SENATE COMMITTEE ON TRANSPORTATION
Senator Dave Cortese, Chair
2025 - 2026 Regular

Bill No:	SB 607	**Hearing Date:**	8/11/2026
Author:	Wiener		
Version:	7/2/2026 Amended		
Urgency:	No	**Fiscal:**	No
Consultant:	Melissa White		

SUBJECT: Golden Gate Bridge, Highway and Transportation District: contributions and loans

DIGEST: This bill authorizes the Golden Gate Bridge, Highway, and Transportation District (District) to accept contributions and loans from the state and the United States for the purpose of financing capital improvements related to seismic safety on the Golden Gate Bridge, as specified.

ANALYSIS:

Existing law:

1) Authorizes the formation of a bridge and highway district, prescribing related procedural and governance requirements, powers and duties, taxation, bonding, toll and financing authorities.

2) Establishes the District as a special district to operate and maintain the Golden Gate Bridge and two public transit systems (Golden Gate Transit and Golden Gate Ferry) connecting the counties of Marin, Sonoma, San Francisco, and Contra Costa.

3) Prohibits the District from issuing general obligation bonds, revenue bonds, or any other form of long-term indebtedness except to finance its interim system of buses and ferries or to finance capital improvements or modifications relating to seismic safety of the bridge.

4) Authorizes a district to sell or issue bonds, if approved by a 2/3 vote threshold in a special election in all of the counties that make up the District, and imposes related procedural and due process requirements.

5) Authorizes the use of toll revenues to pay any indebtedness or lien against a district.

This bill:

1) Provides that the District may accept contributions or loans from the United States or this state or any of its political subdivisions, or any department, instrumentality, agency, or authority of either thereof, for the purpose of financing capital improvements or modifications relating to seismic safety of the bridge.

2) Specifies that the District may authorize the acceptance of those contributions or loans by resolution, which shall specify the purposes for which the contribution or loan is being accepted, the maximum principal amount of the loan, and the maximum rate of interest to be payable on the loan, as applicable.

3) Provides that the District may do any and all things necessary in order to avail itself of that aid, assistance, and cooperation under any federal or state legislation now or hereafter enacted, including pledging toll revenues for the repayment of those loans and entering into contracts ancillary to those loans. Any evidence of specified indebtedness shall constitute a negotiable instrument.

4) Clarifies that this bill is a complete, additional, and alternative method for the District to authorize and accept a contribution or loan from an entity for the purposes specified herein and shall be regarded as supplemental and additional to all other powers conferred to the District by law.

COMMENTS:

1) *Purpose of the bill*. According to the author, "The Golden Gate Bridge is a critical, iconic piece of infrastructure and symbol of our state. The bridge - constructed in a period of great adversity - was an engineering marvel of its time, and it continues to serve millions of people every year - whether they drive, ride the bus, walk, or bike on the bridge. By modernizing the Golden Gate Bridge District's ability to enter into long-term loan agreements, SB 607 will help ensure the Golden Gate Bridge remains safe, seismically resilient, and operational for generations to come."

2) *Golden Gate Bridge, Highway, and Transportation District*. The development and construction of the Golden Gate Bridge has a long and storied history. Motivated by the immense popularity of the automobile, ferry congestion and unreliability, stunted economic development in San Francisco due to the lack of a fixed crossing, San Francisco City Engineer Michael O'Shaughnessy, Secretary to the Mayor Edward Rainey, and engineer Joseph B. Strauss believed a special district was needed to oversee financing, design, and

construction so that all affected counties could be heard and represented. In 1923, the Bridging the Golden Gate Association was formed to advocate and campaign for the construction of a bridge. That same year, Governor Friend William Richardson signed a bill by Assemblyman Frank Coombs creating the District. Today, the Golden Gate Bridge spans the Golden Gate Strait linking the City of San Francisco and the counties to the north. Serving up to 40 million vehicles a year, it serves a vital transportation link for the San Francisco Bay Area.

In addition to operating and maintaining the Golden Gate Bridge, the District also operates two public transit systems, Golden Gate Transit and Golden Gate Ferry, connecting the counties of Marin, Sonoma, San Francisco, and Contra Costa. In 1969, the Legislature passed AB 584 (Foran, Chapter 584, Statutes of 1969), authorizing the District to develop a transportation facility plan for implementing a mass transportation program in the U.S. Highway 101/Golden Gate Corridor. This was to include any and all forms of transit, including ferry. At that time, the word "Transportation" was added to the District name to indicate its new commitment to public transportation.

The District is required to have a board that consists of 17 members as follows:

- One director representing Del Norte County, one director representing Mendocino County, and one director representing Napa County, appointed by the board of supervisors of the respective represented county.

- Four directors representing Marin County, appointed by the board of supervisors. One of the directors must be an elected member of the board of supervisors, another must be an elected member of a city council of a city within Marin County, and another must be a member of the general public.

- Three directors representing Sonoma County, appointed by the board of supervisors. One of the directors may be an elected member of the board of supervisors, and another of the directors must be an elected member of a city council of a city within Sonoma County.

- Nine directors, representing the City and County of San Francisco, eight of whom must be appointed by the board of supervisors, and one of whom must be appointed by the mayor. Four of the directors shall be elected members of the board of supervisors.

3) *Golden Gate Bridge Seismic Safety.* The Loma Prieta Earthquake was a magnitude of 7.1 on October 17, 1989. According to the District, "Immediately

following the Loma Prieta quake, the District engaged a team of consultants to conduct a vulnerability study. The conclusion of the study was that under a Richter magnitude 7.0 or greater earthquake with an epicenter near the Bridge, it would experience severe damage that could close this important transportation link for an extended period. If a Richter magnitude 8.0 or greater earthquake centered near the Bridge, there would be a substantial risk of impending collapse of the San Francisco and Marin Approach Viaducts and the Fort Point Arch, and extensive damage to the remaining Bridge structures, including the Main Suspension Bridge. It must be noted that, as of July 2008, with the completion of the second phase of construction, the seismic retrofit of the Golden Gate Bridge is far enough along that the Bridge no longer faces the potential for collapse and until the entire retrofit is completed, the risk of significant damage to the Main Suspension Bridge remains.

"After determining that retrofitting the Bridge would be more cost-effective than replacing it, in 1992, the District hired engineering consultants to develop seismic retrofit design criteria. As part of this task, the site-specific design ground motions associated with different magnitudes of earthquakes and expected performance levels were defined as the basis for the Bridge retrofit design. The site-specific, moderate earthquake was defined as one having a 10 percent chance of being exceeded in a 50-year period or having an acceleration of 0.46g. The site-specific, maximum credible earthquake was defined as one having a return period of 1,000 years or having an acceleration of 0.65g, which is equivalent to the 1906 San Francisco earthquake of a magnitude 8.3 on the Richter scale."

In 1996, three construction phases were established as follows:

- **Phase 1**: Retrofit the Marin (north) Approach Viaduct, which took place from 1997-2001, cost $71 million.

- **Phase 2**: Retrofit the San Francisco (south) Approach Viaduct, San Francisco (south) Anchorage Housing, Fort Point Arch, and Pylons S1 and S2, which took place from 2001-2008, cost $189 million.

- **Phase 3A and 3B**: Retrofit the Main Suspension Bridge and Marin (north) Anchorage Housing. Phase 3A took place from 2008-2014 and cost $125 million.

  Phase 3B, the final phase, includes upgrades to the 4,200-foot main span, two 1,125-foot side spans, the two 746-foot towers, and repainting of the South Tower. Construction Contract #1 for the final phase was awarded in

December 2025 and is planned to be undertaken from 2026-2031. The budget for Contract #1 is $1.012 billion and is funded by a mix of federal, state, and bridge toll funds, specifically, $396 million, or 39%, from the Federal Bridge Investment Program (BIP); $200 million or 20%, from the Federal Highway Bridge Program (HBP) through the California Department of Transportation (Caltrans); and $416 million or 41% from local bridge tolls.

Following completion of Contract #1 in 2031, the District plans to award Contract #2 (planned 2031-2036) for seismic retrofit of the Bridge's main center span, which is nearly twice the length of the two side spans. The estimated cost for Construction Contract #2 is approximately $1 billion.

4) *Financial pressures create a need for long-term financing to complete the retrofit*. As noted above, the District has fully funded Construction Contract #1. However, the District is currently evaluating all viable funding options for the final phase, including toll increases, borrowing, and additional external funding.

   According to the District, it is "facing several pressures, creating an immediate need for long-term financing. The commitment of $416 million of tolls to Contract 1 will significantly reduce our reserves. Furthermore, downtown San Francisco is still recovering from the pandemic, which equates to less toll dollars. Weekday morning commute traffic remains approximately 25 percent below pre-pandemic levels, reducing toll revenues – the District's primary funding source for Bridge operations, maintenance, and transit service."

   Additionally, the District's bus driver pension plan, known as the Golden Gate Transit Amalgamated Retirement Plan (GGTARP), is underfunded. The current retirement plan's funded ratio is 42.9%, meaning that its current estimated assets are projected to be able to pay 43 cents for every $1 of the projected retirement benefits owed over the life expectancies of all the pension fund's members. As stated by the District: "The District will need the financial flexibility to provide additional funding to GGTARP. The ability to take on long-term debt for seismically retrofitting the Bridge would provide the District with the capacity to use a portion of its reserves to provide additional funding to GGTARP."

5) *SB 607 clarifies the District's borrowing authority, but is it needed?* SB 607 authorizes a streamlined approach to borrowing for the District to finance the final phase of the seismic retrofit project. Specifically, the bill clarifies that the District can accept proceeds from a loan, and provides that it may authorize such activities through a resolution detailing the parameters of the loan.

According to the District, its ability to directly issue debt is significantly more restrictive than that of comparable public agencies. Existing law authorizes the District to issue bonds and "any other form of long-term indebtedness" for financing capital improvements related to seismic safety of the Bridge and to finance its bus and ferry services. However, in order for the District to issue bonds, it must seek a 2/3rds majority vote from all of its voters in the 6 counties that make up its Board – Del Norte, Mendocino, Napa, Sonoma, Marin, and San Francisco.

The District is seeking to utilize borrowing without directly issuing bonds. The District intends to use conduit loan financing, which involves a government entity issuing tax-exempt municipal bonds and then lending the proceeds to a public or private entity which pays back the loan. The public agencies issuing the bonds are not responsible for paying the bond investors back; rather, they serve as a *conduit* connecting borrowers to investors. The California Infrastructure and Economic Development Bank (I-Bank) routinely provides conduit financing.

Specifically, the District would partner with a conduit revenue bond issuer to finance the seismic retrofit project. The conduit issuer would issue bonds and enter into a loan agreement with the District, through which the proceeds of the bonds would be provided to the District for the project. The District would make loan payments to the conduit issuer, and those funds would then be applied to repay the bonds. The District's toll revenues would guarantee repayment of the loan.

It is unclear whether the District needs the provisions of SB 607 to proceed with their financing plans for the remainder of the project. Given its ability to issue debt under current law, and as the District would not actually issue the bonds itself, the District may already have the authority to participate in conduit financing and not be required to seek 2/3rds vote approval. While the District itself would not issue bonds in a conduit financing scheme, it asserts there is sufficient legal ambiguity to warrant the provisions of the bill.

Writing in support of the bill, the International Union of Operating Engineers, Cal-Nevada Conference states, "The District awarded Construction Contract 1 in December 2025 to retrofit the Bridge's north and south towers and side spans. Contract 1 is anticipated to employ on-site over 220 ironworkers, over 70 painters, as well as numerous laborers, carpenters and our members- Operating Engineers. Following completion of Contract 1 in 2031, the District plans to award Contract 2 for seismic retrofit of the Bridge's main center span, which is nearly twice the length of the two side spans.

"The District is facing several pressures, creating an immediate need for long-term financing. Existing law already provides cities, counties, and special districts with broad authority to use various forms of debt financing. However, the District's authorizing statute restricts the District's use of debt financing. SB 607 (Wiener) would remedy this by authorizing a streamlined form of borrowing that does not require full bond issuance authority."

6) *Gut and Amend.* SB 607 is being heard in this committee pursuant to Senate Rule 29.10 (d). SB 607 was amended in the Assembly to delete provisions related to the University of California and insert its current provisions pertaining to the Golden Gate Bridge, Highway, and Transportation District.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee by Friday, August 7, 2026.)

SUPPORT:

Golden Gate Bridge, Highway & Transportation District (sponsor)
International Union of Operating Engineers, Cal-Nevada Conference

OPPOSITION:

None received

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