

MEMORANDUM

TO: CTIO¹ BOARD OF DIRECTORS
FROM: KELLY BROWN, CHIEF TOLL OPERATIONS OFFICER
SUBJECT: PROPOSED CENTRAL 70 TOLL RATES
DATE: DECEMBER 14, 2022

Purpose

The purpose of this memorandum is to summarize staff's proposed toll rates for the Central 70 Express Lanes and to commence and facilitate a discussion with the Board and the public regarding the establishment of toll rates.

Action

This item is for information and discussion only. Approval for the stated rates will be sought from the Board at the January 2023 Board meeting.

Background

The 10-mile-long Central-70 Express Lanes extend from I-25 to Chambers Road. There are three designated entry and three designated exit points along the Express Lanes in each direction. Entering and exiting the Central-70 Express Lanes at non-designated locations is illegal. Drivers pay the same toll price for any distance traveled along the Central-70 Express Lanes in one direction. The Central-70 Express Lanes are expected to open for tolled traffic in the first quarter of 2023.

Overview of Recommended Toll Rates

CTIO staff recommends setting a base toll rate sufficient to cover toll collection costs, toll equipment maintenance costs, and cover debt service but low enough to attract initial customers to use the toll lane, even when traffic in the general-purpose lanes is relatively light and the corridor is free flowing.

In calculating the Transponder or Automatic Vehicle Identification (AVI) toll rates, the following assumptions were made:

- Tolls will be charged based on a Time-of-Day methodology consistent with the current regime on I-25 Central, I-25 North Segment 2, and US 36, and not on a dynamic tolling basis. This is a temporary tolling regime until dynamic pricing is implemented in the future.
- Due to potential post-COVID changes in travel patterns and peak hours, traffic volume data was obtained in November 2022 to explore current peak hour trends.
- The minimum AVI toll rate is set to recover the AVI toll operation cost.
- The maximum AVI toll rate is capped at \$4.50 for the opening year.

License plate tolling (LPT) costs more than AVI tolling due to additional back-office costs and LPT leakage. Therefore, LPT rates are developed by imposing a surcharge on the AVI toll rates. Additionally, the eastbound direction has 3 toll points, while the westbound direction has 2 toll points. Hence, the LPT rates

¹ The High Performance Transportation Enterprise (HPTE) is now doing business as the Colorado Transportation Investment Office (CTIO). CTIO is how the enterprise refers to itself now and in the future. However, the HPTE name is retained for legislative and legal documents.

for the eastbound direction will be higher than those for the westbound direction. The following considerations were made when calculating the License Plate Toll (LPT) toll rates:

- LPT surcharge covers the back-office additional cost and LPT leakage.
- LPT leakage is assumed at 40 percent based on historical data.
- LPT leakage includes uncollectable and unbillable LPT transactions.

The following operations policies apply to the Central 70 Express Lanes:

- Hours of operation: 24 hours a day, 7 days a week, 365 days a year.
- High occupancy vehicles with three or more passengers (HOV3+) use the Express Lanes for free.
- Motorcycles use the Express Lanes for free.
- Vehicles with four or more axles pay a surcharge of \$25.
- The tolling regime is Time-of-Day (TOD) pricing (the tolling regime will become dynamic based on traffic demand in the future).

Table 1 below shows the proposed time-of-day AVI and LPT toll rates for the opening year. The technical memo from the tolling advisory consultant team is attached as Attachment A.

Eastbound	AVI Rate	LPT Rate	Westbound	AVI Rate	LPT Rate
6:00AM to 8:59AM	\$4.50	\$10.08	6:00AM to 8:59AM	\$4.50	\$9.01
9:00AM to 1:59PM	\$2.50	\$6.91	9:00AM to 1:59PM	\$2.50	\$5.84
2:00PM to 3:59PM	\$3.25	\$8.10	2:00PM to 3:59PM	\$3.25	\$7.03
4:00PM to 6:59PM	\$2.50	\$6.91	4:00PM to 6:59PM	\$2.50	\$5.84
7:00PM to 5:59AM	\$1.50	\$5.33	7:00PM to 5:59AM	\$1.50	\$4.26

Table 1

Next Steps

- The Board is being asked to review the recommended proposed initial AVI and LPT toll rates and provide feedback.
- CTIO staff will integrate any requested changes to the proposed AVI and LPT toll rates for the Central 70 Express Lanes and will return to the Board in January 2023 for the adoption of the initial AVI and LPT toll rates for the Central 70 Express Lanes.

Attachments

Attachment A: The Central 70 Express Lanes Toll Rates Technical Memo