
**ANNUAL REPORT
OF
BAY AREA TOLL AUTHORITY
FOR THE
FISCAL YEAR ENDED JUNE 30, 2020**

DECEMBER 3, 2020

This Annual Report is being provided to the Municipal Securities Rulemaking Board with respect to the Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds and Bay Area Toll Authority San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds.

Base CUSIP: 072024[†]

[†] The base CUSIP number is provided for the convenience of Bondholders. The Authority is not responsible for the accuracy or completeness of such number.

I. INTRODUCTION

Pursuant to the Continuing Disclosure Agreements (collectively, the “Disclosure Agreements”) executed and delivered by the Bay Area Toll Authority (the “Authority”) for its outstanding Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds and its outstanding Bay Area Toll Authority San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds (collectively, the “Bonds”), which were issued with the base CUSIP[†] 072024, the Authority hereby provides its annual report for the fiscal year ended June 30, 2020 (the “Annual Report”).

Annual Report

The Authority’s Annual Report is delivered for all outstanding Bonds for which Disclosure Agreements have been executed by the Authority and consists of: (i) the information set forth in this Annual Report, which includes certain financial and operating data of the Authority set forth in Sections III through V of this Annual Report, which is provided in compliance with the Disclosure Agreements; and (ii) the Metropolitan Transportation Commission’s Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 (the “CAFR”), which is incorporated herein by this reference.

The CAFR includes management’s discussion of financial results, selected financial and other data, the report of the independent auditors and the Authority’s consolidated financial statements for the fiscal year ended June 30, 2020. A copy of the CAFR has been posted to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website at <http://emma.msrb.org/> and is incorporated herein by such reference as if fully included herein.

Please note that this Annual Report is intended to be read in conjunction with the CAFR.

II. AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Audited financial information relating to the Authority is included in the financial statements of the Metropolitan Transportation Commission (“MTC”). MTC does not prepare separate financial statements for the Authority. MTC’s Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 (the “CAFR”), has been posted to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website at <http://emma.msrb.org/> and is incorporated herein by such reference as if fully included herein.

[†] The base CUSIP number is provided for the convenience of Bondholders. The Authority is not responsible for the accuracy or completeness of such number.

III. BRIDGE SYSTEM TOLL RATES

The table below sets forth the Authority's adopted toll schedule in effect for FYE 2020.

BRIDGE SYSTEM TOTAL TOLL RATES EFFECTIVE FOR FYE 2020

Number of Axles Per Vehicle	
2 axles	\$ 6.00 [†]
3 axles	16.00
4 axles	21.00
5 axles	26.00
6 axles	31.00
7 axles or more	36.00

[†] During peak hours on all bridges, a reduced-rate toll of \$3.00 is collected on high-occupancy and inherently-low-emission two-axle vehicles. Under the adopted toll schedule, on the San Francisco-Oakland Bay Bridge, the weekday toll is \$7.00 on all other two-axle vehicles during peak hours (5 a.m. to 10 a.m. and from 3 p.m. to 7 p.m.), the weekday toll is \$5.00 on all other two-axle vehicles during non-peak hours, and the weekend toll is \$6.00 on all two-axle vehicles. However, on April 22, 2020, due to the reduction in congestion as a result of the COVID-19 pandemic, the Authority temporarily suspended congestion pricing for use of the San Francisco-Oakland Bay Bridge and tolls for all two-axle vehicles using the San Francisco-Oakland Bay Bridge are \$6.00 all day. See Section VI. "COVID-19 Pandemic" below.

IV. TOTAL TOLL-PAYING MOTOR VEHICLE TRAFFIC

The table below sets forth information on total toll-paying motor vehicle traffic for FYE 2020.

TOTAL TOLL-PAYING MOTOR VEHICLE TRAFFIC⁽¹⁾ (Number Of Vehicles In Thousands)

FYE	San Francisco- Oakland Bay Bridge	Carquinez Bridge	Benicia- Martinez Bridge	San Mateo- Hayward Bridge	Richmond- San Rafael Bridge	Dumbarton Bridge	Antioch Bridge	Total ⁽²⁾⁽³⁾
2020	40,114	19,429	18,336	16,531	12,657	9,874	2,841	119,782

⁽¹⁾ Traffic figures exclude toll violators.

⁽²⁾ Totals may not add due to rounding.

⁽³⁾ Due to the COVID-19 pandemic, total toll-paying traffic for FYE 2020 reflects a 13% decrease in total toll-paying traffic from FYE 2019 which was 138,284. See Section VI. "COVID-19 Pandemic" below.

V. BRIDGE SYSTEM HISTORICAL REVENUE AND DEBT SERVICE COVERAGE

The table set forth below details the historical revenue and debt service coverage for the system comprised of the seven state-owned toll bridges in the San Francisco Bay Area: the Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridge, the Dumbarton Bridge, the Richmond-San Rafael Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge for the FYE 2020.

Information in the table is intended to provide bondholders and potential investors with information about revenues and gross debt service coverage. The presentation is not prepared in accordance with

generally accepted accounting principles and could differ from comparable presentations by other similar organizations. This table does not calculate coverage ratio covenants or additional bonds tests. Supplemental tables included in the MTC 2020 CAFR present slightly different revenue, operating expense, debt service and debt service coverage ratio information and therefore are not comparable and should be read separately. Generally swap rates are used for variable rate demand bonds that have corresponding qualified swap agreements, the interest rates on taxable Build America Bonds are net of the expected subsidy payments, which payments are excluded from revenues, and bank fees are excluded from debt service.

BRIDGE SYSTEM
HISTORICAL REVENUE AND DEBT SERVICE COVERAGE
(\$ in thousands)

Fiscal Year Ended June 30, 2020	<u>2020</u>
Revenue	
Bridge Toll Revenues	\$633,932
Interest Earnings ⁽¹⁾	38,281
Other Revenues ⁽²⁾	29,841
Total Revenue Under Senior Indenture [A]	\$702,054
Debt Service on Senior Bonds and Parity Obligations⁽³⁾⁽⁴⁾ [B]	\$290,478
Gross Senior Debt Service Coverage [A/B]	2.42x
Less Maintenance and Operation Expenses ⁽⁶⁾ [C]	<u>\$(91,031)</u>
Total Available Revenue Under Subordinate Indenture ((A) less [C] = [D])	\$611,023
Debt Service on Senior Bonds, Parity Obligations and Subordinate Bonds⁽³⁾⁽⁴⁾⁽⁵⁾ [E]	\$501,215
Gross Debt Service Coverage [D/E]	1.22x

⁽¹⁾ Does not reflect non-cash derivative investment charges or gains that do not reduce or increase Revenue under provisions of the Senior Indenture.

⁽²⁾ Consists of violation revenues.

⁽³⁾ Including accrual of interest less Build America Bonds Subsidy, which subsidy was reduced by approximately 5.9% in federal fiscal year 2020 as a result of the sequestration order.

⁽⁴⁾ Excludes one-time prepayment of FY 20/21 principal payments and related interest and expenses using BATA operating reserve funds. Total Senior principal and related interest and expenses prepaid was \$88,319,125; and total Subordinate principal and related interest and expenses prepaid was \$71,873,894.

⁽⁵⁾ Excludes optional redemption of Subordinate Bonds, 2014 Series S5 of \$25,000,000 on 10/1/19.

⁽⁶⁾ The maintenance and operation expenses shown for FYE 2020 reflect the net operating and maintenance expenses incurred by the Authority, factoring in reimbursements received from other operating agencies.

As referenced in footnote 4 above, to address certain budget matters and cashflow timing mismatches due to the COVID-19 pandemic, in May 2020, the Authority made a one-time prepayment of all principal and related interest becoming due and payable in fiscal year 2021 for certain outstanding Toll Revenue Bonds and Subordinate Toll Revenue Bonds. This one-time prepayment was made using BATA operating reserve funds. See Note 5, page 79 of the MTC 2020 CAFR.

VI. COVID-19 PANDEMIC

The following information is provided as an update to the Authority's information filing on April 29, 2020 and does not constitute an addition to its annual report obligations under its Disclosure Agreements. The Authority is under no obligation to include this information in any future Annual Reports or to issue any updates or revisions to the information set forth below about the COVID-19 pandemic, which is accurate as of the date of this filing.

The outbreak of a new strain of coronavirus known as SARS-CoV-2 has resulted in the coronavirus ("COVID-19"), which was first reported in China in December 2019 and has since spread to other countries, including the United States, and has been declared a global pandemic by the World Health Organization. The U.S. Department of State and the Centers for Disease Control, as well as other governmental authorities, including the State of California (the "State") and the nine counties of the San Francisco Bay Area (the "Bay Area Counties"), and companies have issued various orders and guidelines that restrict activities in order to slow the spread of COVID-19. The State and Bay Area Counties, as well as many states, counties and cities nationwide, have instituted social distancing guidelines and/or stay-at-home orders for various periods of time, with certain exceptions for essential infrastructure and essential governmental functions. Other ongoing orders and guidelines include working from home, conducting school from home, cancelling numerous events, avoiding discretionary travel, limiting social gatherings and restricting the operations of restaurants, bars and other gathering establishments. The Authority cannot predict the scope or duration of these preventative measures, nor when or whether stay-at-home orders may be in effect, modified or rescinded by the Bay Area Counties and/or the State; however, the orders, which began in March 2020, have been and continue to be modified and updated as conditions of the outbreak warrant. The COVID-19 pandemic and related restrictions at the local, state, national and international levels have severely disrupted, and continue to disrupt, the economies of the United States and other countries, resulting in volatility in the securities markets.

Bridge Traffic. As a result of the ongoing COVID-19 pandemic, the Authority has experienced and is continuing to experience declines in motor vehicle traffic on each of the seven state owned toll bridges in the San Francisco Bay Area, the Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridge, the Dumbarton Bridge, the Richmond-San Rafael Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge (each a "Bridge" and collectively, the "Bridge System"), when compared to 2019. The table below provides comparative information of total motor vehicle traffic on each of the Bridges for the four month period of July to October for the fiscal years ended June 30, 2019 and 2020, and the current fiscal year ending June 30, 2021.

TOTAL TRAFFIC FOUR MONTH PERIOD OF JULY THROUGH OCTOBER (Number Of Vehicles In Thousands) (Unaudited)

	Fiscal Year Ended 2019	Fiscal Year Ended 2020	Fiscal Year Ending 2021	Increase/ (Decrease) (2020/2021)	Percent Change (2020/2021)
Antioch Bridge	1,119	1,169	1,018	(151)	(13)%
Benicia-Martinez Bridge	7,674	7,473	5,750	(1,722)	(23)%
Carquinez Bridge	8,013	7,768	6,605	(1,163)	(15)%
Dumbarton Bridge	4,263	4,232	2,397	(1,835)	(43)%
Richmond-San Rafael Bridge	5,275	5,149	3,936	(1,213)	(24)%
San Francisco-Oakland Bay Bridge	16,362	16,018	12,909	(3,109)	(19)%
San Mateo – Hayward Bridge	7,057	6,926	4,321	(2,605)	(38)%
Total Vehicles⁽¹⁾	49,763	48,735	36,937	(11,798)	(24)%

(1) Totals may not add due to rounding.

The Authority is closely monitoring traffic volumes on the Bridge System as a result of the COVID-19 pandemic and the actions taken by the Bay Area Counties and State authorities, including Caltrans, to contain the spread of the virus. The Authority cannot predict the extent and duration of changes in traffic volume on the Bridge System as a result of the COVID-19 pandemic and its associated economic impacts, including on Bridge Toll Revenues, as discussed below. It is possible that driving behavior and traffic patterns in the Bay Area may be permanently altered, once the various guidelines and orders implemented in response to the COVID-19 pandemic have been lifted, as a result of residents' and businesses' telecommuting experiences during the outbreak.

Toll Collections. Cash toll collection on each of the Bridges is the responsibility of Caltrans. Beginning in March 2020, the State and Caltrans suspended cash toll collections. Starting in April 2020, BATA converted from cash payment/electronic toll collection to cash invoice/electronic toll collection and suspended violation penalty assessments for unpaid tolls. Since March 2020, BATA has invoiced for approximately 9 million of unpaid cash toll transactions with approximately 60% resolved by payment or administrative correction. The balance of the outstanding cash invoices remains to be processed. BATA has initiated a second invoice process and will be sending out second notices on all unpaid cash invoices. Any unpaid invoices remaining after the second notice will be put into the violation process, without penalties. Any unpaid violations, including both first and second notices, will be transmitted to the California Department of Motor Vehicles, for placement of a hold on the vehicle registration until the outstanding toll obligation is satisfied.

Caltrans has informed the Authority that they will not be reinstating cash toll collections on the Bridges. As such, BATA has begun development of a regular invoicing system to replace the current cash invoice system. BATA expects to reinstate full violation penalties with initiation of the new invoicing system which is expected sometime during Fiscal Year 2021.

The Authority cannot predict (i) the ultimate duration or extent of the COVID-19 pandemic or any other outbreak or pandemic; (ii) the scope or duration of the guidelines and orders implemented in response to the COVID-19 pandemic or any other related or new restrictions or warnings related to travel, gatherings or other activities, and the duration or extent to which such guidelines, orders or other travel restrictions will remain in effect in the Bay Area Counties or the State; (iii) what effect any COVID-19 or other outbreak or pandemic-related restrictions or warnings may have in the future on travel, commerce and the collection and receipt of bridge toll revenues by the Authority; (iv) whether and to what extent COVID-19 or another outbreak or pandemic may disrupt local, State, national or global economies, construction, manufacturing or supply chains; (v) the extent to which the COVID-19 pandemic or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in future traffic patterns and use of the Bridge System, generally; or (vi) whether any of the foregoing may in the future have a material adverse effect on the finances and operations of the Authority and bridge toll revenues.

VII. OTHER MATTERS


This Annual Report is provided solely pursuant to the Disclosure Agreements. The filing and content of this Annual Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the Authority or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this Annual Report relates (other than as contained in this Annual Report), or any other date specified with respect to any of the information contained in this Annual Report, or that no other information exists, which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell or hold the Bonds. The information contained in this Annual Report has been obtained from sources which are believed to be reliable. No statement in this Annual Report should be construed as a prediction or representation about future financial performance of the Authority. Statements and

information in this supplement are not intended for attribution to the Authority in any other document or in connection with the offer or sale of securities, explicitly or implicitly, and the Authority disclaims any authority over or responsibility for their use in any other document or in connection with the offer or sale of securities.

This Annual Report, including the information set forth below and the CAFR, contains certain forward-looking statements that involve risks and uncertainties. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions, future events or performance (often, but not always, through the use of words or phrases such as “will result,” “expect to,” “will continue,” “anticipates,” “plans,” “intends,” “estimated,” “projects,” and “outlook”) are not historical and may be forward-looking. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from those expressed or implied by such forward-looking statements. Although the Authority believes that the expectations reflected in the forward-looking statements are reasonable, the Authority cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Authority nor any other person assumes responsibility for the accuracy or completeness of these statements. Accordingly, investors should not rely on forward-looking statements in this Annual Report. The Authority undertakes no obligation to publicly update or revise any forward-looking statements in this Annual Report, whether as a result of new information, future events or otherwise.

This Annual Report is dated the date set forth on the cover hereof.

BAY AREA TOLL AUTHORITY

By: 

Brian Mayhew
Chief Financial Officer