



**Colorado Tolling Enterprise**  
**2007 Annual Report**

**PREPARED FOR**  
The Senate Transportation Committee  
*and*  
The Transportation and Energy Committee  
of the House of Representatives

*January 15, 2008*



MOTORCYCLES OK

**ExpressToll**

**HOV 2+  
ONLY**

**TOLL  
LANE  
ONLY**



1 MILE



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030-HZG



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## 1.0

**Enterprise Overview**

The Colorado Tolling Enterprise (CTE) was established as a government-owned, non-profit business operating within, and as a division of the Colorado Department of Transportation (CDOT). The CTE 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. The Board of Directors of the CTE are the Transportation Commissioners, but the CTE Board has a different Chair and Vice Chair than the Transportation Commission.

**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.**

In 2003 and again in 2005, the Board of the CTE received loans from the Transportation Commission to fund start-up costs in connection with the formation and operation of the CTE. The loans were used for conducting a Statewide Tolling System Traffic and Revenue Feasibility Analysis and for implementing the I-25 conversion of High Occupancy Vehicle (HOV) lanes to High Occupancy Toll (HOT) lanes. The loans for general CTE activities are not required to be repaid until such time as the CTE issues revenue bonds for a toll project and can repay them. Loan proceeds used to modify the I-25 HOT lanes will be repaid to the Transportation Commission through tolls charged to single occupant vehicles (SOVs), that choose to use that facility after maintenance and operation expenses are paid.

The CTE is unique in that it is not limited to any one corridor or roadway, but rather, can finance and build toll facilities anywhere within the State of Colorado, in any corridor. This authority is limited to new capacity only with the exception of this HOV to HOT lane conversion. This flexibility allows the CTE to build toll facilities where they are most needed and can be financed and operated efficiently. House Bill 05-1148 further clarified the relationship of toll projects to regional transportation planning processes and stated under what conditions revenues from toll facilities could be used toward a system.





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## 2.0 Fiscal Year 2007 Activities

### 2.1

#### COLORADO TOLLING ENTERPRISE BOARD MEMBERSHIP

On October 19, 2006, annual elections were held for the CTE Board of Directors. Director Steve Parker was selected as Chair and Director Terry Schooler as Vice Chair. Stacey Stegman replaced Jennifer Webster as Secretary to the Board and Peggy Catlin continued as the Acting Director. Additional Board members for FY 2007 included:

<b>Henry Sobanet</b>	District 1	<i>(Denver County)</i>
<b>Joe Jehn</b>	District 2	<i>(Jefferson County)</i>
<b>Greg McKnight</b>	District 3	<i>(Arapahoe and Douglas Counties)</i>
<b>Bill Swenson</b>	District 4	<i>(*Broomfield, Boulder and Adams Counties)</i>
<b>Bill Kaufman</b>	District 5	<i>(*Broomfield, Larimer, Morgan, and Weld Counties)</i>
<b>Tom Walsh</b>	District 6	<i>(Clear Creek, Gilpin, Grand, Jackson, Moffat, Routt, and Rio Blanco Counties)</i>
<b>Doug Aden</b>	District 7	<i>(Chaffee, Delta, Eagle, Garfield, Gunnison, Lake, Mesa, Montrose, Ouray, Pitkin, and Summit Counties)</i>
<b>Steve Parker</b>	District 8	<i>(Alamosa, Archuleta, Conejos, Costilla, Dolores, Hinsdale, La Plata, Mineral, Montezuma, Rio Grande, San Miguel, and San Juan Counties)</i>
<b>Terry Schooler</b>	District 9	<i>(El Paso, Fremont, Park, and Teller Counties)</i>
<b>George Tempel</b>	District 10	<i>(Baca, Bent, Crowley, Custer, Huerfano, Kiowa, Las Animas, Otero, Prowers, and Pueblo Counties)</i>
<b>Kimbra Killin</b>	District 11	<i>(Cheyenne, Elbert, Kit Carson, Lincoln, Logan, Phillips, Sedgwick, Washington, and Yuma Counties)</i>
<b>Peggy Catlin</b>	Colorado Tolling Enterprise Acting Director	
<b>Stacey Stegman</b>	Colorado Tolling Enterprise Secretary	

\* Indicates a portion of a county.

**2.2****COLORADO TOLLING ENTERPRISE STAFF**

The CTE staff consists of Acting Director Peggy Catlin and Harry Morrow providing legal support from the Office of the Attorney General. Additional support staff is provided from CDOT with time billed to the CTE cost center. Work is outsourced to consultants and vendors with expertise in tolling, including, but not limited to: planners, public relations, engineers, maintenance specialists, financial advisors, and legal support. All expenditures are tracked independently from CDOT expenses to maintain a clear separation of the two organizations.

**2.3****MEETING DATES and ADOPTED RESOLUTIONS**

The 2007 fiscal year for the Colorado Tolling Enterprise operated from July 1, 2006 through June 30, 2007. During this 12-month period, the CTE Board of Directors met ten times for regular meetings and held no special meetings, (a minimum of eight meetings are required annually).

**FY 2007 Meeting Dates**

July 20, 2006  
 August 17, 2006  
 September 2006  
 October 19, 2006  
 November 16, 2006  
 December 13, 2006  
 January 18, 2007  
 February 15, 2007  
 March 15, 2007  
 April 19, 2007  
 May 17, 2007  
 June 21, 2007

Regular Meeting  
 Regular Meeting  
 No Meeting Scheduled  
 Regular Meeting  
 Regular Meeting  
 Regular Meeting  
 Regular Meeting Cancelled  
 Regular Meeting  
 Regular Meeting  
 Regular Meeting  
 Regular Meeting  
 Regular Meeting

All expenditures for CTE and CDOT are tracked independently to maintain a clear separation of the two organizations.





EXIT 214B  
48th Avenue  
Jct I-70

48th Avenue  
Jct I-70  
W 38th Avenue  
Perk Avenue

1/4  
1/2  
3/4

END  
RESTRICTED  
LANES

SPEED  
LIMIT  
55  
40

587-070

335-DNJ



During FY 2007, CTE Board of Directors adopted and/or approved the following Resolutions.

Resolution No.	Resolution Description	Date Adopted
CTE-54	Approve the July 20, 2006 Meeting Minutes	August 17, 2006
CTE-55	Amendment of Resolution Number CTE-52	August 17, 2006
CTE-56	Approve the August 17, 2006 Meeting Minutes	October 19, 2006
CTE-57	Approve the October 19, 2006 Meeting Minutes	November 16, 2006
CTE-58	Approve the November 16, 2006 Meeting Minutes	December 13, 2006
CTE-59	Approve the December 13, 2006 Meeting Minutes	February 15, 2007
CTE-60	Approve the February 15, 2007 Meeting Minutes	March 15, 2007
CTE-61	Approve Transportation Commission IGA dated March 15, 2007	March 15, 2007
CTE-62	Approve the March 15, 2007 Meeting Minutes	April 19, 2007
CTE-63	Approve the April 19, 2007 Meeting Minutes	May 17, 2007
CTE-64	Approve the May 17, 2007 Meeting Minutes	June 21, 2007

The activities of the CTE for FY 2007 consisted primarily of a continuation of initiatives from the previous year:

- I-25 HOV/tolled *Express Lanes* operations
- Coordination with candidate corridors through the environmental processes

In addition, the CTE worked on development of an Urban Partnership application to USDOT.

*These activities are detailed further in Sections 4 and 5.*

## 3.0 Financial Status

The CTE collected its first revenues from tolls on the I-25 HOV/tolled *Express Lanes* in FY 2006. The *Express Lanes* opened to solo drivers who choose to pay a toll (in addition to buses and carpools that were already permitted to use the lanes) on June 2, 2006.



### 3.1 Revenues

For FY 2007, total CTE revenues collected were \$2.2 million.

### 3.1 Expenses

Total CTE expenditures for FY 2007 were approximately \$1.1 million. They are broken down as follows.

#### 3.2.1 I-25 HOV/Express Lanes Expenses FY 2007

Consultants – Back Office and Oversight	\$471,244
Research, Advertising, and Reproduction Costs	3,096
Maintenance Tech and Vehicle	53,290
CSP – Enforcement	37,949
Contractual Maintenance (T-P Enterprises)	387,087
CDOT Staff Costs	12,230
<hr/>	
<b>Total:</b>	<b>\$964,896</b>

#### 3.2.2 General CTE Expenses FY 2007

Consultants	\$97,799
Public Relations	7,362
IBTTA Membership, Meetings, and Travel	3,681
CDOT Staff Costs	2,162
<hr/>	
<b>Total:</b>	<b>\$111,004</b>

*Membership dues are for industry associations that staff and CTE Board members may utilize as a source to research best practices in tolling. FY 2006 and FY 2007 dues were paid to the International Bridge Tunnel and Turnpike Association (IBTTA). The other Public Highway Authorities in Colorado, E-470 and Northwest Parkway, are also members of this organization.*

## 4.0 Ad Hoc Committee on Tolling

### **The legislation authorizing CTE requires that:**

*“A toll highway financed, constructed, operated, or maintained pursuant to this part 8 shall conform to and be an approved part of the applicable regional transportation plan and the statewide transportation plan developed pursuant to section 43-1-1103.”*

### **HB05-1148 clarified that**

*“The Board shall develop a plan for the construction of a toll highway that addresses the operation of the toll highway, the technology to be utilized, the project feasibility, the project financing, and any other federally required information. Each toll highway plan in a toll highway system shall be separately approved by each metropolitan planning organization or regional planning commission that is located in whole or in part within the toll highway system.”*

The CTE worked with its planning partners, the metropolitan planning organizations (MPOs) and transportation planning regions (TPRs), to develop processes and criteria by which potential toll projects could be amended into regional long range and fiscally constrained plans. Based on public comment and comments from the TC/CTE, the MPO/TPR Boards approved these processes. The Denver Regional Council of Governments (DRCOG), developed their own specific technical requirements for a plan amendment submittal based on the policies and procedures agreed to by the Ad Hoc Committee. These were adopted separately by the DRCOG Board in FY 2006, and are referred to by DRCOG staff and Board members as their “1148 process”. This is similar to the 208 process that is required of RTD for its transit projects.

### **Next Steps:**

The CTE has not proceeded with preparation of a formal plan submittal to DRCOG. A new Governor and administration in 2007 convened a Transportation Finance and Implementation Panel to examine all methods of funding transportation for the State. This included the consideration of potential managed lanes for congestion relief and long term funding on applicable corridors. As such, the CTE suspended efforts to update traffic and revenue forecasts, and planning and design data that would have been included in a plan amendment, until a report and recommendations are issued by the Panel. Their report will be issued in FY 2008.

## 5.0 Toll Projects

### 5.1 I-25 Express Lanes

**In June 2006, Colorado opened its new HOV/tolled *Express Lanes* in Denver, marking the first time solo drivers could legally access existing HOV lanes by paying a toll. The I-25 *Express Lanes*, also known as HOT lanes, extend along a seven-mile section of Interstate 25 between downtown Denver and U.S. highway 36. Carpools, buses, and motorcycles continue to use the lanes toll-free.**

The I-25 HOV lanes, which originally opened in 1994, were very successful carrying more people per lane, per hour, than the adjacent general purpose lanes. But because they did so with buses and carpool vehicles, the lanes had a significant amount of unused capacity. In the peak hour, the general purpose lanes carried an estimated 1,870 people per hour, as compared to 2,050 in the HOV lanes.



In 1999, Legislation passed allowing CDOT to convert an existing I-25 HOV lane to a HOT lane. In 2000, the *Express Lanes* Feasibility Study was completed to determine how to best to convert the I-25 HOV lane facility.

The purpose of the I-25 *Express Lanes* is to maximize the highway by allowing solo drivers access to the lanes while still not impacting carpools and buses. In order to ensure the lanes don't become congested, the number of solo drivers in the lanes is managed by adjusting the toll rate at various times of the day. In the peak hour, the toll is higher than at other times of day.

It's important to note that the goal of this project was not to generate revenue, but rather, to break even by covering maintenance and operation expenses and eventually repaying the Transportation Commission loan that constructed the improvements to open the lanes. Toll revenues in 2007 exceeded the costs of operations, snow removal, and maintenance that were previously paid for by taxpayers at a cost of nearly \$1 million annually.

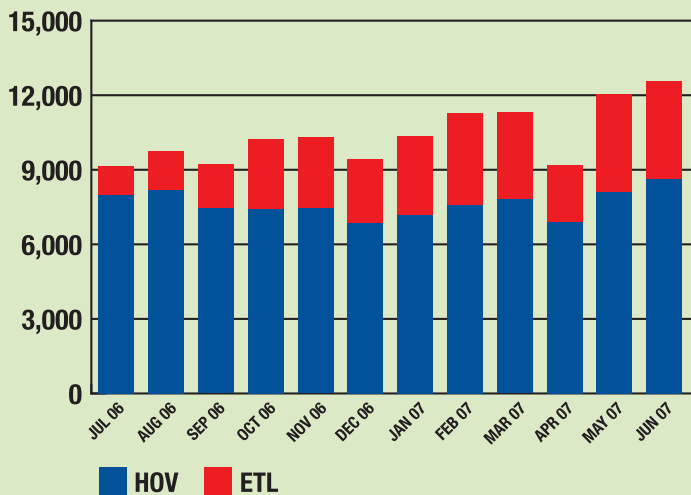
The lanes have been overwhelmingly successful and have more than doubled the original first year revenue projections of \$800,000, an increase of 180%.

The traffic on the I-25 HOV/*Express Lanes* averaged approximately 9,000-12,500 vehicles per weekday, representing over 15% of the total person trips along that stretch of I-25 and these vehicles travel at full highway speeds, as compared to peak hour traffic operating at a much lower level of service.

The total cost of the project, including two feasibility studies, technology components, construction, and a reserve for two years of maintenance and operation costs, was originally estimated to be \$10,075,900. CDOT received a \$2.8 million federal grant for the project. This project was a partnership with the CTE, CDOT, the City and County of Denver, and the Regional Transportation District (RTD). The project was approved by the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA), and was only the fifth such project to incorporate pricing as a congestion management tool in the United States. Thus far, the CTE has not had to use the two-year reserve maintenance fund as tolls collected have more than covered operation and maintenance costs in FY 2007. Furthermore, the Board voted to return \$2 million of the Transportation Commission loan since it will not be needed.

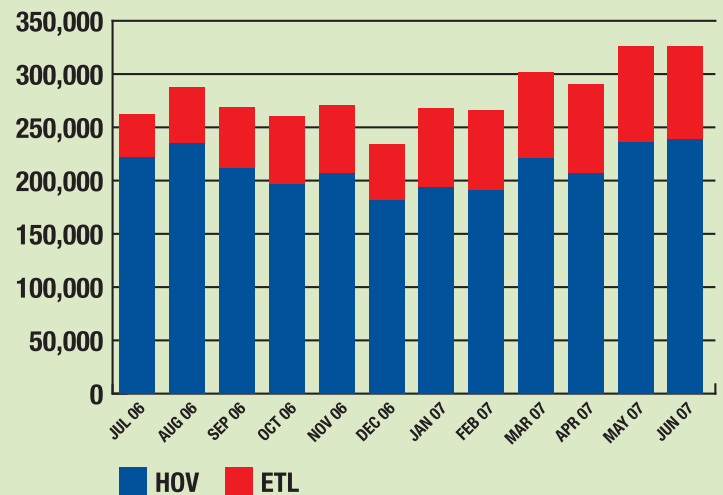
## Average weekday traffic volumes – FY 2007

Average weekday volumes by month are shown below.



## Monthly traffic volumes – FY 2007

The lanes have experienced approximately 24% traffic volume growth from July 2006 through June 2007, exceeding 300,000 vehicles per month in May and June.



Toll revenues in 2007 exceeded the costs of operations, snow removal, and maintenance that were previously paid for by taxpayers at a cost of nearly \$1 million annually.

### 5.2 Potential Toll Corridors

CDOT has continued work on a number of environmental studies that include toll lanes or toll roads as alternatives to be considered.

These include:

- US 36
- I-70 East
- C-470
- Northwest Corridor
- I-70 West
- I-25 North

The USDOT initiated a program in 2007 for Urban Partnership Agreements (UPA). The agency solicited proposals from communities for projects that incorporated four "Ts". These were: Tolling, Transit, Technology, and Teleworking. Metro Mayors and Commissioners along the

US 36 Corridor approached the CTE and CDOT to partner with them to submit an application for US 36. The proposal of a combination of managed lanes and bus rapid transit in the median of US 36, along with traveler information kiosks and increased teleworking strategies with the businesses along the corridor, garnered the support of Colorado's entire Congressional delegation, leadership in the State Legislature, the Governor's office, the DRCOG Board and elected officials along the corridor. The project was selected as one of nine finalists in a slate of 27 submittals. It was not one of the five projects ultimately selected, but the collaborative effort was instrumental in moving that project along and establishing true partnerships.

Other corridors under consideration, but without formal environmental studies underway, include the Colorado Springs Toll Road and I-270. The Colorado Springs Toll Road is being proposed by a private developer. CDOT and the CTE agreed that it would enter into an agreement with the developer if they took the necessary steps to get the proposed project adopted into the Pikes Peak Area Council of Government's (PPACG), fiscally constrained long-range transportation plan following the process agreed to by the Ad Hoc Committee on Tolling. The developer is working with the City of Colorado Springs and El Paso County, as well as the PPACG, to move that process forward.

## 6.0 Toll Rates and Interoperability

### 6.1 I-25 Toll Rates

The only toll rates that have been established are those associated with the I-25 HOV/*Express Lanes*. The rates vary based on time of day in order to manage congestion and ensure no degradation of transit service and car pools.

As such, it was agreed by RTD and the CTE that tolls imposed during the peak period would be no less than comparable express bus service in the corridor. The toll rate structure under which the facility opened in June 2006 is shown on the following table.

These rates have not changed since opening, but if congestion levels increase, then the CTE will raise the tolls.

AM		PM	
5:00-6:00	\$0.50	Noon-3:00	\$0.50
6:00-6:45	\$1.75	3:00-3:30	\$1.50
6:45-7:15	\$2.75	3:30-4:30	\$2.00
7:15-8:15	\$3.25	4:30-6:00	\$3.25
8:15-8:45	\$2.75	6:00-7:00	\$1.50
8:45-10:00	\$1.25	7:00-3:00 am	\$0.50

### 6.2 Interoperability

Interoperability refers to the ability of a toll collection system to use the parts, equipment, and user support services of other systems. Due to the various toll facilities that now exist or will exist in the state, it is essential that this technology be available and consistent for all drivers that may use the toll facilities.

The CTE contracted with E-470 Public Highway Authority to perform all of its back office operations. The CTE paid E-470 to install the toll collection equipment and provide software integration services in order to open up the I-25 *Express Lanes* lanes. E-470 has an ongoing contract to provide toll collection and violation processing services. That way, if a customer travels on E-470 or the I-25 *Express Lanes*, using an EXpressToll® Transponder, he or she will only receive one monthly statement.

The rates vary based on time of day in order to manage congestion and ensure no degradation of transit service and car pools. As such, it was agreed by RTD and the CTE that tolls imposed during the peak period would be no less than comparable express bus service in the corridor.

Currently, the CTE utilizes the E-470 Public Highway Authority for most of the administrative processes related to the I-25 *Express Lanes*. One area that is not utilized is E-470's administrative process for toll evasion (fines). E-470, by statute, utilizes an administrative toll enforcement process, which takes jurisdiction of toll evasion cases out of the hands of a city or county court and utilizes an administrative process instead. Since the opening of the I-25 *Express Lanes*, the Adams County Court has had an increase in court cases due to toll violators, putting a strain on their judicial system. It was requested that CDOT and the CTE pursue a change in statute to allow administrative court proceedings to occur for toll roads under the CTE's jurisdiction.

C.R.S. 43-4-811 describes the toll collection process for toll roads under the jurisdiction of the CTE. In particular, 43-4-811 (4) states that "the respective courts of the municipalities, counties, the city and county of Denver, and the city and county of Broomfield have jurisdiction to try all cases arising under municipal ordinances and state laws governing the use of a toll highway... Venue for such cases shall be in the municipality, county, or city and county where the alleged violation of municipal ordinance, state law, or regulation of the enterprise occurred." This process was put in place upon the creation of the CTE in 2002.

In 2005, legislation was approved that created the administrative process for public highway authorities (including E-470). At that time, no toll roads were in operation under the jurisdiction of the CTE, so no changes to the CTE statutes were made. CDOT and the CTE propose to utilize similar language to the Public Highway Authority language in 43-4-506.5(4)(b) and (c) that allows for the administrative process. "At the request of the judicial department, an authority shall consider establishing an administrative toll enforcement process and may, by resolution, adopt rules creating such a process..."

The Transportation Legislation Review Committee reviewed the CDOT and CTE proposal and adopted it as a Committee bill. A bill will be considered by the Colorado Legislature in its 2008 session.

