

Memorandum

TO: CTIO BOARD OF DIRECTORS
FROM: KELLY BROWN, CHIEF TOLL OPERATIONS OFFICER
SUBJECT: CENTRAL 70 DYNAMIC PRICING ALGORITHM PARAMETERS APPROVAL REQUEST
DATE: FEBRUARY 14, 2024

Purpose

Staff is requesting that the Colorado Transportation Investment Office (CTIO) Board of Directors (Board) review and approve the recommended dynamic pricing algorithm parameters for the Central 70 Express Lanes.

Action

The Board is asked to approve Resolution #437, adopting recommended dynamic pricing parameters for the Central 70 Express Lanes

Background

Where possible, the dynamic pricing parameters are designed to be either a range of acceptable values and/or are a set of guardrails that will give the dynamic pricing algorithm the flexibility to set toll rates that will conform to existing Tolling Policy already approved by the CTIO Board. And per the Tolling Policy, specific ranges or parameters for each corridor will be brought to the Board for review and approval prior to implementing dynamic pricing on each Express Lanes corridor. Staff provided an analysis and discussed the recommended parameters for the Central 70 Express Lanes at the January 2024 board meeting.

Summary of Central 70 Express Lanes Recommended Dynamic Pricing Algorithm Parameters

Parameters	Value
Minimum toll rate:	\$1.50
Maximum toll rate:	\$5.50
Rate change interval range:	5-15 minutes
Maximum Increment:	50 cents
Maximum decrement:	20 cents

Central 70 Express Lane Operational Policies

The following operations policies still apply 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 in addition to the AVI or LPT toll rate
- The LPT surcharge is recommended at 150% of the Central 70 Express Lanes AVI toll rates.

Board Options and Recommendations

1. **Staff Recommendation:** Act on Resolution #437 adopting recommended dynamic pricing parameters for the Central 70 Express Lanes.
2. Deny the request. The CTIO staff will review the Board's feedback and return to the CTIO Board with new recommended dynamic pricing parameters for the Central 70 Express Lanes.

Next Steps

1. If adopted, CTIO staff will implement dynamic pricing using the approved parameters on the Central 70 Express Lanes, currently estimated to be in mid-March 2024.
2. CTIO staff will continue the Public Outreach process.
3. If the Board does not adopt the recommended dynamic pricing parameters for the Central 70 Express Lanes, the CTIO staff will review the Board's feedback and return to the CTIO Board with recommended dynamic pricing parameters for the Central 70 Express Lanes at the March board meeting.

Attachments

Attachment A: Resolution #437 Adopting the High Performance Transportation Enterprise1 Dynamic Pricing Algorithm Parameters for Central 70 Express Lanes

ATTACHMENT A

Resolution 437 Adopting the High Performance Transportation Enterprise Dynamic Pricing Algorithm Criterion for Central 70 Express Lanes

Resolution – HPTE #437

Adopting the High Performance Transportation Enterprise¹ Dynamic Pricing Algorithm Criterion for Central 70 Express Lanes

WHEREAS, pursuant to C.R.S. § 43-4-806, *et seq.*, the General Assembly of the State of Colorado created the Colorado High Performance Transportation Enterprise (“HPTE”) as a government-owned business within the Colorado Department of Transportation (“CDOT”) to pursue innovative means of more efficiently financing important surface transportation projects that will improve the safety, capacity, and accessibility of the surface transportation system; and

WHEREAS, pursuant to C.R.S. § 43-4-806(2)(c)(I), the HPTE Board of Directors (the “Board”) has the authority to establish user fees for the privilege of using surface transportation infrastructure; and

WHEREAS, pursuant to C.R.S. Section 43-4-808(3)(b), HPTE may incorporate congestion management and congestion pricing into its schedule of user fees for any highway or highway system; and

WHEREAS, HPTE has a Tolling Policy which provides a framework for the setting and adjustment of toll rates on HPTE-operated Express Lanes corridors; and

WHEREAS, on October 18, 2023, HPTE staff submitted to the Board a draft updated Tolling Policy that included proposed dynamic pricing algorithm criterion with key areas such as toll rate cap, rate change interval and increment or decrement amount; and

WHEREAS, in January 2024, HPTE staff presented its recommendations for the dynamic pricing algorithm criterion for the Central 70 express lanes;

WHEREAS, the recommended Central 70 dynamic pricing algorithm criterion are summarized in the attached Exhibit A.

NOW THEREFORE BE IT RESOLVED, the Board of the High Performance Transportation Enterprise hereby approves and adopts the Central 70 dynamic pricing algorithm criterion set forth in the attached Exhibit A to this Resolution, to be effective as of this date.

Signed as of February 14, 2024

Simon Logan
Secretary, HPTE Board of Directors

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.

Exhibit A

Central 70 Dynamic Pricing Algorithm Criterion

Criterion	Value
Minimum toll rate	\$1.50
Maximum toll rate	\$5.50
Rate change interval range	5-15 minutes
Maximum Increment	50 cents
Maximum decrement	20 cents