



Date: July 19, 2017
To: High Performance Transportation Enterprise Board
From: David Spector, HPTE Director
Subject: Plenary Road Denver's US 36 Managed Lanes Project - Proposed Toll and Penalty Schedule

Purpose

The purpose of this memo is to summarize Plenary Road Denver's (PRD) Proposed Toll and Penalty Schedule, to summarize the public comments received in response to the Toll Rate Adjustment messaging, including the direct outreach sent to Express Toll customers and other users in and around the US 36/I-25 Central Express Lane corridor, and to recommend the updated toll schedule's approval.

Action

The Board is asked to adopt a resolution that supports the staff recommendation to approve PRD's Proposed Toll and Penalty Schedule.

Background

Plenary's attached letter provides the background for the action requested. In addition to PRD's justifications for this toll adjustments, the Concession Agreement with Plenary requires the Board to take action on the Plenary rate request, either (i) approving it as requested; (ii) denying it on certain grounds; or (iii) absent those grounds denying it with compensation to Plenary.

Highlights from the proposed toll rate adjustments, which assume an ExpressToll account and pass, include:

- On average, tolls along US 36 will increase 10 cents for off-peak customers
- US 36 peak rates will increase between 15 and 35 cents on average, but in some locations, the tolls will decrease between 10 and 60 cents
- The maximum price for a morning trip from Boulder to Denver will be \$8.35, a 40-cent decrease from the current rate of \$8.75
- The maximum price for an afternoon trip from Denver to Boulder will be \$8.05, a 75-cent increase from the current rate of \$7.30
- The round-trip rate from Boulder to Denver will increase 35 cents
- Changes to toll rates would be communicated on the overhead electronic signage boards at each toll gantry point, so motorists know how much they will be charged before choosing to enter the Express Lanes

HPTE staff believes that sufficient public outreach has taken place since the June Board Meeting on the PRD proposal, and HPTE will continue to take steps to keep the public informed on the tolling operation of the express lanes. As part of the public outreach for the proposed Toll Rate Adjustment, HPTE and Plenary Roads Denver sent an announcement/information email to Express Toll customers and other users of the US 36/I-25 Central Express Lanes, encouraging them to weigh in on their support/opposition to the adjustment (please see attached outreach email sent on June 28, 2017). It reached approximately 160,000 people with a 50 percent open rate. From this, less than half of one percent of those that opened the email responded (57 separate responses have been received as of July 10, 2017).

Among the respondents, there is little support for the toll rate adjustment. Many of the comments also included feedback about the switch to HOV3, enforcement of violations, and safety. The following is a summary of the input received.

There were 57 individual responses, many with input on a variety of issues touching on the toll rate adjustment. The numbers here reflect input on the related topics:

- Two out of 57 approved of the toll rate adjustment. Another two did not endorse or oppose.
- 44 of the 57 were opposed.
- Nine comments were about enforcement and safety.
- Eight comments were also critical of the switch to HOV3.
- Five comments were in general opposition to express lanes and the P3 partnership.

- Five questioned the transparency and fairness of the public process for the toll rate adjustment.
- Three of the 57 were opposed to the toll rate adjustment because of disapproval of RTD-related topics.
- Two were profane/uncivil.
- Four of the responses were unrelated ExpressToll questions.

Key Benefits

PRD proposes adjusting rates to manage congestion and ensure reliable travel times for users of the Express Lanes.

Options and Recommendations

HPTE Staff recommends the adoption of Resolution #236.

Attachments

June 2017 E-Blast to customers

List of media coverage

Resolution #236

PRD Proposed Toll and Penalty Schedule



Express Lanes Toll Rate Adjustments

[CDOT Express Lanes Information](#) \\ [Toll Rate Information](#) \\ [Manage Your ExpressToll Account](#)

Dear Valued Customer,

Plenary Roads Denver (PRD), the private concessionaire managing the US 36 and I-25 Central Express Lanes, has proposed toll rate adjustments at the June High Performance Transportation Enterprise (HPTE) Board Meeting. PRD proposes adjusting rates in order to manage congestion and ensure reliable travel times for users of the Express Lanes, including RTD Flatiron Flyer users.

The HPTE Board will consider and take action on the proposed toll rate adjustment at the regularly scheduled July 19 Board Meeting.

Highlights from the proposed toll rate adjustments for ExpressToll customers include:

- On average, US 36 Express Lanes tolls will increase 10 cents for off-peak usage.
- US 36 Express Lanes peak rates will increase between 15 and 35 cents on average, but in some locations, the tolls will decrease between 10 and 60 cents.
- The maximum cost of a morning trip from Boulder to Denver will be \$8.35, a 40-cent decrease from the current rate of \$8.75.
- The maximum cost of an afternoon trip from Denver to Boulder will be \$8.05, a 75-cent increase from the current rate of \$7.30.
- The round-trip rate from Boulder to Denver will increase by 35 cents.
- Changes to toll rates will be communicated on the overhead electronic signage boards at each toll gantry point, so motorists know how much they will be charged before choosing to enter the Express Lanes.

HPTE Board Meetings are always open to the public, and the proposed toll rate adjustments will be presented by PRD and considered by the HPTE Board for approval at the July 19, 2017 HPTE Board Meeting at the CDOT Headquarters Auditorium, 4201 E. Arkansas Ave., Denver at 11:30 a.m. Public comment and the Board vote will take place no earlier than 12:30 p.m. If approved, the proposed toll rates will go into effect on July 24, 2017.

For more information on the proposed toll rates, including fact sheets, [click here](#).
For questions, please call (303) 757-9380 or email dot_hppte@state.co.us

Sincerely,



COLORADO
Department of
Transportation

Quick Links

[Click here for CDOT Express Lanes information](#)

[Click here for CDOT Express Lanes toll rate information and fact sheets](#)

[Click here to manage your ExpressToll account](#)

Toll rate adjustment media metrics

Date	Source	Headline	URL	Subregion	Reach	AVE (advertising value)
09-Jul-2017 07:01PM	Tollroads News	using express lanes on Interstate 25 and U.S. 36 could be paying more mere weeks from now under a new proposal by Plenary Roads Denver," and	https://tollroadsnews.com/2017/07/09/plenary-roads-denver-proposes-new-toll-rates-on-i-25-and-us-36-express-lanes/	Maryland	1,106	\$ 10.23
07-Jul-2017 06:41AM	Westword	to access the Colorado Department of Transportation document 2017 Proposed Toll Rate Adjustment for US 36 and I-25 Central Express Lanes.	http://www.westword.com/news/i-25-us-36-toll-rate-changes-for-2017-9204875	Colorado	555678	\$ 5,140.02
24-Jun-2017 09:52AM	The Coloradoan	for those who use the express lanes on Interstate 25 and U.S. Highway 36.\n\nThe Colorado Department of Transportation is going over the	http://www.coloradoan.com/story/news/2017/06/24/changes-proposed-toll-lanes-25-and-us-36/426061001/	Colorado	149463	\$ 1,382.53
23-Jun-2017 11:03PM	True Viral News	coming for those who use the express lanes on Interstate 25 and U.S. 36.\n\nThe Colorado Department of Transportation is going over the	http://trueviralnews.com/changes-proposed-to-toll-lanes-on-i-25-and-us-36/		47560	\$ 439.93
23-Jun-2017 09:49PM	9News.com	coming for those who use the express lanes on Interstate 25 and U.S. 36.\n\nThe Colorado Department of Transportation is going over the	http://www.9news.com/traffic/changes-proposed-to-toll-lanes-on-i-25-and-us-36/451755749		677650	\$ 6,268.26
23-Jun-2017 09:35PM	9News.com	Changes could be coming to express lanes	http://www.9news.com/news/changes-could-be-coming-to-express-lanes/451753767		677650	\$ 6,268.26
23-Jun-2017 12:40AM	FOX 31 KDVR	Express lanes on U.S. 36.\n\nExpress lane tolls may change for US 36 and I-25.\n\nExpress Lanes on U.S. 36.\n\nExpress lane tolls on US 36 and I-	http://hdvr.com/2017/06/23/express-lane-tolls-may-change-for-us-36-and-i-25/	Colorado	617946	\$ 5,716.00
22-Jun-2017 04:18PM	I-70 Scout & Eastern Colorado News	the proposed toll rates, including fact sheets, click here.\n\nCDOT, HPTe and PRD encourage motorists using Express Lanes on US 36, I-25 and I	http://i-70scout.com/blog/2017/06/new-toll-rates-proposed-i-25-us36-express-lanes/	Colorado	261	\$ 2.41
22-Jun-2017 10:21PM	FOX 31 KDVR	trip from Denver to Boulder would go up 75 cents.\n\nAction will be taken on the proposed toll rate adjustment at a board meeting in July.	http://hdvr.com/2017/06/22/us-36-i-25-toll-rate-adjustments-proposed/	Colorado	617946	\$ 5,716.00
22-Jun-2017 05:38PM	CBS Denver - CBS Local	cost to use express lanes in the Denver metro area could be going up.\n\nThe company that manages the lanes on Highway 36 and Interstate 25 is	http://denver.cbslocal.com/2017/06/22/express-lanes-rate-colorado/	Colorado	574861	\$ 5,317.46
22-Jun-2017 03:37PM	9News.com	BUSINESS JOURNAL - Plenary Roads Denver, the private contractor that operates the toll lanes on Interstate 25 north of Denver and U.S. 36 to	http://www.9news.com/money/business/proposal-would-raise-some-tolls-lower-others-on-i-25-and-us-36/451360930		677650	\$ 6,268.26
22-Jun-2017 12:44PM	Colorado CO - AmericanTownns.com	The cost of sailing briskly along the Express Lanes on U.S. 36 and Interstate 25 could soon be going up on average — although in some spots.	http://www.americiantowns.com/co/boulder/news/tolls-on-us-36-i-25-express-lanes-may-soon-be-more-costly-28682067	Colorado	1823	\$ 16.86
22-Jun-2017 03:52PM	The Denver Post	The cost of sailing briskly along the express lanes on U.S. 36 and Interstate 25 could soon be going up on average — although rates may go	http://www.denverpost.com/2017/06/22/us36-i25-express-lane-toll-increase-pitch/	Colorado	2063685	\$ 19,089.09
22-Jun-2017 02:43PM	KGNU News	Interstate 25. Plenary Roads Denver announced potential rate increases today	http://news.ignu.org/2017/06/afternoon-headlines-june-22-2017/	Colorado	1458	\$ 13.49
22-Jun-2017 11:53AM	Loveland Reporter-Herald	24.\n\nA fact sheet on the U.S. 36 express lanes can be found at CDOT.gov.	http://www.reporterherald.com/news/ci_31085869/tolls-u-s-36-i-25-express-lanes	Colorado	31698	\$ 293.21
22-Jun-2017 11:53AM	Boulder DailyCamera.com (AP)	If they are approved, the proposed toll rates will take effect July 24.\n\nA fact sheet on the U.S. 36 express lanes can be found at CDOT.gov.	http://www.dailycamera.com/boulder-county-news/ci_31085869/tolls-u-s-36-i-25-express-lanes	Colorado	163788	\$ 1,515.04
22-Jun-2017 11:53AM	The Colorado Daily	If they are approved, the proposed toll rates will take effect July 24.\n\nA fact sheet on the U.S. 36 express lanes can be found at CDOT.gov.	http://www.coloradodaily.com/ci_31085869/tolls-u-s-36-i-25-express-lanes	Colorado	12921	\$ 119.52
				Total	6873144	\$ 63,576.58

Toll Rate Adjustment TV metrics

Date	Outlet	TV Market	Title	Local Ad Value	Local Viewership	Text
6/22/2017 16:09	KWGN (CW)	Denver CO	Channel 2 News at 4P	\$1,419.78	19278	75 cents. officials take action on the proposed toll rate adjustment at the july board meeting. >> wildlife could be around every corner a car was destroyed
6/22/2017 22:14	KDVR-DEN (FOX)	Denver CO	FOX 31 Denver News at 10 PM	\$11,156.28	64397	maximum price for an afternoon trip from denver boulder. would rise by seventy five cents officials will take action on the proposed toll rate adjustment at its july board meeting. you could survive the school
6/23/2017 6:07	KWGN (CW)	Denver CO	Daybreak 6A	\$1,323.56	26086	voter will rise by \$0.75. officials will take action on the proposed toll rate adjustment at its july board
6/23/2017 7:39	KWGN (CW)	Denver CO	Daybreak 7A	\$1,125.70	21837	boulder bowl arrives by \$0.75 officials will take action on the proposed toll rate adjustment at its july board meeting taking a look ahead
6/23/2017 8:33	KDVR-DEN (FOX)	Denver CO	Good Day Colorado at 8:00am	\$918.58	10280	75 cents the officials are going to take action on the proposed toll rate adjustment at its july board meeting. >> a look ahead. beginning july 1 the fee for a
Total				\$15,947.89	141878	



July 14, 2017

High Performance Transportation Enterprise
 4201 E. Arkansas Ave.
 Denver, CO 80222

Attention: Kari Grant

The following is a summary of CPI, inflation, and Value of Time growth. This summary highlights the changes of the Denver metro area, in the last 5 years, that has influenced Plenary Road's decision to rework our toll rate schedule.

Here is a brief summary of factors that are considered when toll rates are evaluated annually. This information, combined with consumer behavior trends, guide the recommendations for rate changes.

Inflation: In the United States, inflation has fluctuated around 2% for the last decade⁽¹⁾. The bi-annual break down of inflation is as follows

Time frame	Half 1 2010	Half 2 2010	Half 1 2011	Half 2 2011	Half 1 2012	Half 2 2012	Half 1 2013	Half 2 2013	Half 1 2014	Half 2 2014	Half 1 2015	Half 2 2015	Half 1 2016	Half 2 2016
Inflation Rate	1.1%	0.8%	1.3%	2.0%	2.2%	2.0%	1.8%	1.7%	1.8%	1.7%	1.7%	1.9%	2.2%	2.2%

Consumer Price Index: The Consumer Price Index (CPI) is a measure of the average change in prices over time of goods and services purchased by households. The Bureau of Labor Statistics publishes CPIs. The Denver-Boulder-Greeley CPI is the most relevant CPI to use and it also accounts for local inflation.

Time frame	2010	2011	2012	2013	2014	2015	2016
Inflation Rate	1.87%	3.69%	1.94%	2.77%	2.77%	1.17%	2.77%

It is plain to see that local inflation has surpassed national inflation.

Value of time: The Value of Time (VOT) is the currency value that an individual associates with saving time. VOT varies from person to person depending on how much money they make, what they intend to do with their time, if they are being compensated for their time, and other various factors. Since each individual has a different VOT, estimating this can be difficult, however if the people have similar travel goals (i.e. commuting to work) and they are mostly from the same area, this approximation becomes more reliable.

Calculating VOT requires first analyzing the general population's annual income, the geographic sample size can be define by whichever parameters are required by the analysis. Take the average amount of annual income and divide it by the amount of time worked and their wage has been calculated. Taking that wage and multiplying it by a trip factor, to account for reason of travel (i.e. home-based business travel, non-home-based business travel, and other), produces VOT. This trip factor varies based on an individual's travel. It is assumed to be 100% for business related travel, 35% for pleasure related travel, and approximated as 65% for all types of travel⁽²⁾.



In the Denver metro area the median household income was listed as \$71,146 in 2015⁽³⁾ (most recent data available). Dividing the household income by 2,000 hours (40 hours a week times 52 weeks equals 2,080 hours, but 80 hours are removed to account for 2 weeks standard vacation) equals an average wage of \$35.57/hr. This wage produces an average VOT of \$23.12/hr. This means, in theory, the average person in the Denver metro area in 2015 would be willing to spend \$23.12 to save one hour of their time, or \$0.39 per minute.

Data from 2010 was used when toll rates were first established for US 36 in 2015. In 2010 the median household income was listed as \$52,800. The same calculation with this value of median income produces a VOT of \$17.16 per hour, or \$0.29 per minute. Resulting in a 34% total increase between 2010 and 2015.

- (1) https://data.bls.gov/timeseries/CUUR0000SA0L1E?output_view=pct_12mths
- (2) <https://www.transportation.gov/office-policy/transportation-policy/guidance-value-time>
- (3) <http://www.metrodenver.org/do-business/demographics/income/>

Respectfully,
PLENARY ROADS DENVER, LLC

A handwritten signature in black ink, appearing to read 'Simon Stachnik', written over a horizontal line.

Simon Stachnik
Project Manager

CC: David Spector, HPTE
Brian Clark, Plenary Group
Terry Ostrom, Plenary Group
Christian Guevara, Plenary Group