

# **COLORADO STATEWIDE TOLLING ENTERPRISE ANNUAL REPORT**



***PREPARED FOR:***

**THE SENATE TRANSPORTATION COMMITTEE  
AND  
THE TRANSPORTATION AND ENERGY COMMITTEE OF THE  
HOUSE OF REPRESENTATIVES**

***PREPARED BY:***

**THE COLORADO TOLLING ENTERPRISE BOARD  
OF  
THE COLORADO DEPARTMENT OF TRANSPORTATION**

JANUARY 15, 2004

## TABLE OF CONTENTS

<b>1.0</b>	<b>PROJECT OVERVIEW</b> .....	<b>1</b>
<b>2.0</b>	<b>FISCAL YEAR 2003 ACTIVITIES</b> .....	<b>2</b>
2.1	CTE Board	
2.2	CTE Staff	
<b>3.0</b>	<b>TOLL RATES AND INTEROPERABILITY</b> .....	<b>7</b>
3.1	Toll Rates	
3.2	Interoperability	
<b>4.0</b>	<b>TOLL PROJECTS</b> .....	<b>8</b>
<b>5.0</b>	<b>FINANCIAL STATUS</b> .....	<b>9</b>
5.1	Revenues	
<b>6.0</b>	<b>RECOMMENDED STATUTORY CHANGES</b> .....	<b>10</b>

## 1.0 PROJECT OVERVIEW

The Colorado Tolling Enterprise (CTE) was established as a government-owned nonprofit business operating within, and as a division of the Colorado Department of Transportation (CDOT). The Colorado Tolling Enterprise was authorized by House Bill 02-1310 and created by the Transportation Commission, Department of Transportation, State of Colorado, pursuant to Section 43-4-803(1), C.R.S., by a resolution adopted on August 15, 2002. As reported in the first Annual Report dated January 15, 2003, initial activities included the election of officers, adoption of articles of organization and bylaws, and the adoption of Mission and Vision Statements.

**MISSION STATEMENT:** *To Enhance Mobility in Colorado by Increasing Capacity Through the Creative Development of a Statewide System of Toll Facilities.*

**VISION STATEMENT:** *To Enhance the Quality of Life and the Environment of the Citizens of Colorado by Creating a Tolling System to Further Move People and Goods.*

The Board of the Colorado Tolling Enterprise requested a loan of \$1 million from the CDOT Commission to fund start-up costs in connection with the formation and operation of the Colorado Tolling Enterprise, and for conducting a Statewide Tolling System Traffic and Revenue Feasibility Analysis. The Transportation Commission approved the loan request and a Loan Agreement between CDOT and the Colorado Tolling Enterprise was signed on January 23, 2003. The loan is not required to be repaid until such time as the Colorado Tolling Enterprise issues revenue bonds for a toll project and can repay the loan.

## 2.0 FISCAL YEAR 2003 ACTIVITIES

### 2.1 CTE BOARD

#### 2.1.1 Resolutions

The 2003 fiscal year for the Colorado Tolling Enterprise operated from August 15, 2002 through June 30, 2003. The Board is required to meet a minimum of eight times annually. During this 11-month period, the Tolling Enterprise Board of Directors met nine times and adopted and/or approved the following Resolutions.

Resolution No.	Resolution Description	Date Adopted
CTE-1	Enterprise Board adopts Bylaws/Articles	9/19/2002
CTE-2	Enterprise Board approves 2002 Master Calendar of Colorado Tolling Enterprise	9/19/2002
CTE-3	Enterprise Board approves meeting minutes of September 19, 2002	10/23/2002
CTE-4	Enterprise Board approves meeting minutes of October 23, 2002	11/21/2002
CTE-8	Enterprise Board approves meeting minutes of November 21, 2002	1/23/2003
CTE-11	Enterprise Board approves meeting minutes of January 21 and 23, 2003	2/20/2003
CTE-12	Enterprise Board approves meeting minutes of February 20, 2003	3/20/2003
CTE-14	Enterprise Board approves meeting minutes of March 20, 2003	4/17/2003
CTE-15	Enterprise Board approves meeting minutes of April 16 and 17, 2003	6/19/2003
CTE 16	Enterprise Board approves meeting minutes of June 19, 2003	7/17/2003
CTE-5	Enterprise Board approves Vision Statement of Colorado Tolling Enterprise	11/21/2002
CTE-6	Enterprise Board approves Mission Statement of Colorado Tolling Enterprise	11/21/2002
CTE-7	Enterprise Board approves Loan Agreement and Promissory Note conditions	11/21/2002
CTE-9	Enterprise Board hereby approves final Loan Agreement and Promissory Note	1/23/2003
CTE-10	Enterprise requests Transportation Commission to establish moratorium on accepting unsolicited proposals for tolling projects after April 30, 2003	1/23/2003
CTE-13	Enterprise Board approves Interagency Agreement	3/20/2003

### **2.1.2 Board Membership**

The Colorado Tolling Enterprise Board Members for FY 2003 included:

**DOUG ADEN**, Chairman – District 7  
**JOE BLAKE** – District 1  
**JOE JEHN** – District 2  
**GREGORY MCKNIGHT** – District 3  
**JOANN GROFF** – District 4\*  
**CHARLES ARCHEBEQUE** – District 5\*  
**BILL HAIGHT** – District 6\*\*  
**STEVE PARKER** – District 8  
**DAN STUART** – District 9\*  
**GEORGE TEMPEL** – District 10  
**DON MORRISON**, Vice Chairman – District 11\*  
**JENNIFER WEBSTER** – Secretary

\* New appointees replaced these Board Members in July 2003

\*\* New appointee replaced previous Board Member in December 2003

FY 2004 Board Members include:

**DOUG ADEN**, Chairman – District 7  
**JOE BLAKE** – District 1  
**JOE JEHN**, Vice Chairman – District 2  
**GREGORY MCKNIGHT** – District 3  
**WILLIAM SWENSON** – District 4  
**WILLIAM KAUFMAN** – District 5  
**TOM WALSH** – District 6  
**STEVE PARKER** – District 8  
**TERRY SCHOOLER** – District 9  
**GEORGE TEMPEL** – District 10  
**BOB HAWTHORNE** – District 11  
**JENNIFER WEBSTER** – Secretary

## 2.2 CTE STAFF

The Colorado Tolling Enterprise staff consists of Acting Director, Peggy Catlin. Tracy Kinsella from the Attorney General’s Office provides legal support. Additional support staff is provided to the CTE from CDOT and their time is billed to the CTE cost center. Additional work is outsourced to consultants and vendors with expertise in tolling, including, but not limited to, planners, engineers, financial, and legal support. All expenses are tracked independently from CDOT expenses to maintain a clear separation of the two organizations.

### 2.2.1 Expenses

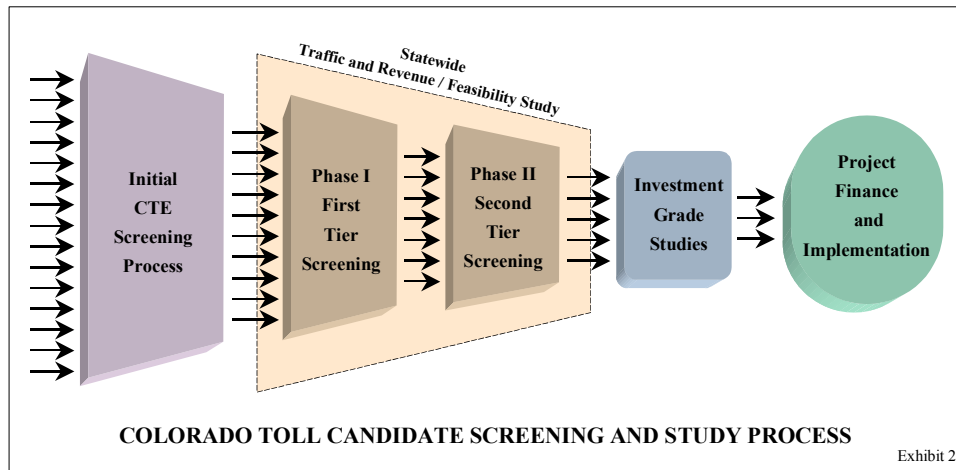
The Colorado Tolling Enterprise expended \$48,898.60 during Fiscal Year 2003. These expenses are broken down as follows:

➤ Business Planning, Contracting, Interoperability Consultant	\$22,465.61
➤ Tolling Enterprise Board Retreat	\$3,531.93
➤ Advertising, Reproduction, and Postage	\$185.69
➤ CTE Acting Director and CDOT	\$15,587.98
➤ Legal Expenses	<u>\$7,127.39</u>
<b>TOTAL:</b>	<b><u>\$48,898.60</u></b>

The remaining \$951,101.40 has been rolled forward into the Colorado Tolling Enterprise Fiscal Year 2003-2004 budget. Although not reflected in the FY 2003 expenses, the CTE joined the International Bridge, Tunnel and Turnpike Association (IBTTA). Dues for both FY 2003 and FY 2004 will be reflected in the FY 2004 expenses. Members of this organization represent most turnpike and toll organizations in the United States and many foreign countries.

### 2.2.2 Designation of a Statewide Toll System

The primary focus of the CTE in FY 2003 and FY 2004 has been to develop a process for identifying and designating a system of toll highways that could be taken forward for eventual implementation. This multi-step process is illustrated in the figure below and consists of three steps: Initial CTE Screening Process, First Tier Screening, and Second Tier Screening. These will culminate into system identification. The final two steps, Investment Grade Traffic and Revenue Study and Project Finance and Implementation will be completed on a singular project basis



### A. Initial CTE Screening Process

The CTE and CDOT conducted a preliminary assessment of the existing and planned statewide transportation system to identify candidate corridors that could be evaluated for tolling opportunities. Those facilities that met a number of very broad criteria were then advanced for further consideration. More than 75 possible facilities were identified using the criteria below:

- 2001 volume/capacity greater than .7.
- 2030 volume/capacity greater than .7.
- 2001 annual average daily traffic greater than 30,000.
- 2030 annual average daily traffic greater than 30,000.
- 2001 annual average truck traffic greater than 1,500.
- 2030 annual average truck traffic greater than 1,500.
- Freeway or expressway.
- Population growth.
- Project included in fiscally constrained plan.
- Private entity projects.
- 2003 Strategic Investment Plan (8<sup>th</sup> Pot).
- Traffic and Feasibility Studies.

The CTE recognizes that only a few of these facilities would be truly viable to toll. Rather, this extensive list provides a starting point from which to narrow down alternatives. The results of applying these criteria are displayed on individual maps shown on the CTE website ([www.dot.state.co.us/cte/maps.asp](http://www.dot.state.co.us/cte/maps.asp)).

The CTE solicited proposals from qualified professional firms to conduct a Traffic and Revenue Feasibility Study. This study's scope is to conduct the Phase I and Phase II Screening exercises and make recommendations to the CTE Board for a system of projects to propose for implementation. The firm of Wilbur Smith & Associates (WSA) was selected from three qualified proposals. The CTE entered into a contract with WSA on November 5, 2003. Beginning with the initial screening that the CTE had performed, WSA will perform a two-phase study that will result in recommendations of those corridors that could move forward to a more detailed implementation phase. The final report is scheduled for July 2004.

**B. Phase I First-Tier Screening**

The goal of the first-tier screening assessment is to reduce the number of candidate projects from approximately 40 to, perhaps, 8 to 10. Twelve first-tier screening criteria are proposed for this analysis, including:

- Toll operations viability assessment.
- Rough 20<sup>th</sup> year traffic and revenue potential.
- Economic growth considerations.
- General constructability assessment.
- Order-of-Magnitude construction cost estimates.
- Relative financial feasibility index.
- Congestion relief potential.
- Potential safety impacts.
- Consistency with Statewide Transportation Plan goals.
- Network continuity considerations.
- Community impact assessment.
- Other considerations.

**C. Phase II Second-Tier Screening**

The goal of second-tier screening is to conduct a detailed modeling of the corridors from Phase I using diversion and toll pricing factors, examining financial options, and producing detailed financial information that would support a decision of whether or not to pursue a toll project.



### **3.0 TOLL RATES AND INTEROPERABILITY**

#### **3.1 TOLL RATES**

The Colorado Tolling Enterprise has not yet established a schedule of toll rates. Toll rates will be determined after toll system traffic and revenue feasibility analysis is completed and the first toll project is advanced. In pursuit of establishing a system of toll facilities and toll rates, the Colorado Tolling Enterprise is coordinating with other public highway authorities in Colorado, specifically the E-470 Public Highway Authority and the Northwest Parkway Public Highway Authority, on interoperability issues and tolling rate structures.

#### **3.2 INTEROPERABILITY**

Interoperability refers to the ability of a toll collection system to use the parts, equipment, and user support services of another systems. Due to the various toll facilities that now exist or will exist in the state, it is essential to the cost effective deployment of numerous Intelligent Transportation System applications that these systems be available to all drivers that may use the toll facilities. One of the goals of the Colorado Tolling Enterprise is to provide for interoperability between the Enterprise projects and other toll facilities within the state.

## 4.0 TOLL PROJECTS

CDOT entered into predevelopment agreements with private sector companies regarding the creation of toll facilities. The potential introduction of toll facilities, specifically Express Toll Lanes, on I-70 from I-25 east to Pena Boulevard, and C-470 from I-70 to I-25 are options that will be evaluated as part of Environmental Studies that are currently being conducted on the corridors. Both predevelopment agreements are the result of unsolicited proposals presented to CDOT.

The Tolling Enterprise is also consulting with local entities regarding the completion of the missing link between I-70 and US 36 that would connect C-470 to the Northwest Parkway. This is commonly referred to as the Northwest Corridor, and efforts are underway to identify whether a toll facility is warranted. CTE is also working with CDOT to identify candidate toll facilities and to incorporate such toll facilities into the applicable Regional Transportation Plan and the Statewide Transportation Plan.

## 5.0 FINANCIAL STATUS

### 5.1 REVENUES

No incoming revenue is being generated by the Colorado Tolling Enterprise and none is anticipated until a toll project is constructed and tolls are collected.

### 5.2 ESTIMATED FISCAL YEAR 2004 BUDGET

Consultants	\$ 60,000
Tolling Enterprise Board Expenses	\$ 5,000
CTE Acting Director and CDOT Staff	\$ 50,000
Travel	\$ 6,000
Operating Expenses	\$ 5,000
Attorney General's Office	\$ 20,000
International Bridge Tunnel & Turnpike Dues	\$ 2,898
Traffic & Revenue Feasibility Study	\$600,000
Financial Advisor	\$ 60,000
Other	<u>\$ 15,000</u>
<b>Estimated Total Expenses:</b>	<b>\$822,432</b>
<b>Estimated Net Balance FY 2004:</b>	<b>\$127,203</b>

## 6.0 RECOMMENDED STATUTORY CHANGES

A proposal to make technical corrections to House Bill 1310 will be introduced in the 2004 General Assembly. Its purpose will be to merely clarify roles and responsibilities between the Colorado Transportation Commission and the Colorado Tolling Enterprise Board.

Second Regular Session  
Sixty-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 04-0089.01 Jason Gelender

SENATE BILL 04-004

SENATE SPONSORSHIP

May R.,

HOUSE SPONSORSHIP

Spence,

Senate Committees  
Transportation

House Committees

A BILL FOR AN ACT

101 CONCERNING THE STATEWIDE TOLLING ENTERPRISE, AND, IN  
102 CONNECTION THEREWITH, CLARIFYING THE DIVISION OF  
103 RESPONSIBILITIES BETWEEN THE BOARD OF THE ENTERPRISE  
104 AND THE TRANSPORTATION COMMISSION WITH RESPECT TO THE  
105 OPERATION OF THE ENTERPRISE.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

**Transportation Legislation Review Committee.** Clarifies the division of responsibilities between the board of the statewide tolling enterprise and the transportation commission with respect to the operation of the enterprise. Defines a term.

*Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*