

SAULT STE. MARIE BRIDGE AUTHORITY

Proposed Toll Changes
Public Hearings
2023

OUR INTERNATIONAL PARTNERSHIP

Asset Ownership



Governance



Sault Ste. Marie Bridge Authority

4 U.S. Members (Appointed by Governor) / 4 Canadian Members (Appointed by FBCL)



International Bridge Administration

Management, Maintenance, and Operations

OUR MISSION

- Safe and efficient movement of people and goods between Ontario and Michigan.
- **Maintain and preserve the public investment in bridge assets.**
- Promote U.S. and Canadian trade, tourism and regional economic development.

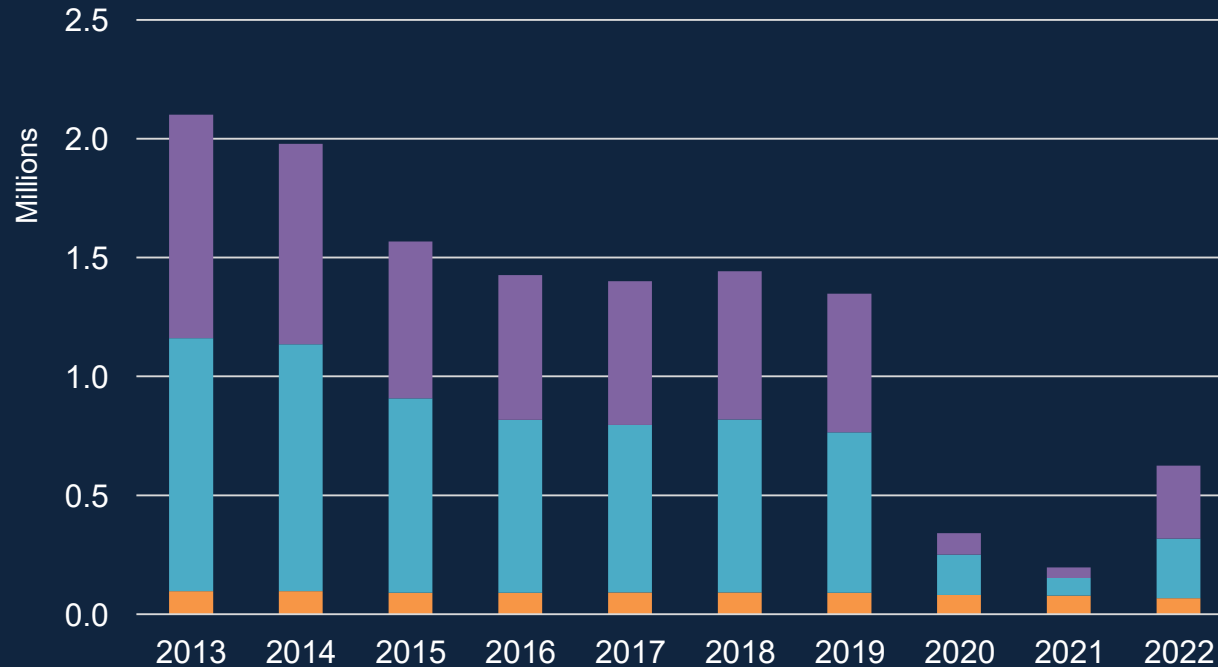


BRIDGE TRAFFIC STRUCTURE

Average Traffic History

- Peak Year 1992 = 3.45 million
- Annual Average (2000's) = 1.83 million
- Annual Average (2010's) = 1.45 million

Bridge maintenance is supported only by **sustainable** bridge traffic and revenue.



■ Auto

■ Commuter

■ Commercial



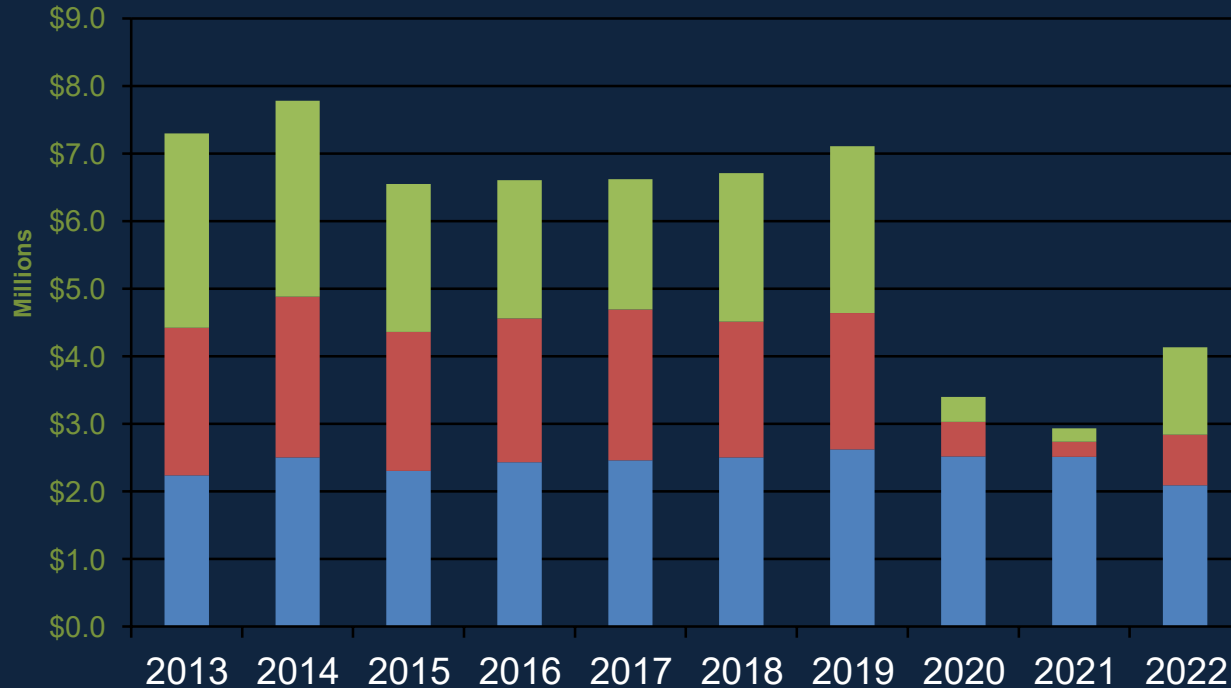
BRIDGE FINANCIAL STRUCTURE

Average 5-Year Revenue History

- Peak Year 2014 = \$7.8 million
- Average Revenue* = \$7.1 million
 - 36% Auto
 - 31% Commuter
 - 33% Commercial

Toll revenue is derived from the 3 traffic categories.

* - pre-pandemic



■ Auto

■ Commuter

■ Commercial



HISTORICAL TOLL RATE CHANGES



• 1962	\$1.25
• 1968	\$1.50
• 2007	\$2.00
• 2009	\$2.50
• 2010	\$3.00
• 2014	\$3.50
• 2019	\$4.00

• 1962	\$1.25
• 1968	\$1.50
• 2007	\$2.25
• 2009	\$2.95
• 2010	\$3.10
• 2014	\$3.70
• 2019	\$5.40

Commuters
10 to 30%

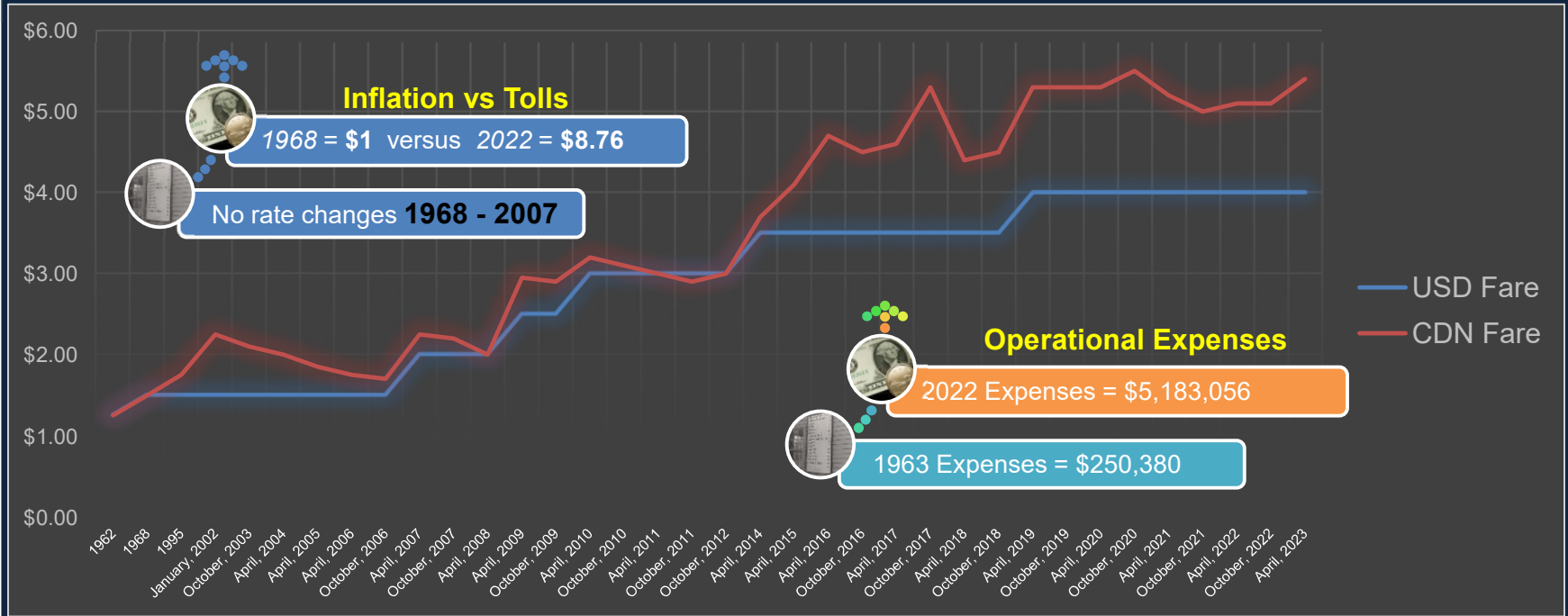
\$2.80 USD
\$3.78 CDN

- Rolling 30 days
- No funds expiry

Online Payment
Methods

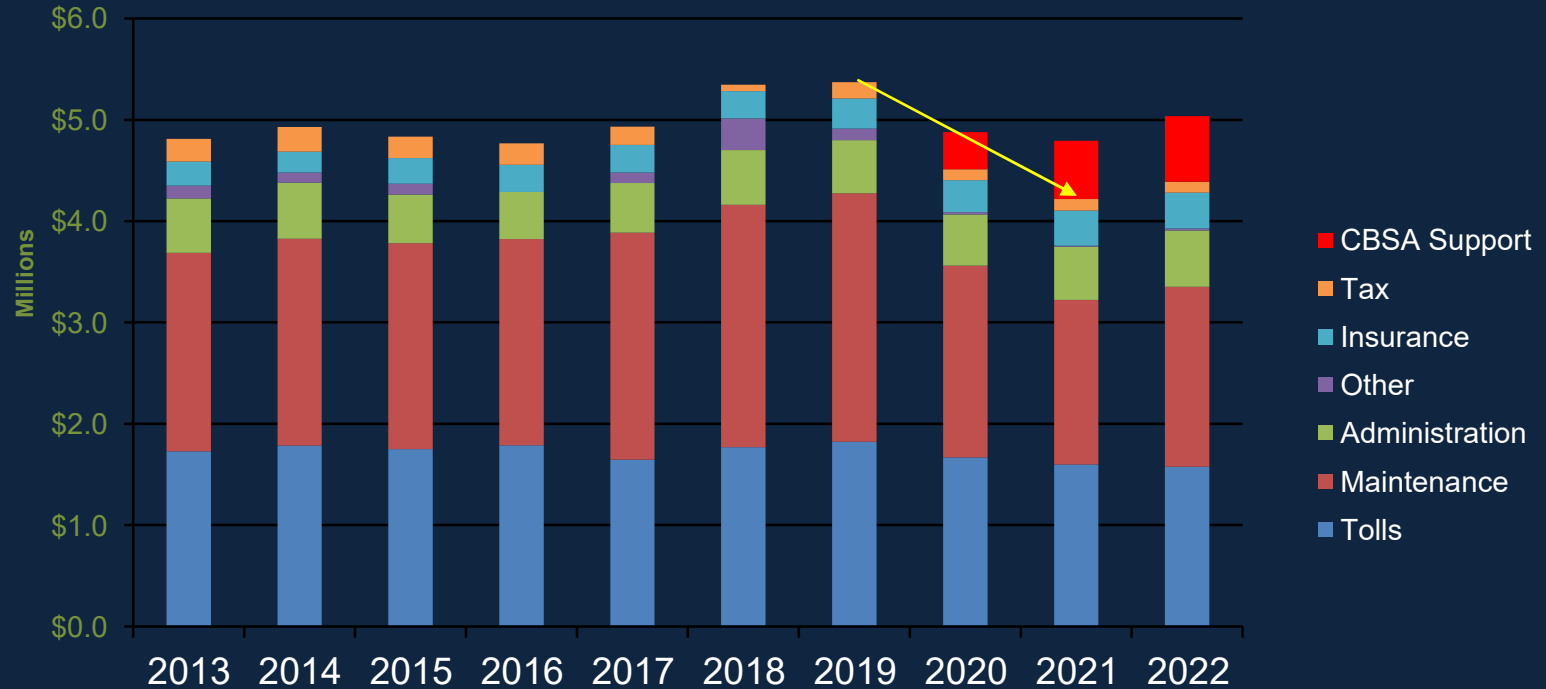


TOLL FARE TRENDS VS EXPENSE TRENDS

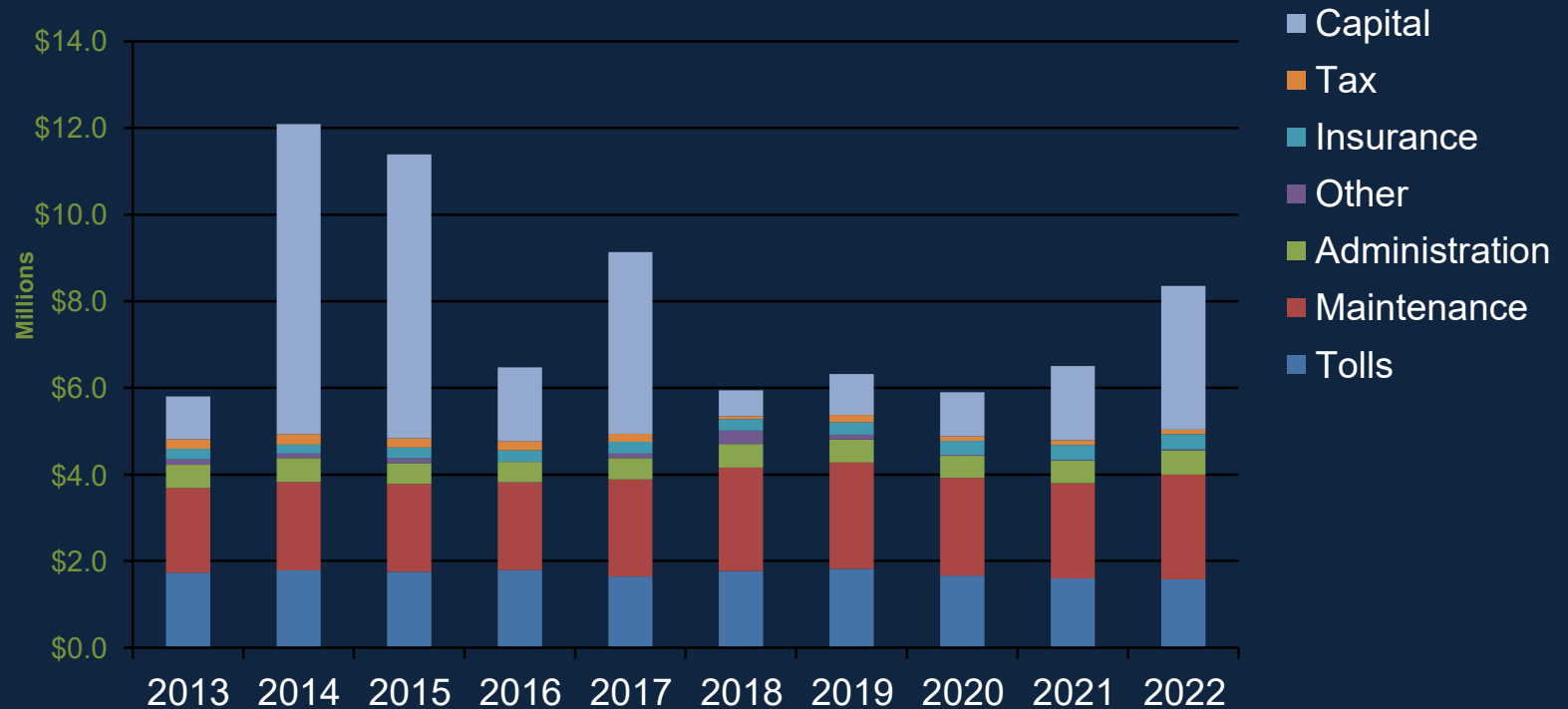


- Canadian rate semi-annual adjustments for U.S./CDN currency exchange since **2002**.
- 2023 exchange **\$1 USD = \$1.3467 CDN** or **\$1 CDN = \$0.7426 USD**

HISTORICAL BRIDGE OPERATIONAL COSTS



HISTORICAL BRIDGE TOTAL EXPENDITURES



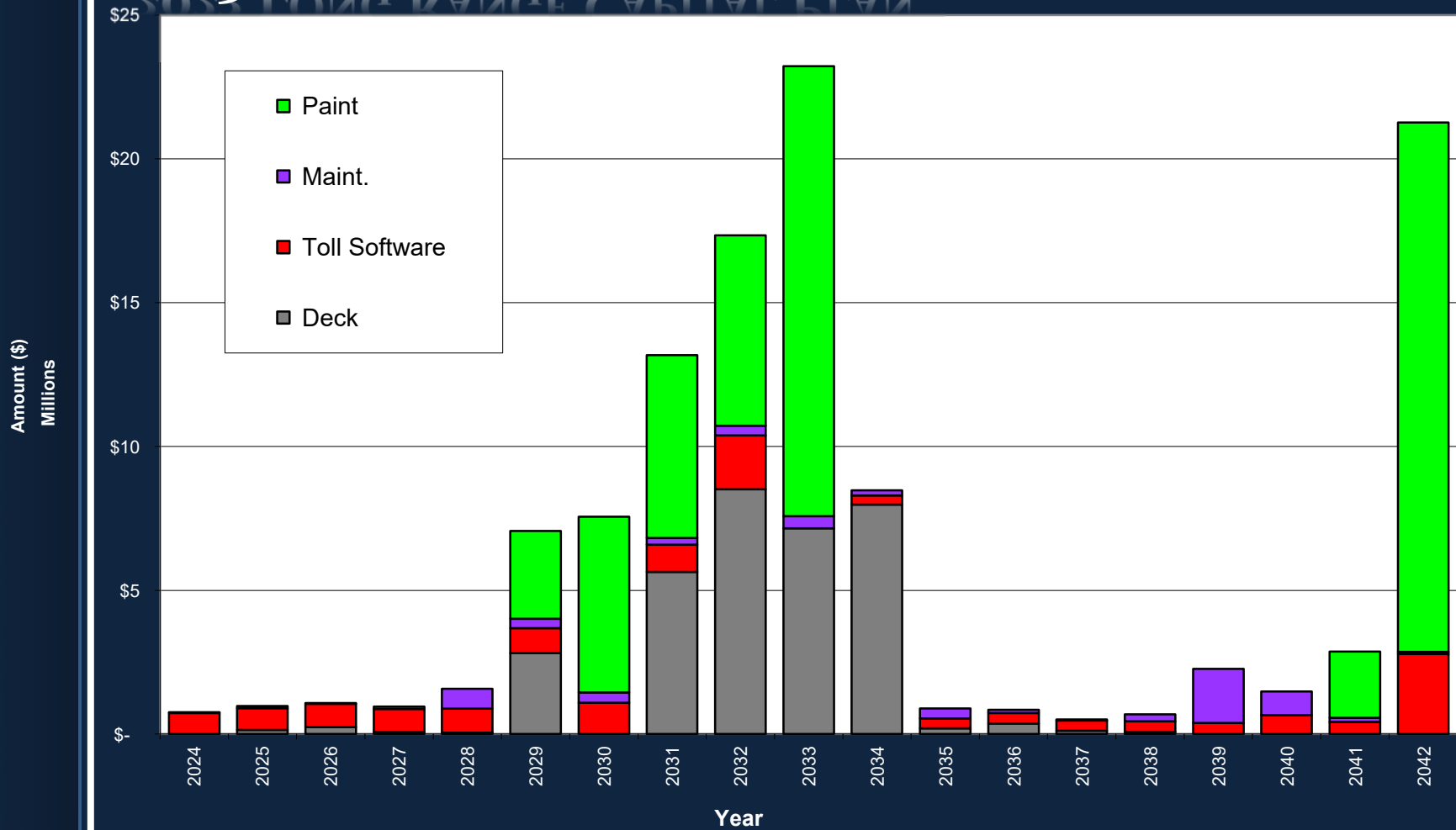
TOLL RATES – 2023 AND BEYOND



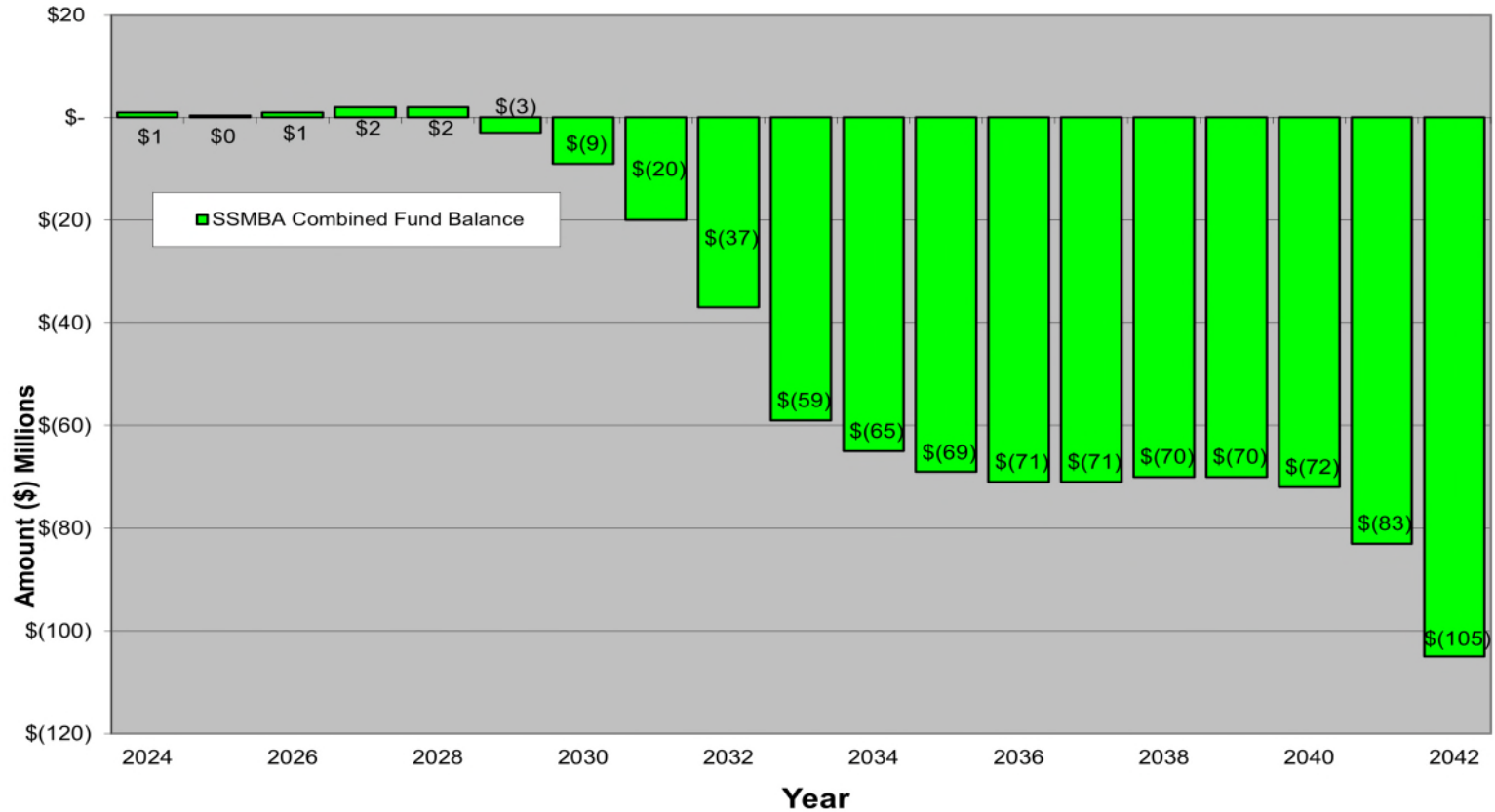
ASSET PRESERVATION CHALLENGES



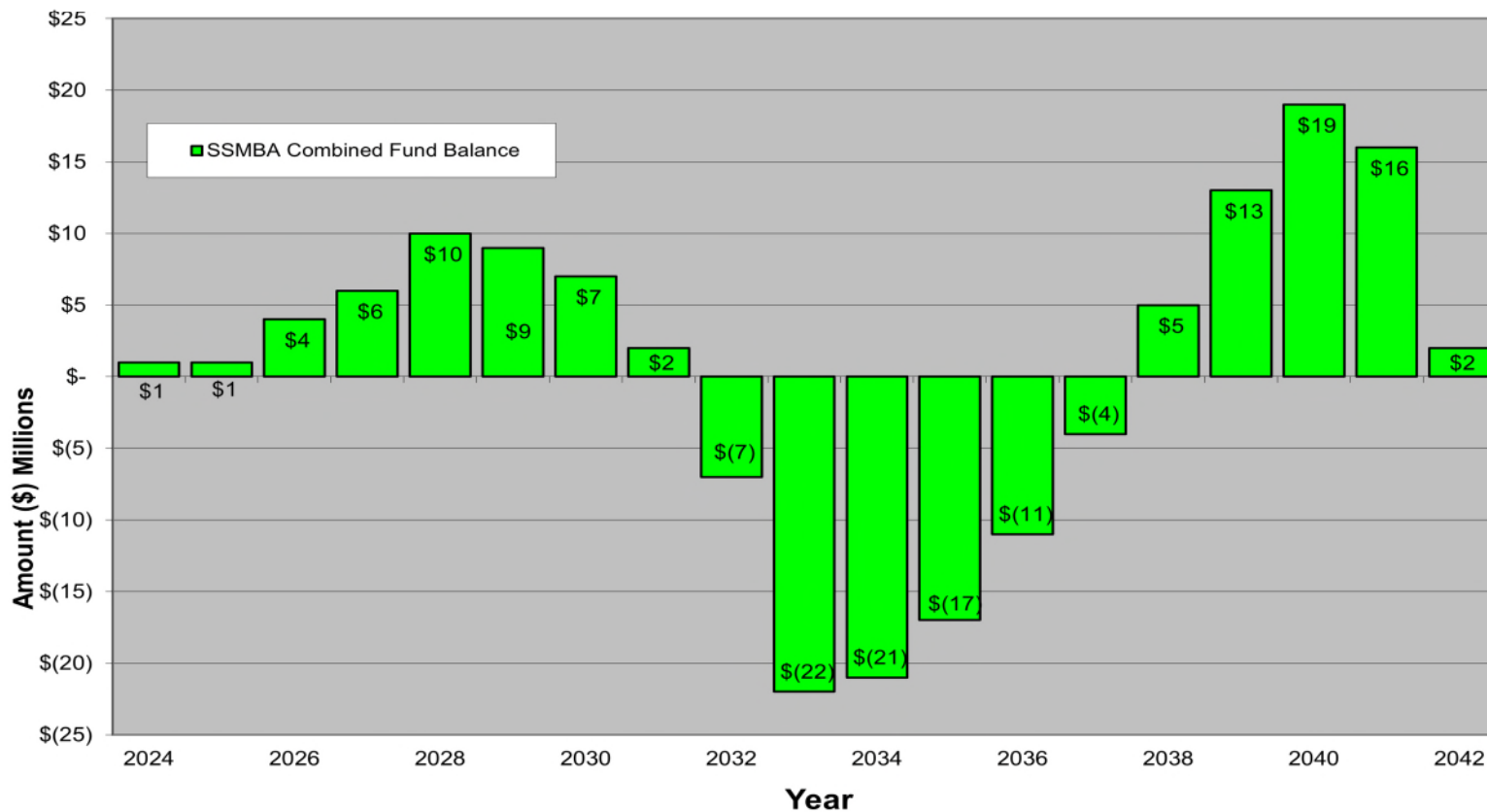
2023 LONG RANGE CAPITAL PLAN



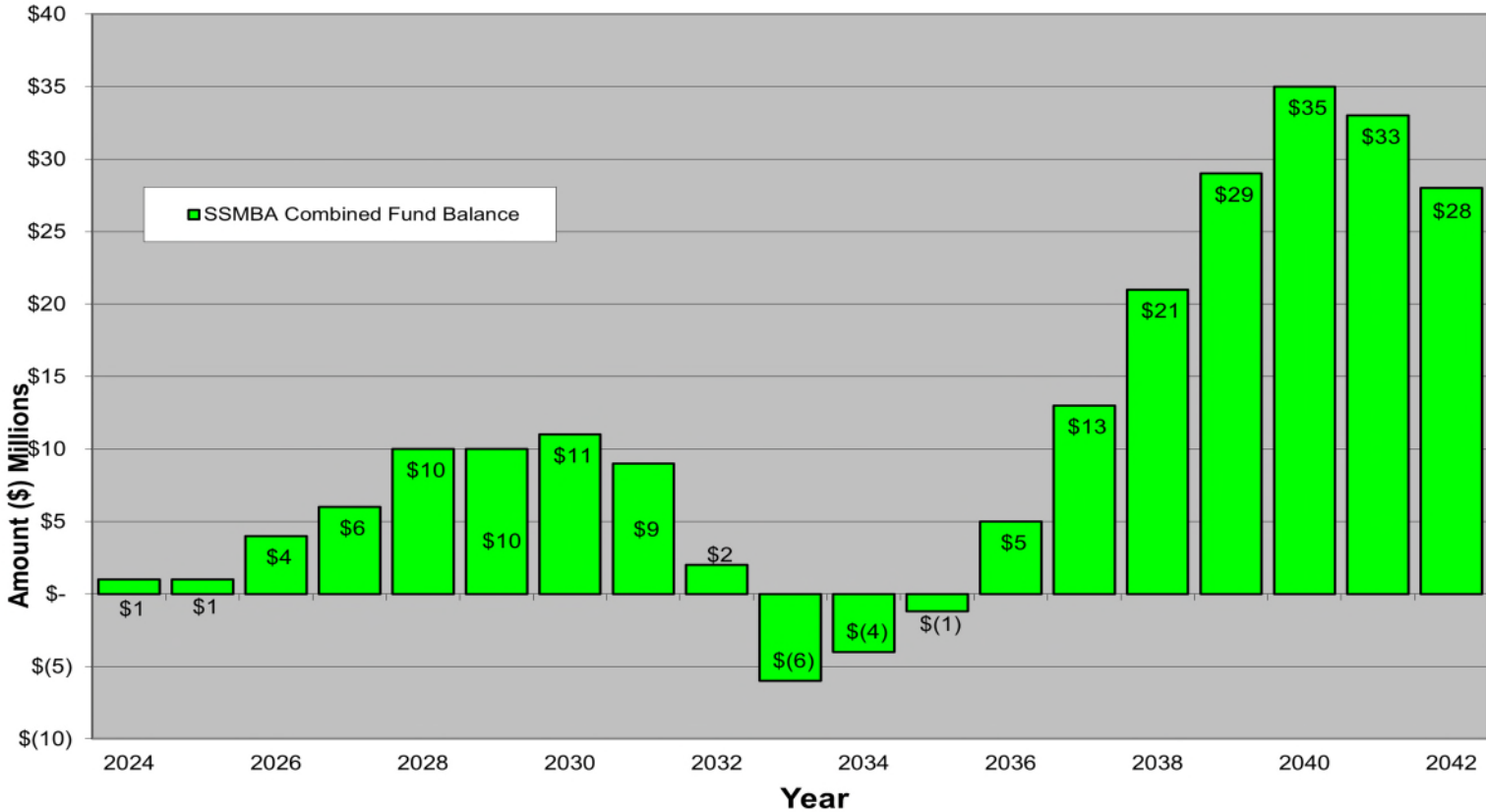
2023 COMBINED FUND BALANCE (NO RATE CHANGE)



2023 COMBINED FUND BALANCE (WITH RATE CHANGE)



2023 COMBINED FUND BALANCE (w/ HRCSA PAINT)



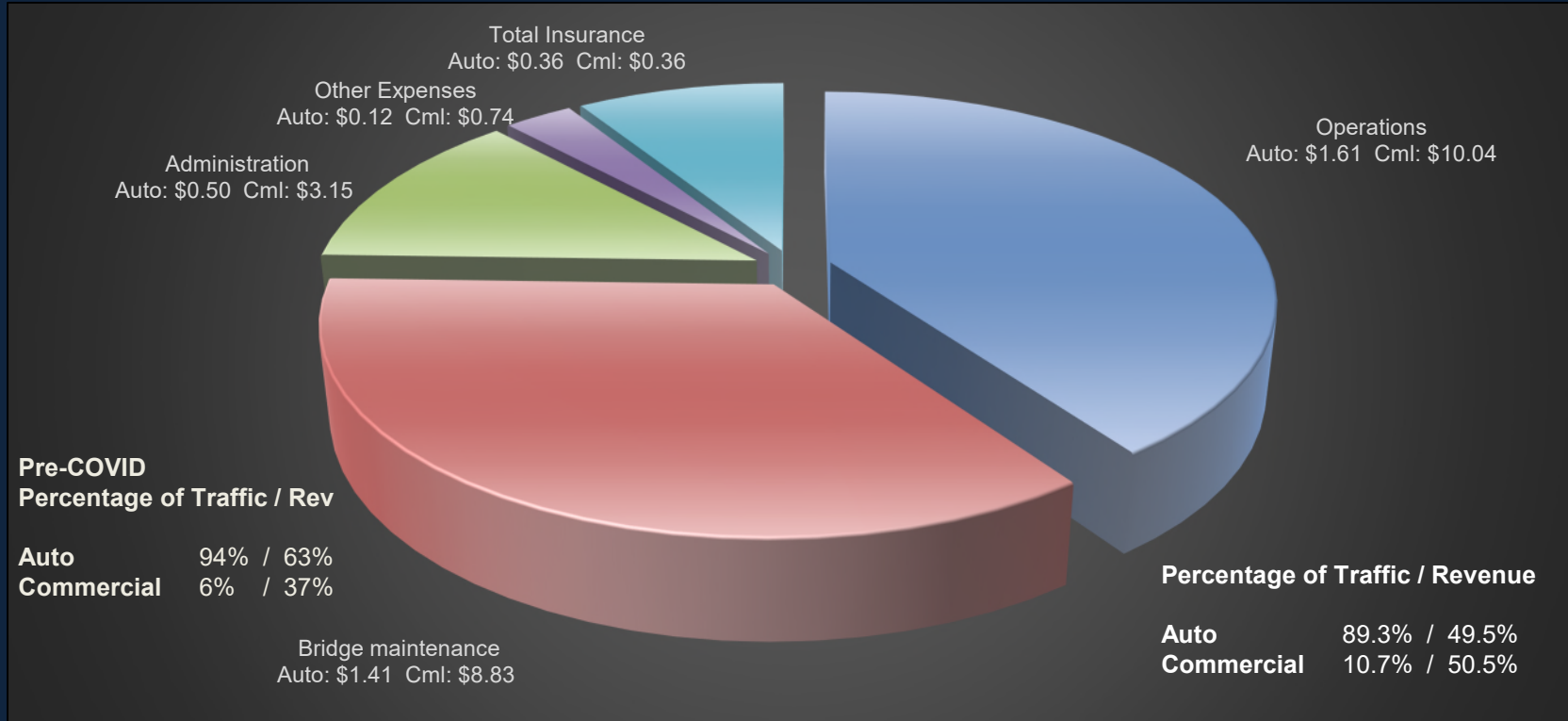
OPERATIONAL FISCAL OUTLOOK WITH NO RATE ADJUSTMENTS

	2019	2020	2021	2022	2023	2024	2025	2026	2027
Toll Revenue	\$ 7,018,893	\$ 3,390,409	\$ 2,919,320	\$ 4,132,022	\$ 4,223,582	\$ 5,819,939	\$ 6,466,597	\$ 6,660,594	\$ 6,860,413
Operational Expenditures	\$ 5,026,551	\$ 4,547,909	\$ 4,390,007	\$ 4,658,166	\$ 5,299,009	\$ 5,699,616	\$ 5,760,654	\$ 6,120,698	\$ 6,084,928
CBSA Support Expenditures *	\$ 345,699	\$ 338,039	\$ 451,573	\$ 524,890	\$ 629,868	\$ 755,842	\$ 907,010	\$ 1,088,412	\$ 1,306,094
Profit (Loss)	\$ 1,702,681	\$ (2,192,347)	\$ (795,781)	\$ (372,005)	\$ (1,649,946)	\$ (840,167)	\$ (363,337)	\$ (1,267,944)	\$ (839,712)

- Cost of Mandatory Support for the Canada Border Services Agency (CBSA) Facility & Plaza per Section 6 of the Canada Customs Act

YOUR TOLL INVESTMENT

Auto \$4.00 USD
Commercial \$5.00/Axle
 \$25.00 5-Axle Semi*



* Most common commercial semi class

PROPOSED TOLL RATE CHANGES

Annual Average Change:

- Auto Toll 2.9%
- Commercial 4.7%

	Auto		RV (USD per Axle)		Commercial (USD per Axle)	
	April 1	October 1	April 1	October 1	April 1	October 1
2023	\$4.00 (current)	\$4.10	\$3.25 (current)	\$3.30	\$5.00 (current)	\$5.25
2024	\$4.20	\$4.30	\$3.35	\$3.40	\$5.50	\$5.75
2025	\$4.40	\$4.50	\$3.45	\$3.50	\$6.00	\$6.25
2026	\$4.60	\$4.70	\$3.55	\$3.60	\$6.50	\$6.75
2027	\$4.80	\$4.90	\$3.65	\$3.70	\$7.00	\$7.25
2028	\$5.00	\$5.20	\$3.75	\$3.80	\$7.50	\$8.00
2029	\$5.40	\$5.60	\$3.90	\$4.00	\$8.50	\$9.00
2030	\$5.80	\$6.00	\$4.10	\$4.20	\$9.50	\$10.00
2031	\$6.20	\$6.40	\$4.30	\$4.40	\$10.50	\$11.00
2032	\$6.60	\$6.80	\$4.50	\$4.60	\$11.50	\$12.00
2033	\$7.00	-	\$4.70	-	\$12.50	-

USD = Base Rate - * proposed on Oct 1, 2023
 Canadian rates adjust with each semi-annual equity adjustment

Auto Increase 71% 2023 – 2033
 Commercial Increase 138% 2023 – 2033

PROPOSED COMMUTER PROGRAM

Current Full Fare Toll:

\$4.00 per Auto

Proposed Full Fare Toll: *

\$4.10 per Auto

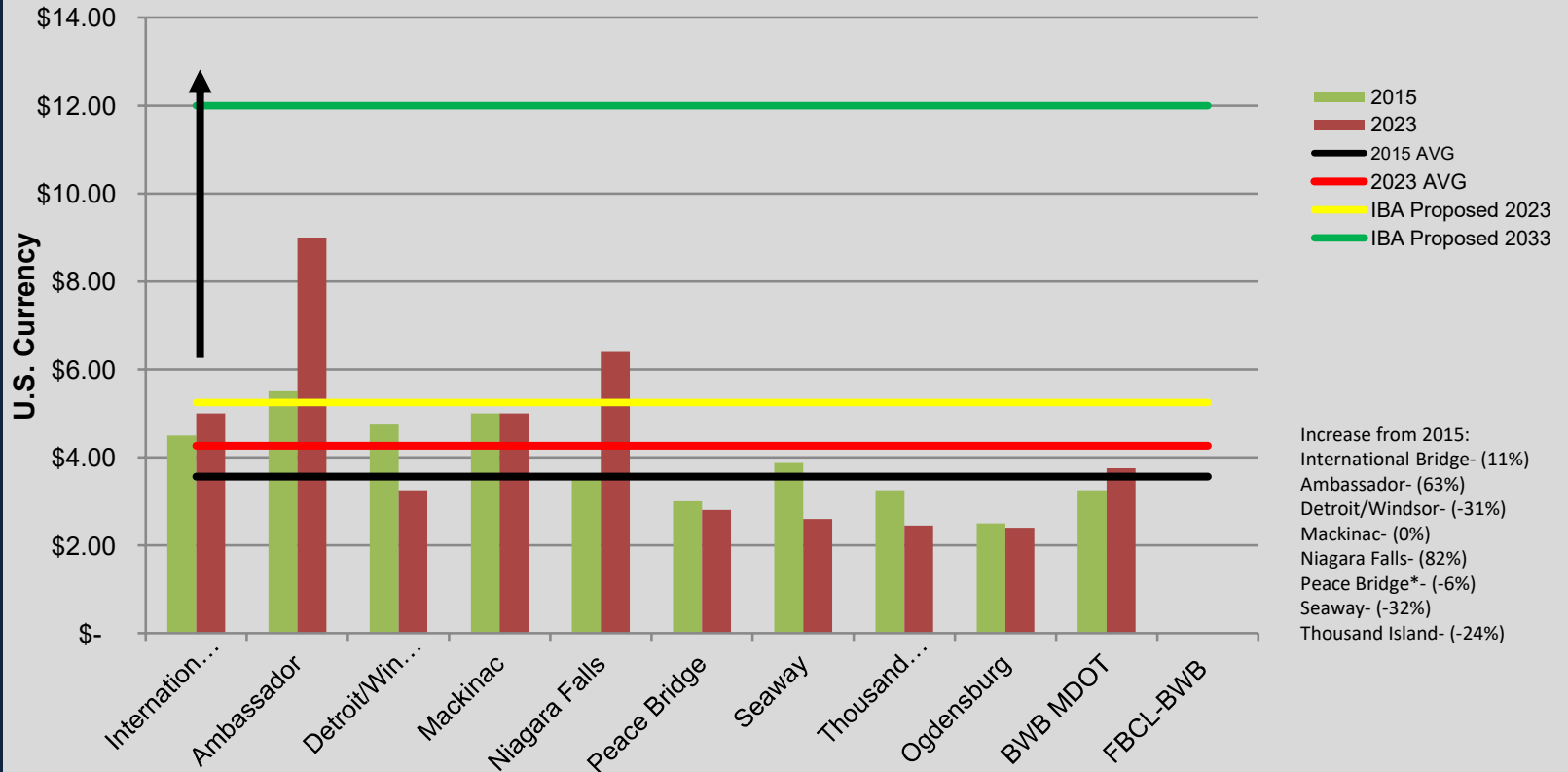
		<u>Discount</u>	<u>Crossings</u>	<u>Rate</u>		<u>Discount</u>	<u>Crossings</u>	<u>Rate</u> *	
•	Tier 1	10%	0 – 2	\$3.60	➤	Tier 1	10%	0 – 4	\$3.69
•	Tier 2	20%	3 – 8	\$3.20	➤	Tier 2	25%	5 – 8	\$3.08
•	Tier 3	30%	9 or more	\$2.80	➤	Tier 3	35%	9 or more	\$2.67
Increase 2023-2033				Commuter Rates in 2033					
❖	Tier 1	\$2.70 - 75%			➤	Tier 1	10%	0 – 4	\$6.30
❖	Tier 2	\$2.05 - 64%			➤	Tier 2	25%	5 – 8	\$5.25
❖	Tier 3	\$1.75 - 63%			➤	Tier 3	35%	9 or more	\$4.55

USD = Base Rate - * proposed on Oct 1, 2023

Commuter rates adjust with each semi-annual full fare adjustment

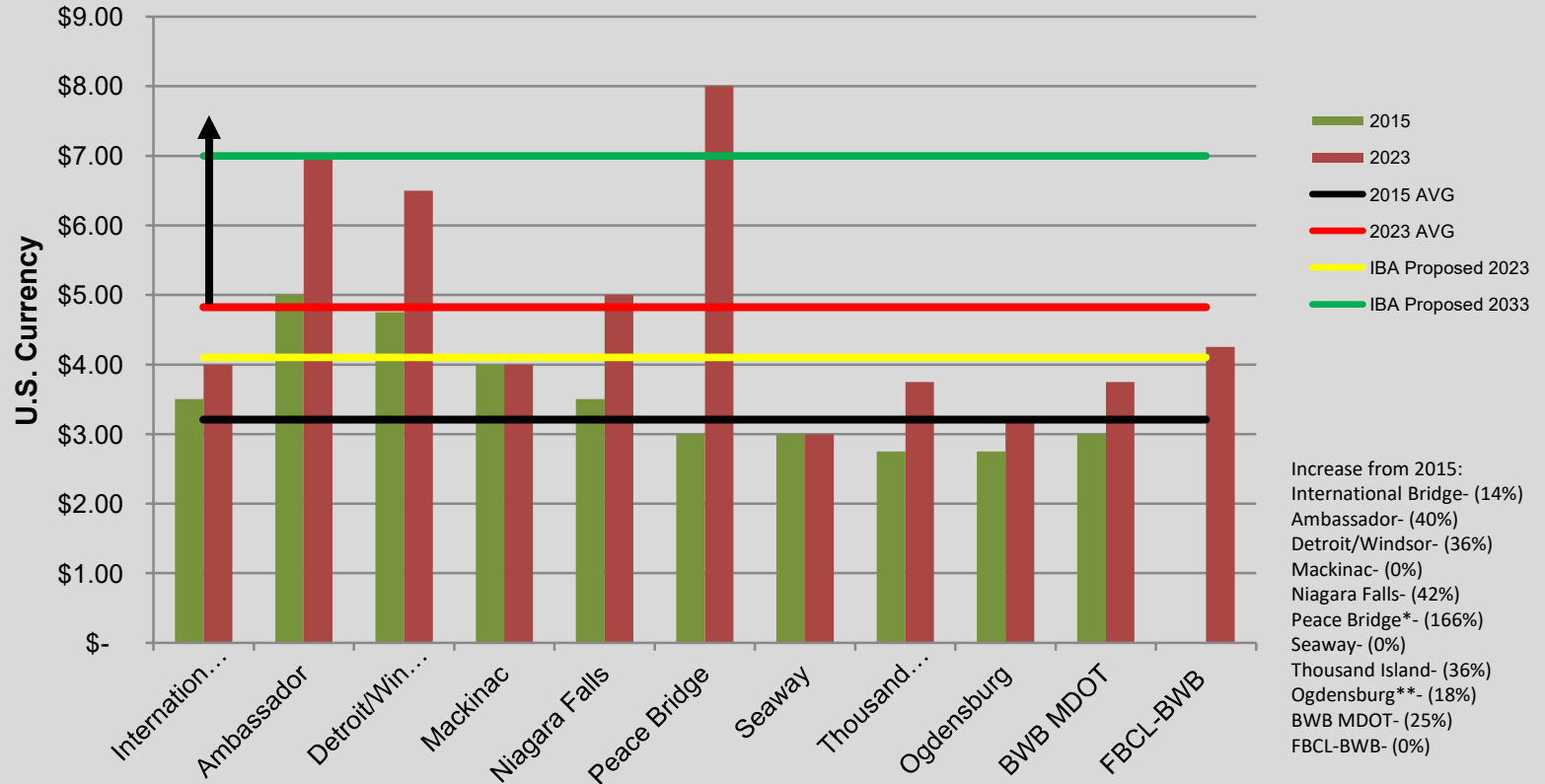
2015-2023 COMMERCIAL TOLL TRENDS

International Bridge Administration Commercial Toll Trends (Per Axle) 2015 - 2023

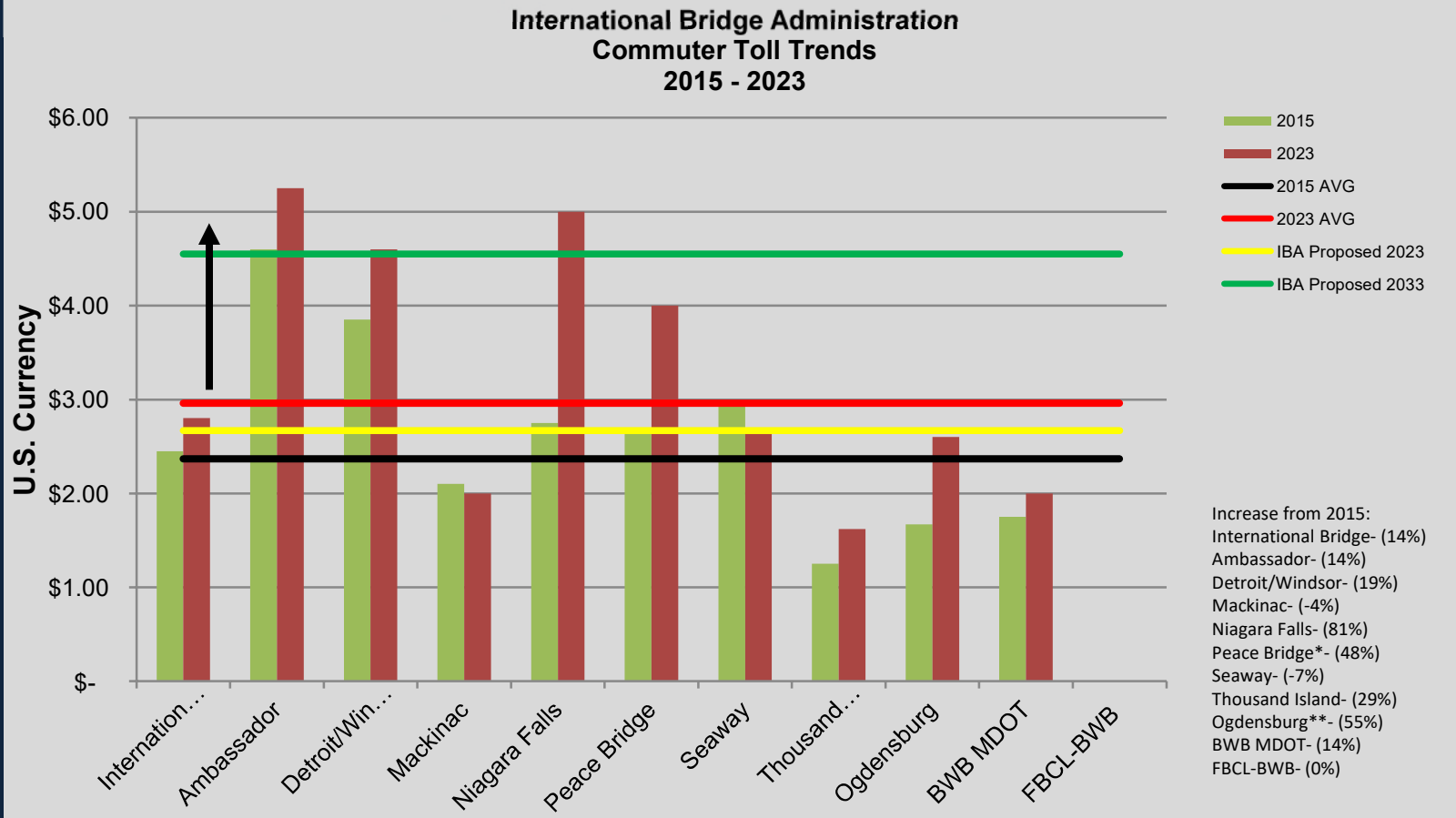


2015-2023 AUTOMOTIVE TOLL TRENDS

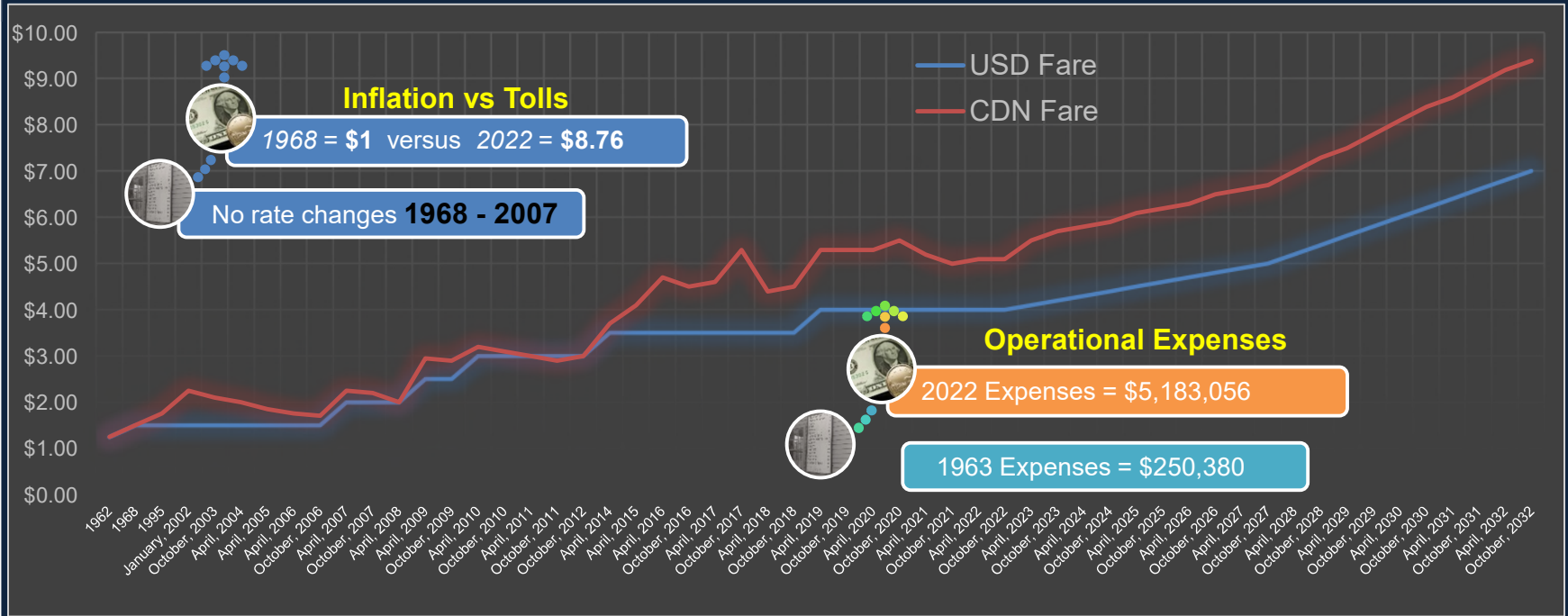
International Bridge Administration
Automotive Toll Trends
2015 - 2023



2015-2023 COMMUTER TOLL TRENDS



TOLL FARE TRENDS VS EXPENSE TRENDS



- Canadian rate semi-annual adjustments for U.S./CDN currency exchange since **2002**.
- 2023 exchange **\$1 USD = \$1.3467 CDN** or **\$1 CDN = \$0.7426 USD**

WHAT HAPPENS NEXT...

- Public Hearings in:
 - Sault Ste. Marie, Ontario - July 11, 2023
 - Sault Ste. Marie, Michigan - July 12, 2023
 - Lansing, Michigan - July 13, 2023
- Written Public comments accepted postmarked no later than July 27, 2023
- SSMBA decision on tolls:
 - Quarterly Board of Directors Meeting in Ottawa, Ontario
 - August 16, 2023
- If implemented, new toll schedule to go into effect:
 - October 1, 2023.

michigan.gov/mdot



QUESTIONS?

saultbridge.com



Peter Petäinen
Bridge Director
petainenp@michigan.gov



Karl Hansen, PE
Bridge Engineer
hansenk@michigan.gov



Emily Jacques, CPA
Chief Financial Officer
jacques2@michigan.gov