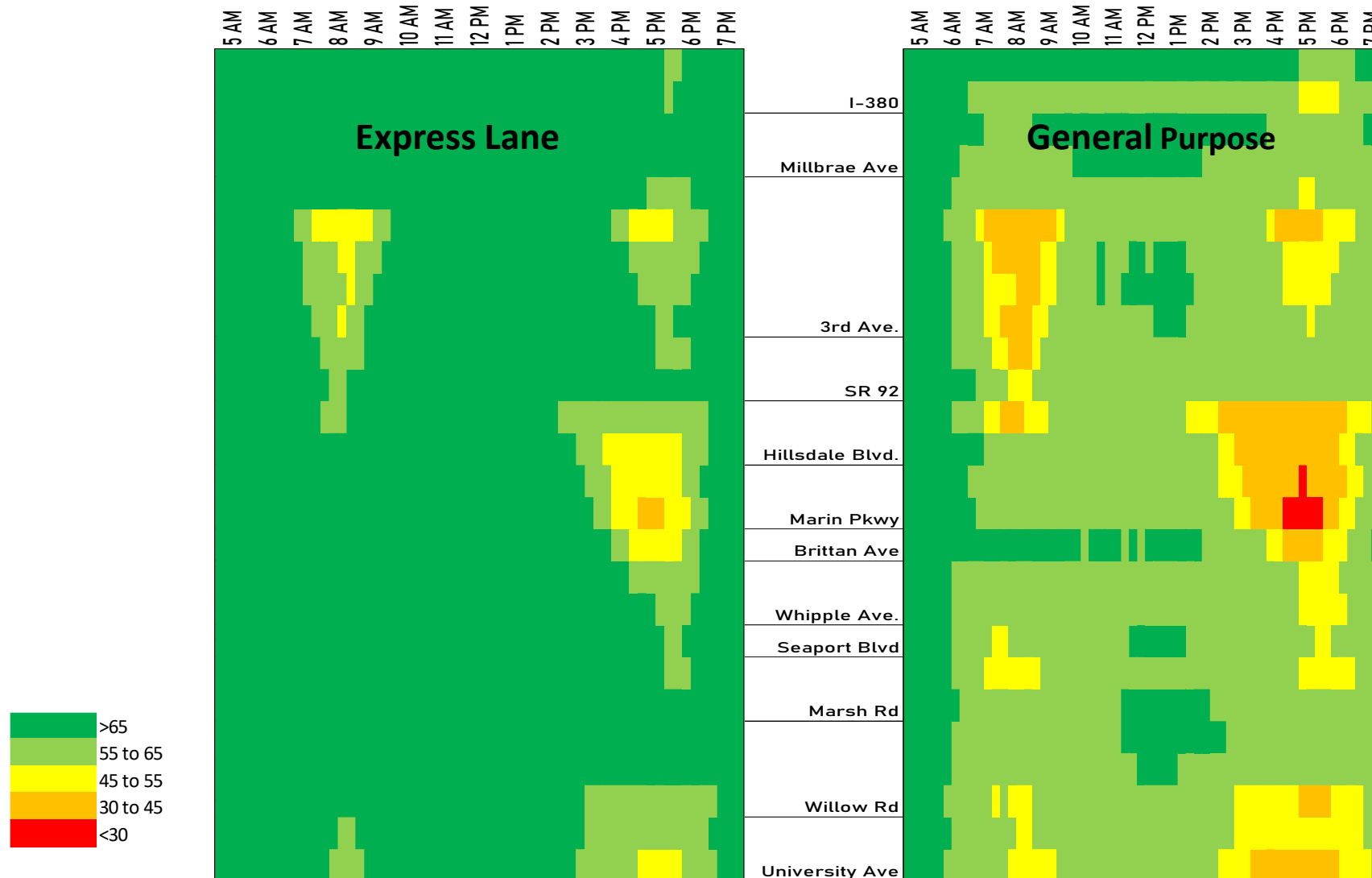


- In FY24, SMCEL-JPA has received \$30.7 million in toll revenue.
- In FY24, SMCEL-JPA has expended \$8.1 million in toll operations and maintenance (O&M) costs.
- SMCEL-JPA has disbursed approximately \$1.8 million in debt related payments during this fiscal year.

Note: Financial figures are preliminary. These figures are subject to audit and may change.



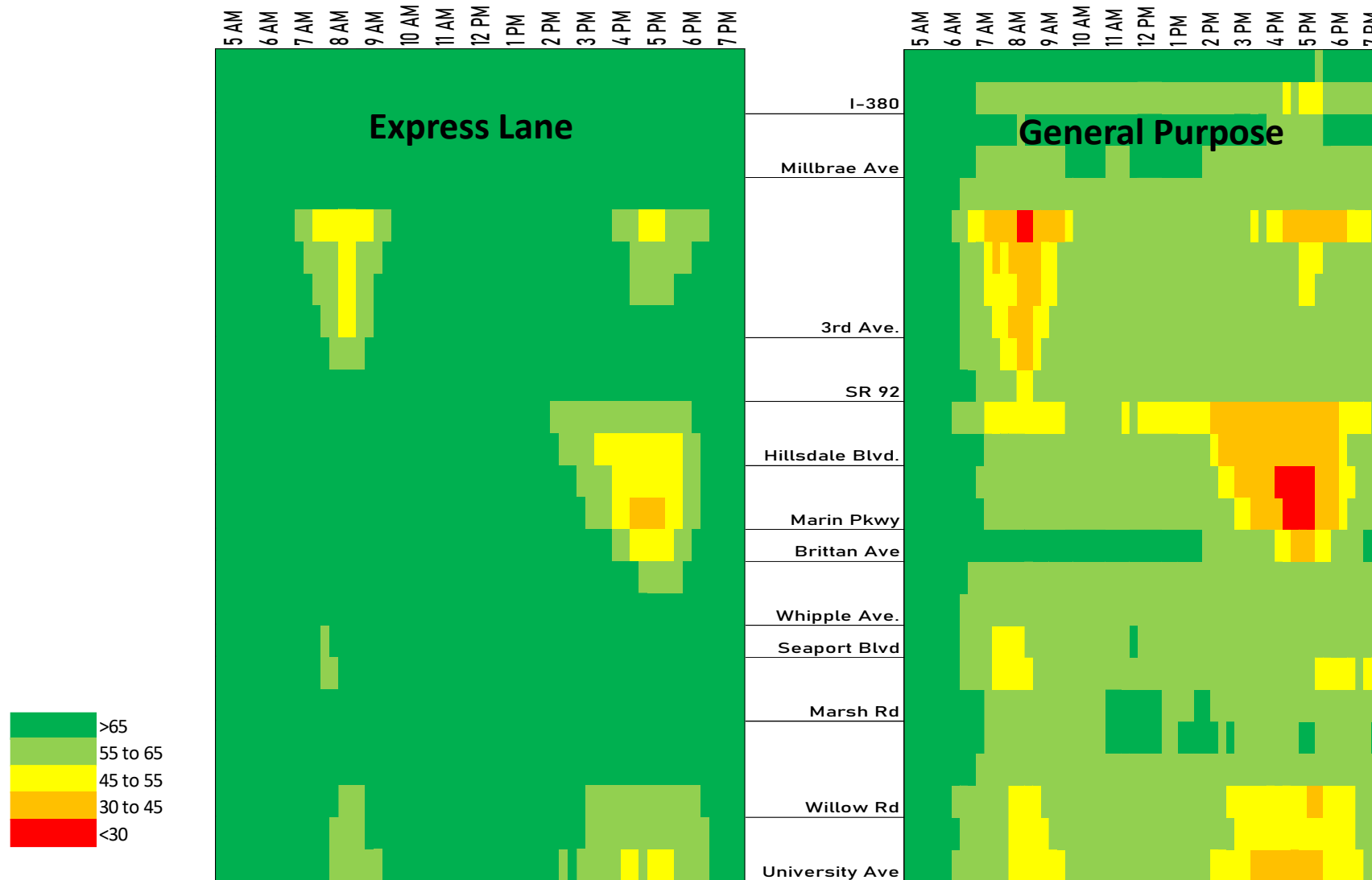
Northbound Speeds by Location & Time – FY24 Q3



- 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 in the PM.
- Most congested during PM peak period (3-6pm) approaching SR-92.



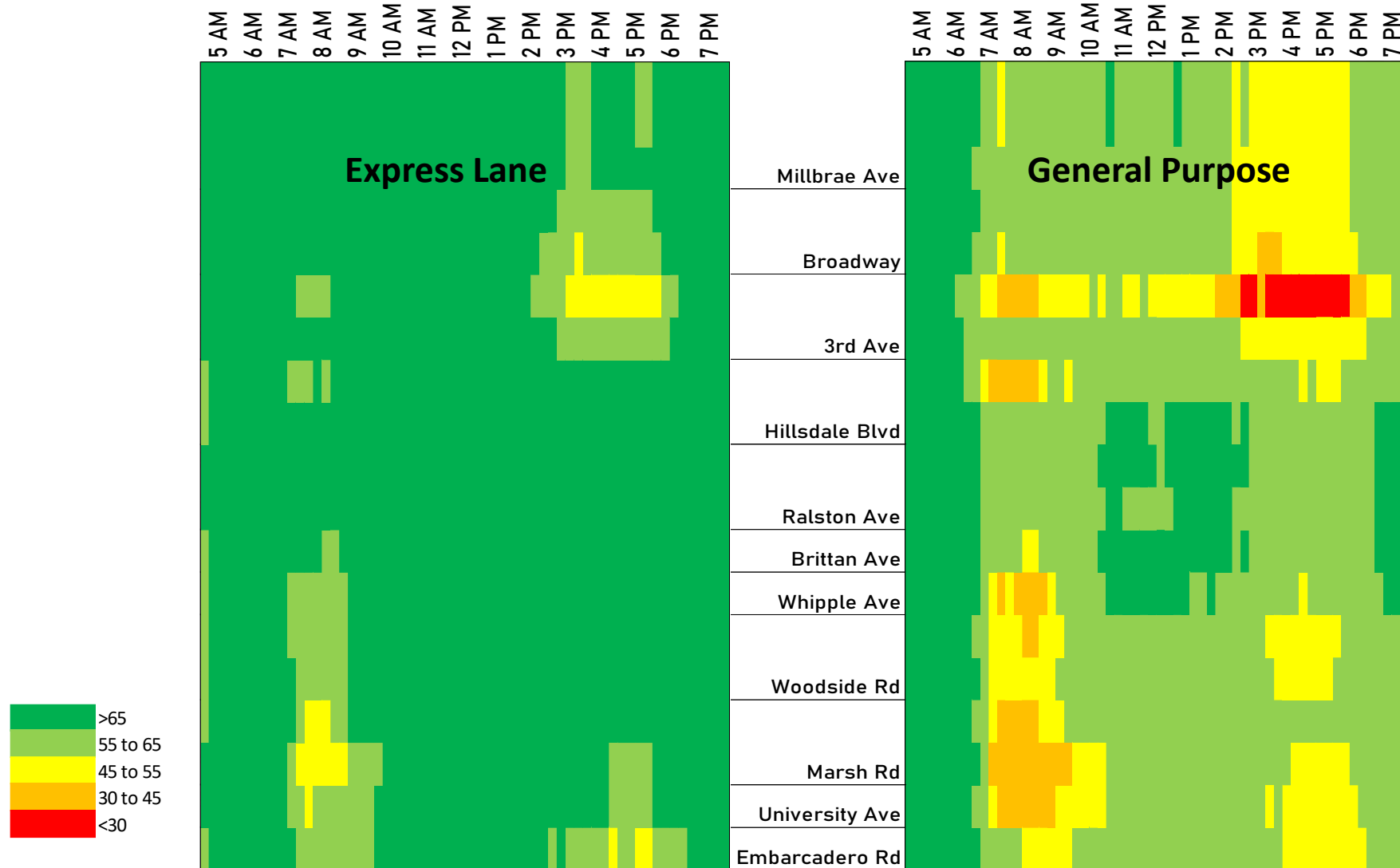
Northbound Speeds by Location & Time – FY24 Q4



- 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 in the PM.
- Most congested during PM peak period (3-6pm) approaching SR-92.



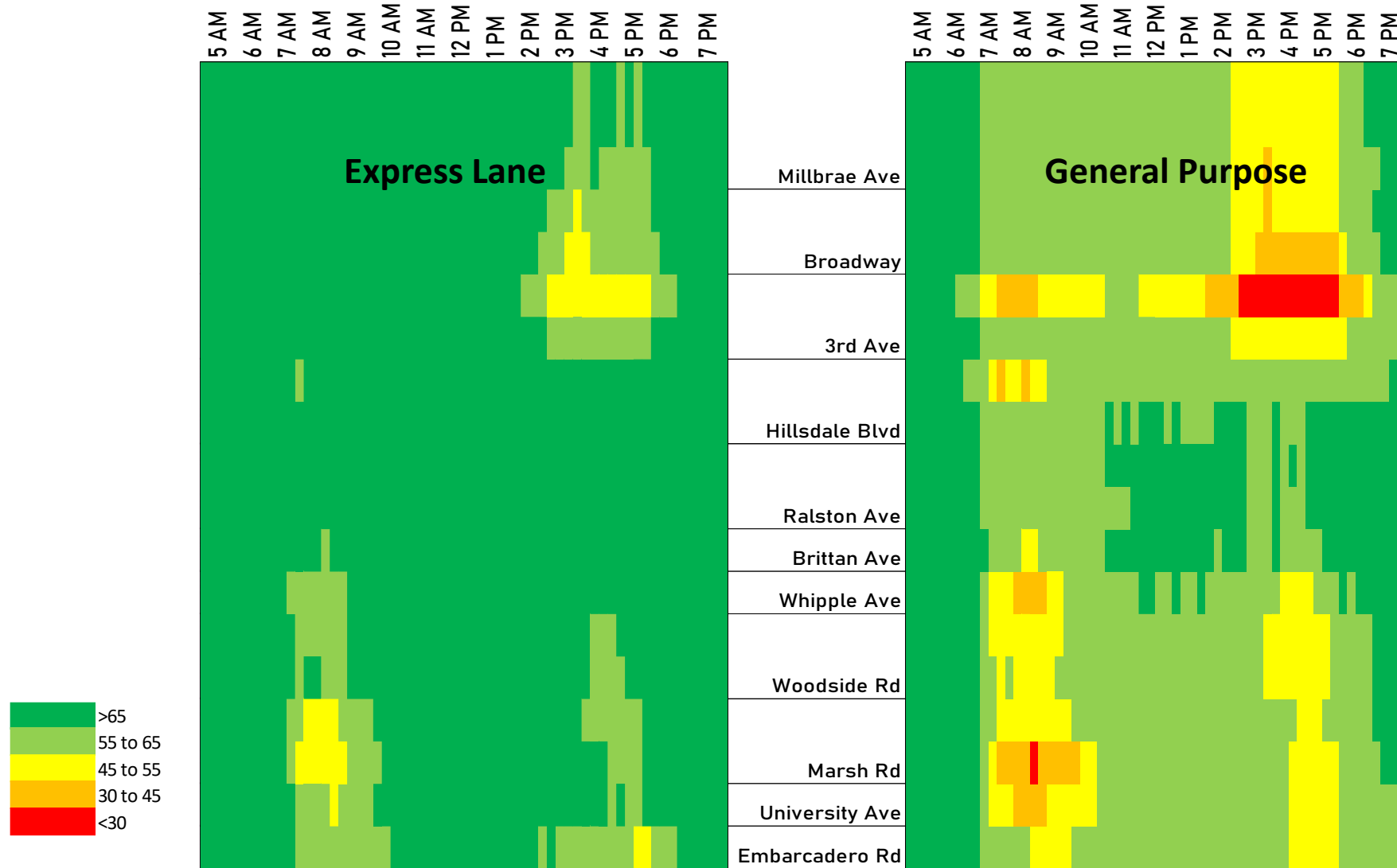
Southbound Speeds by Location & Time – FY24 Q3



- 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.



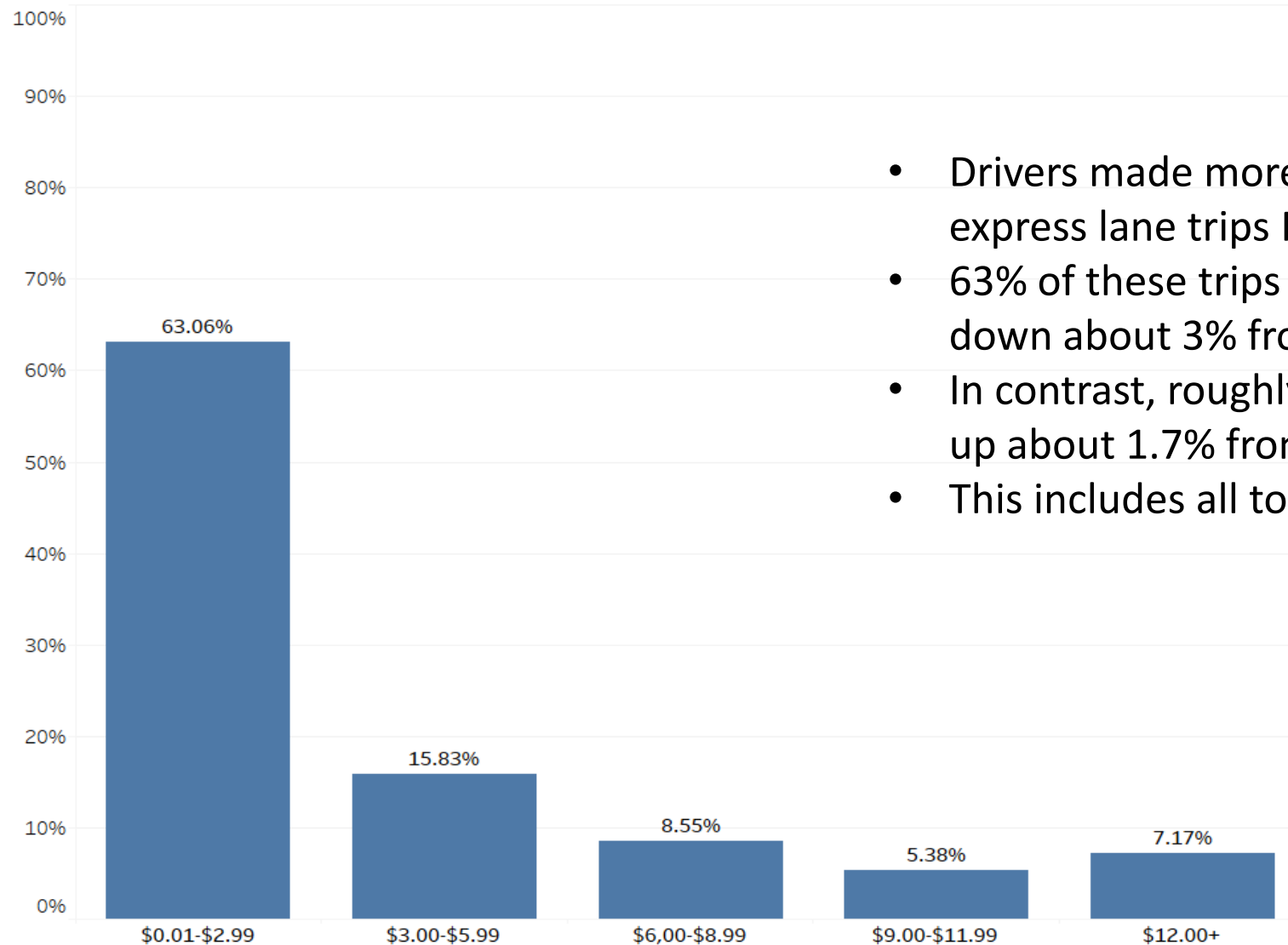
Southbound Speeds by Location & Time – FY 24 Q4



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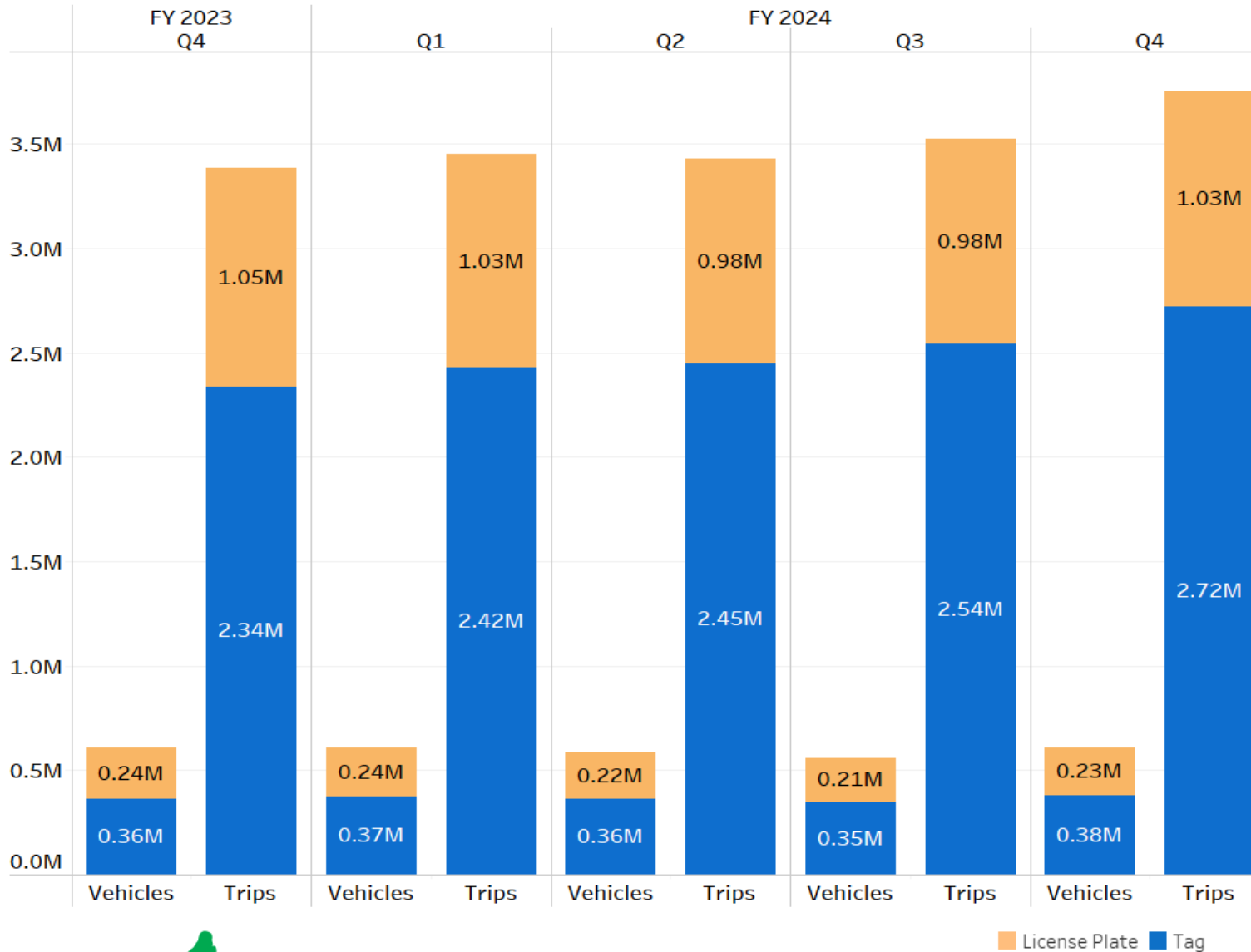
Distribution of Assessed Tolls – FY24 Q3 and Q4



- Drivers made more than 4 million tolled express lane trips FY 24 Q3 & Q4.
- 63% of these trips incurred a toll less than \$3, down about 3% from Q1 and Q2 of FY24.
- In contrast, roughly 7.2% were \$12 and over, up about 1.7% from Q1 and Q2 of FY24.
- This includes all tolled trip types and lengths.



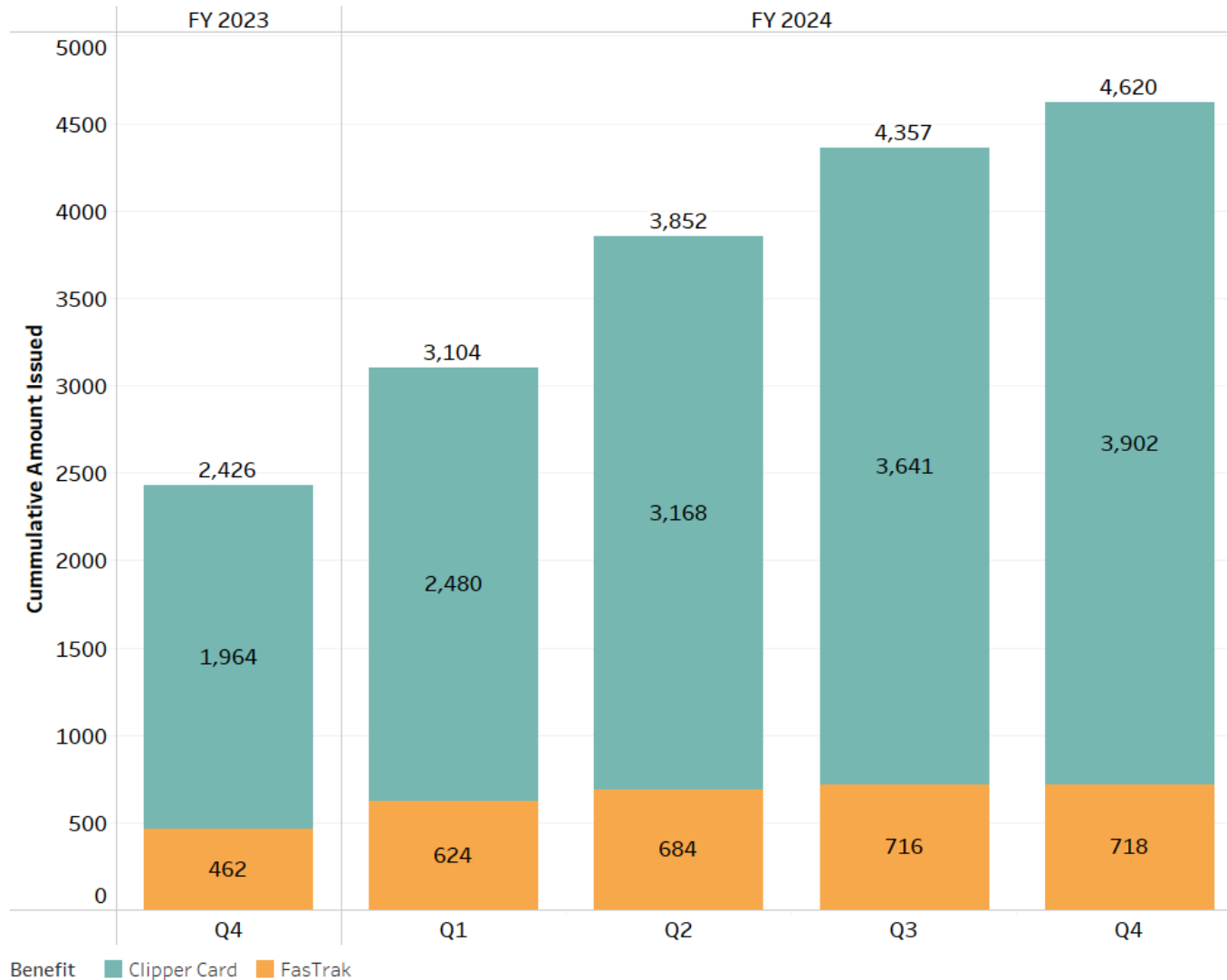
How Drivers Use the Lanes





- In 2nd half of FY24, about 889,000 unique vehicles made about 7.28 million express lane trips.
- 61% of these vehicles utilized FasTrak® toll tags and made 72% 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 28% of the total trips.



Community Transportation Benefits Program – Cumulative Benefits Issued



Program Evolution

Element	Where we started <i>Initial CTB Program (April 2022-June 2024)</i>	Where we're going <i>Next Gen CTB Program (Launching Spring 2025)</i>
Amount	\$100	\$200
Benefit type	Preloaded Clipper Card credit, or FasTrak credit 	Mobility debit card 
Renewal	Clipper: Annual FasTrak: One-time	Annual
Enrollment process	In-person at Core Agencies	<ul style="list-style-type: none"> • In-person at Core Agencies • Online



Doubled Benefits During Transition Period

Benefit	New participants	Existing participants
Clipper Card	New pre-loaded \$200 card	Participants may return for a second \$100 card
FasTrak	New pre-loaded \$200 toll tag	Participants may return for an additional \$100



For additional information, please visit: <https://101expresslanes.org>

