



Memorandum

Date: November 12, 2019
To: Treasure Island Mobility Management Agency Committee
From: Rachel Hiatt - Assistant Deputy Director for Planning
Subject: 12/12/19 Committee Meeting: Recommend Approval of Toll Exemption for Current Residents

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Recommend approval of Toll Exemption for Current Residents.</p> <p>SUMMARY</p> <p>Staff has prepared further demand forecasts and financial analyses of Treasure Island Mobility Management Program toll policy options. Based on these analyses and public feedback, staff recommends a series of policy actions through early 2020 to complete the congestion pricing program. This first policy recommendation shall exempt current residents from the toll, with implementation details to be proposed and adopted as part of future Toll System Business Rules. The recommendation also includes a revisiting of the policy or a policy sunset, pending an evaluation into its effectiveness, at the midpoint (4,000th unit) of the Development Project. The exemption creates an additional program funding gap to be addressed in further financial analysis and future toll policy actions.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input checked="" type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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BACKGROUND

On April 21, 2011, in a joint session with the San Francisco Planning Commission, the Treasure Island Development Authority (TIDA) Board of Directors approved the Treasure Island/Yerba Buena Island Development Project, including a Development Agreement and a Disposition and Development Agreement (DDA) with Treasure Island Community Development, as well as the Treasure Island Transportation Implementation Plan (TITIP). On June 7, 2011, the Board of Supervisors approved the same.

The DDA referenced and outlined the goals, strategies, and implementation plan for a new transportation system, infrastructure, and services to support the development Project, including the designation of a transportation management agency to oversee the implementation and management of the transportation programs and revenues. On April 1, 2014, the San Francisco Board of Supervisors approved a resolution designating the Transportation Authority as the Treasure Island Transportation Management Agency (TIMMA). The purpose of TIMMA, as set forth in the Treasure Island Transportation Management Act of 2008 (State Assembly Bill 981-Leno), is to implement the TITIP.

The TITIP calls for a comprehensive, integrated program to manage travel demand on Treasure Island as it develops. This innovative approach to mobility includes a complementary package of strategies and services including required purchase of transit passes by residents, parking fees, and a multimodal congestion pricing program that applies motorist user fees to support enhanced and new bus, ferry,

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and shuttle transit, as well as bicycle sharing, to reduce the traffic impacts of the project. AB 981 authorizes San Francisco to implement congestion pricing (tolling) on Treasure Island.

On July 20, 2016, the TIMMA Board approved the recommendations set forth in the Treasure Island Mobility Management Study (Study), a policy and financial analysis of the congestion pricing program. The Study refined the assumptions of the TITIP and recommended a subset of toll policies for the Island based on demand forecasting, financial analysis, and stakeholder input. The Study also recommended the development of an Affordability Program.

On November 21, 2018, the TIMMA Committee recommended approval of the Treasure Island Transit Pass, Toll Policy, and Affordability Program. This recommendation encompassed the remaining toll policies not adopted in 2016, including toll level, hours of operation, and discounts for current and future low-income households. However, on December 11, 2019, the TIMMA Board continued the item without approval, pending further outreach and analysis of additional policy options.

DISCUSSION

Staff has prepared further demand forecasts and financial analyses of toll policy and affordability program options. Based on this work as well as outreach with businesses and workers, staff recommends a series of policy actions through early 2020 to complete the congestion pricing program. The policy for current residents is recommended as the first of several policy actions.

Financial projections indicate that any exemption or discount requires supplemental revenue from Program and/or non-Program funding sources to support planned transit service levels. Staff recommends a policy to exempt current residents from the toll, with implementation details to be determined as described below, and to identify additional Program and/or non-Program funding, also discussed below, to cover the cost of planned transit service levels.

Remaining Toll Policy Areas: The TIMMA Board has previously adopted policy for toll direction (bi-directional) and HOV treatment (transit and registered shuttles and vanpool vehicles are exempt). Several aspects of program toll policy remain undefined. These are: toll level/rate; hours of operation; and additional exemptions or discounts. This recommendation addresses exemptions for current residents. The other remaining toll policies will be resolved in future actions by the Board.

Public Feedback 2018-2019: Public and Board feedback received in through 2018 and 2019 identified additional toll policy options for consideration. These include exemptions for current residents; discounts or exemptions for future low-income residents; and benefits, including potential discounts or exemptions, for workers. Feedback also called for more analysis of related policies such as transit pass eligibility, discounts, and transit service levels.

Current Residents Toll Exemption Findings: Financial analysis indicates that a toll exemption for current residents will require additional revenues ranging from a total of ~\$8.6M to ~\$20.4M over a 15 to 20-year program buildout period, depending on toll rate level.

We recommend adoption of a toll exemption for current residents based on the priority given to this issue in public feedback, modest effects on transportation system performance and mode share, and the feasibility of identifying a minimum of ~\$8.6M in additional Program and non-Program funding. We also recommend revisiting the policy or a policy sunset, pending an evaluation of benefit, cost and performance, at the mid-point of the development buildout, or at the 4000th unit.

Issues/Challenges: Toll exemptions incur administrative and enforcement costs or requirements on both the program participants as well as TIMMA. The specific implementation requirements will be determined through the development and adoption of Toll System Business Rules. The following are some of the administrative and enforcement requirements that will be considered in the Business Rules:

- Technology requirements. The toll exemption will require the use of a FasTrak toll tag, such as a registered "exempt" FasTrak toll tag for each program participant.
- Participant eligibility verification. TIMMA will need to verify program participants for eligibility, in partnership with TIDA. This verification is anticipated to include a requirement of proof of residency and/or a proof of parking permit.
- Participant registration and renewal. Program participants will need to register with TIMMA to receive an exempt toll tag. To prevent fraud, TIMMA is anticipated to require periodic registration renewals, e.g., as part of an annual parking permit renewal process.
- To minimize fraud, TIMMA anticipates a limit on the total number of exempt transponders per household.

Fall 2019 Outreach and Next Steps: Staff continues to analyze additional toll policy options for future low-income residents and for current and future Island workers. We anticipate additional outreach to both residents and workers through early 2020 to share findings and recommendations on those topics. We also continue to analyze areas of toll policy not yet adopted, including toll rate and hours of operation. We anticipate bringing recommendations in these policy areas to the TIMMA Board in one or more actions through early 2020.

RECOMMENDATION

The proposed action is to recommend exempting current residents from the Treasure Island Mobility Management Program congestion pricing toll. Implementation details, such as eligibility verification and per-household vehicle transponder maximums, shall be proposed and adopted as part of future Toll System Business Rules. The recommendation also includes revisiting the policy or a policy sunset, pending an evaluation into its effectiveness, at the midpoint (4,000th unit) of the Development Project. The exemption creates an additional program funding gap to be addressed together with other pending toll policy actions through further financial analysis. We anticipate bringing adoption of the final comprehensive toll and affordability program to the Board for consideration in Spring 2020.

FINANCIAL IMPACT

There is no financial impact to TIMMA's adopted FY 2019/20 budget from the requested action.

SUPPLEMENTAL MATERIALS

None