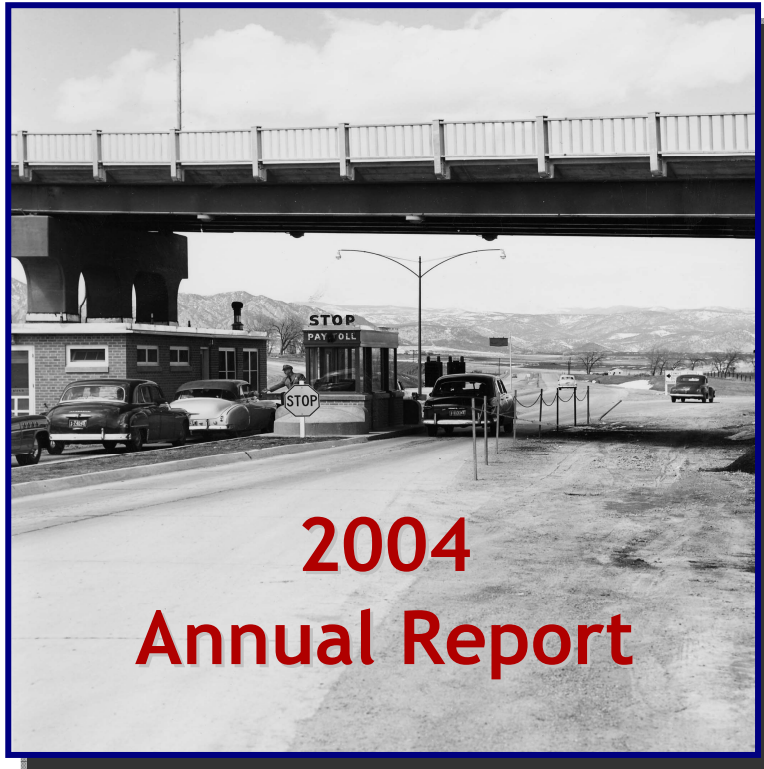


Colorado Tolling Enterprise



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**

February 15, 2005

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1.0 PROJECT OVERVIEW

The Colorado Tolling Enterprise was established as a government-owned nonprofit business operating within, and as a division of the Colorado Department of Transportation. 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 Colorado Department of Transportation 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 a loan request for \$1 million to fund Colorado Tolling Enterprise start-up costs. An Interagency Agreement between the Colorado Department of Transportation and the Colorado Tolling Enterprise was signed on March 20, 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.

The Colorado Tolling Enterprise 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 or new roadways. This flexibility allows the Enterprise to build toll facilities where they are most needed and can be financed and operated efficiently. These toll facilities can only be applied to new lanes or new highways, not to existing capacity.

2.0 FISCAL YEAR 2004 ACTIVITIES

2.1 COLORADO TOLLING ENTERPRISE BOARD MEMBERSHIP

On October 16, 2003, annual elections were held for the Colorado Tolling Enterprise Board of Directors. Commissioner Doug Aden was appointed as Chairman with Commissioner Joe Jehn as Vice Chairman. Jennifer Webster remained as Secretary to the Board and Peggy Catlin continued as the Acting Director. Additional Board members for fiscal year 2004 included:

JOE BLAKE	District 1 <i>(Denver County)</i>
JOE JEHN	District 2 (Vice Chair) <i>(Jefferson County)</i>
GREG MCKNIGHT	District 3 <i>(Arapahoe and Douglas Counties)</i>
BILL SWENSON	District 4 <i>(Boulder and Adams Counties)</i>
BILL KAUFMAN	District 5 <i>(Larimer, Morgan, and Weld Counties)</i>
TOM WALSH	District 6 <i>(Clear Creek, Gilpin, Grand, Jackson, Moffat, Routt, and Rio Blanco Counties)</i>
DOUG ADEN	District 7 (Chair) <i>(Chaffee, Delta, Eagle, Garfield, Gunnison, Lake, Mesa, Montrose, Ouray, Pitkin, and Summit Counties)</i>
STEVE PARKER	District 8 <i>(Alamosa, Archuleta, Conejos, Costilla, Dolores, Hindsdale, La Plata, Mineral, Montezuma, Rio Grande, San Miguel, and San Juan Counties)</i>
TERRY SCHOOLER	District 9 <i>(El Paso, Fremont, Park, and Teller Counties)</i>
GEORGE TEMPEL	District 10 <i>(Baca, Bent, Crowley, Custer, Huerfano, Kiowa, Las Animas, Otero, Prowers, and Pueblo Counties)</i>
BOB HAWTHORNE	District 11 <i>(Cheyenne, Elbert, Kit Carson, Lincoln, Logan, Phillips, Sedgwick, Washington, and Yuma Counties)</i>
PEGGY CATLIN	Colorado Tolling Enterprise Acting Director
JENNIFER WEBSTER	Colorado Tolling Enterprise Secretary

2.2 COLORADO TOLLING ENTERPRISE STAFF

The Colorado Tolling Enterprise staff consists of Acting Director Peggy Catlin, with Tracy Kinsella providing legal support from the Office of the Attorney General. Additional support staff is provided from the Colorado Department of Transportation with time billed to the Colorado Tolling Enterprise cost center. Work is outsourced to consultants and vendors with expertise in tolling, including, but not limited to, planners, engineers, financial, and legal support. All expenditures are tracked independently from the Colorado Department of Transportation expenses.

2.3 MEETING DATES AND ADOPTED RESOLUTIONS

The 2004 fiscal year for the Colorado Tolling Enterprise operated from July 1, 2003 through June 30, 2004. During this 12-month period, the Tolling Enterprise Board of Directors met nine times and adopted and/or approved the following Resolutions.

Fiscal Year 2004 Meeting Dates

- | | |
|----------------------|----------------------|
| 1. July 17, 2003 | 6. February 19, 2004 |
| 2. August 21, 2003 | 7. March 18, 2004 |
| 3. October 16, 2003 | 8. May 20, 2004 |
| 4. November 19, 2003 | 9. June 17, 2004 |
| 5. January 21, 2004 | |

Resolution No.	Resolution Description	Date Adopted
CTE-16	Board approved meeting minutes of June 19, 2003	7/17/2003
CTE-17	Board approved 2004 Master Calendar of Colorado Tolling Enterprise	7/17/2003
CTE-18	Board approved meeting minutes of July 17, 2003	8/21/03
CTE-19	Board approved meeting minutes of August 21, 2003	10/16/04
CTE-20	Board approved meeting minutes of October 16, 2003	1/21/04
CTE-21	Board approved meeting minutes of November 19, 2003	1/21/04
CTE-22	Board approved meeting minutes of January 21, 2004	2/19/04
CTE-23	Board approved meeting minutes of March 18, 2004	5/20/04
CTE-24	Board approved meeting minutes of May 20, 2004	6/17/04

3.0 FINANCIAL STATUS

No incoming revenue is being generated by the Colorado Tolling Enterprise and none is anticipated until bonds are issued, a toll project is constructed, and tolls are collected. The Enterprise is financing its startup costs through a loan from the Colorado Transportation Commission.

3.1 EXPENSES

The Colorado Tolling Enterprise expended \$59,281.53 during fiscal year 2004. These expenses are broken down as follows:

➤ Support Staff	\$ 8,959.82
➤ Consultants	\$ 56,183.22
➤ Advertising and Reproduction Costs	\$ 2,259.71
➤ Travel Expenses*	\$ 2,560.39
➤ Membership Dues*	\$ 2,898.00
➤ Credit from Prior Year's Error	<u>\$ (13,579.61)</u>

Total Expended in Fiscal Year 2004: \$ 59,281.53

Total Expended to Date: \$(470,971.99)

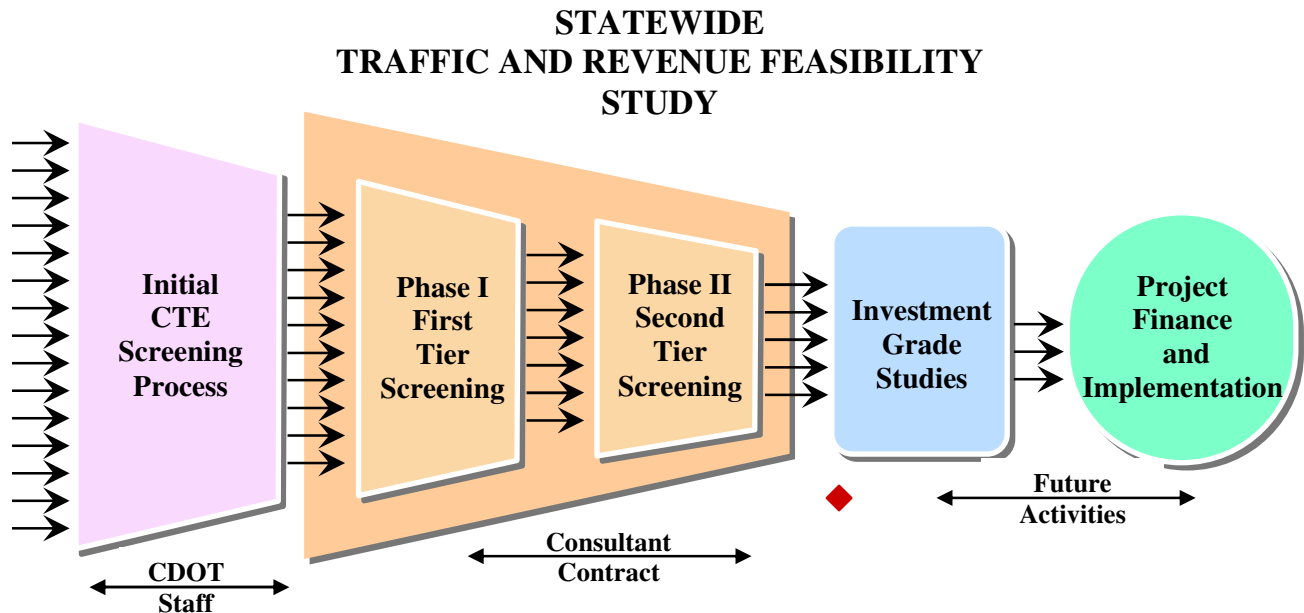
Interest Earned in Fiscal Year 2004: \$ 25,339.00

REMAINING LOAN BALANCE: \$ 496,310.99

** Membership dues and travel are for associations that staff members may utilize as a source to research best practices in tolling.*

4.0 TRAFFIC AND REVENUE FEASIBILITY STUDY

The Colorado Tolling Enterprise Board contracted with Wilbur Smith Associates to perform the Statewide Tolling System Traffic and Revenue Feasibility Study. The Contract was signed on November 5, 2003 and Notice-to-Proceed issued on December 1, 2003. The below figure provides a graphic representation of the tolling evaluation and study process envisioned by the Enterprise. Each subsequent step adds an increased level of analytical detail and eliminates various candidate projects at each phase, culminating in a reduced number of projects being subjected to progressively more detailed analyses.



- ◆ The results of these screening activities provide input into corridor environmental studies that the Colorado Department of Transportation is or will be conducting. Only upon receipt of the required environmental decision document that yielded a preferred tolled alternative would the Colorado Tolling Enterprise proceed with future activities.

It is important to note that this study merely assessed preliminary feasibility. It is not a proposal or a plan. A tolled facility will need to pass environmental processes and regional planning processes before moving forward. The final analysis will be whether or not bonds can be issued for the project.

4.1 CRITERIA FOR IDENTIFYING CANDIDATE CORRIDORS

The initial screening process applied the following criteria for identifying candidate corridors:

- Volume/capacity ratios of 0.7 or more, as a measure of relative congestion levels*.
- Average daily traffic volumes in excess of 30,000 vehicles per day*.
- Average daily truck volumes in excess of 1,500 per day*.
- Roadway classification (freeway or expressway) as it may effect opportunities for tolling and moving higher volumes of traffic at higher speeds.
- Projected population growth of 100 percent or more between 2000 and 2025.
- Inclusion of the project in the state's 2020/2025 Statewide Transportation Plan (a fiscally constrained plan).
- Projects identified through the 2003 Strategic Investment Plan process, as recommended by the Statewide Transportation Advisory Committee.
- Projects sponsored by private entities, including public/private partnerships.
- Roadway improvement segments with recently completed or ongoing corridor level studies.

* Considered at both 2001 and 2030 levels.

This process resulted in the following 39 projects that were evaluated in the first-tier screening process:

No.	Type Description	Roadway	Project Limits
1	Managed Lanes	I-25	I-70 to Fort Collins
2	Managed Lanes	I-70	C-470 to I-25
3	Managed Lanes	I-70	I-25 to E-470
4	Managed Lanes	I-25	C-470 to Colorado Springs
5	Managed Lanes, Tunnel	I-70	Eagle to C-470
6	HOT Lanes	US 36	I-25 to Boulder
7	Managed Facility, HOT Lanes	US 85	I-25 to C-470
8	Managed Lanes	C-470	I-70 to I-25
9	Managed Lanes	I-25	Colorado Springs to Pueblo
10	Managed Lanes	I-76	I-70 to E-470
11	Managed Lanes	6th Avenue	C-470 to I-25
12	Managed Facility	US 85	I-76 to US 34
13	Managed Lanes	I-70	Utah to Eagle
14	Managed Lanes	I-225	SH 83 to I-70
15	Managed Facility	US 40	C-470 to I-25
16	Truck Only Lanes	I-76	E-470 to Nebraska

No.	Type Description	Roadway	Project Limits
17	New Toll Road	US 24	I-25 to Limon (I-70)
18	Managed Facility	US 24	SH 67 to I-25
19	Managed Lanes	I-25	Fort Collins to Wyoming Line
20	Managed Facility	US 285	Conifer to US 85
21	New Toll Road	70 Business	SH 340 to I-70
22	Managed Facility	US 34	I-25 to SH 85
23	HOT Lanes	SH 82	Glenwood Springs to Aspen
24	Managed Facility	US 85	C-470 to I-25
25	Truck Only Lanes	I-70	E-470 to Kansas Line
26	Managed Facility	SH 83	I-225 to E-470
27	Managed Facility	SH 119	Boulder to I-25
28	Truck Only Lanes	US 287 Bypass	I-25 to Livermore
29	New Toll Road	Powers Boulevard	I-25 North to I-25 South
30	Managed Facility	SH 121	US 36 to C-470
31	Managed Facility	SH 391	I-70 to US 285
32	New Toll Road	US 50	I-25 (Pueblo) to Kansas Line
33	Managed Lanes	SH 58	SH 93 (Golden) to I-70
34	New Toll Road	Northwest Corridor	US 6 to Northwest Parkway
35	New Toll Road	SH 9	I-70 to US 40
36	Managed Facility	SH 9	I-70 to Breckenridge
37	New Toll Road	Front Range	Fort Collins to Pueblo
38	New Toll Road	Banning-Lewis Parkway	Colorado Springs from I-25 North to I-25 South
39	Managed Lanes	I-270	US 36 to I-70

4.2 FIRST-TIER SCREENING

The goal of the first-tier screening assessment was to reduce the number of candidate projects from 39 to a smaller number for more detailed evaluation. Twelve first-tier screening criteria were proposed for this analysis, including:

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

The description of the various project types is as follows:

- **Managed Lanes** - These projects typically involve the addition of one or two new lanes per direction along existing freeways, where only those drivers using the new capacity are required to pay a toll.
- **New Toll Roads** - These involve new construction (either within or adjacent to existing roadways) for which all vehicles using any portion of the new roadway would be assessed a toll. In general, competing routes for the new toll roads would be existing two-lane or multi-lane state highways with any existing traffic signals, lower posted speed limits, and sections passing through various towns and cities.
- **Managed Facilities** - This type of project generally involves construction of new toll facilities, possibly as elevated roadways, along existing arterial routes. While these are similar to managed lanes, the immediately competing lanes are usually signalized and have lower operating speeds, whereas “managed lane” type projects involve adding new capacity to existing freeways where the competing lanes operate under comparable speed limits without signalized intersections.
- **Truck Toll Roads or Lanes** - These projects involve either adding a lane in each direction along interstate routes with heavy truck volumes, or constructing new truck lanes (or truck toll roads) to relieve existing arterial routes that currently experience heavy truck volumes. For the analyses of both cases, use of the new facilities or lanes is assumed to be limited to trucks.
- **Tunnels** - These projects involve constructing an additional “bore” to meet the peak traffic demands characteristic of the I-70 corridor (i.e., Eisenhower Tunnel and Idaho Springs Tunnel on I-70).
- **High Occupancy Toll Lanes** - Essentially identical to managed lanes in physical configuration, these facilities offer toll-free access to high occupancy vehicles. Only single occupant vehicles are assessed a toll for the new lanes.

4.3 Second-Tier Screening

The goal of second-tier screening was to study economic factors, project versus system feasibility, environmental concerns, and “fatal flaws” to produce detailed financial information that would provide input into individual corridor environmental studies. Wherever possible, available regional travel demand models were used to develop preliminary estimates of traffic and revenue potential, optimum toll levels, and revenue growth potential in the second-tier analyses.

The following table presents a list of 12 project corridors that advanced from first-tier screening to second-tier analysis.

No.	Roadway	Project Limits
1	I-25	I-70 to Fort Collins
3	I-70	I-25 to E-470
5	I-70	Idaho Springs/Eisenhower Tunnels
6	US 36	I-25 to Boulder
8	C-470	I-70 to I-25
14	I-225	SH 83 to I-70
28	US 287	I-25 to Livermore
29	Powers Boulevard	I-25 North to I-25 South
34	Northwest Corridor	US 6 to Northwest Parkway
37	Front Range	Fort Collins to Pueblo
38	Banning-Lewis Parkway	Colorado Springs from I-25 North to I-25 South
39	I-270	I-70 to US 36

At the end of the fiscal year, this analysis was still preliminary in nature. A more detailed study is required.

NOTE: By the date of this report (January 15, 2005), the Feasibility Study was completed. It can be viewed in its entirety on the Colorado Department of Transportation web site at www.dot.state.co.us/cte/.

5.0 TOLL PROJECTS

The Colorado Department of Transportation entered into predevelopment agreements with private sector companies regarding the possible development of two toll facilities. These two projects include the C-470 Express Toll Lanes and the I-70 East Express Toll Lanes. The Colorado Department of Transportation is completing the Environmental Impact Statement for both of these corridors and is carrying forward Express Toll Lanes alternatives, among other alternatives, in these studies.

The introduction of toll facilities, specifically High Occupancy Toll Lanes, has been cleared environmentally on I-25 from 20th Street (downtown Denver) to US 36. The Colorado Tolling Enterprise and the Colorado Department of Transportation are working with other stakeholders, the City and County of Denver, the Denver Regional Council of Governments, the Regional Transportation District, the Federal Highway Administration, and the Federal Transit Administration (whose funds were used in part to construct the original High Occupancy Vehicle facility), to negotiate use of the lanes, operations, and enforcement concepts, and use of revenues. This High Occupancy Toll Lanes concept would allow single occupant vehicles to use the High Occupancy Vehicle Lanes for a fee, depending on the time of day. Operational use is planned for late 2005.

Other corridors that remain viable for tolling options pending further study include:

- US 36
- I-25 from US 36 into Weld County
- I-225
- I-270
- Northwest Corridor (connecting Northwest Parkway to C-470)
- I-70 Mountain Corridor (especially the tunnels)
- Powers Boulevard (Colorado Springs)
- Banning-Lewis Parkway (Colorado Springs)

6.0 TOLL RATES AND INTEROPERABILITY

6.1 TOLL RATES

A schedule of toll rates has not yet been established by the Colorado Tolling Enterprise. For the Traffic and Revenue Feasibility Study, toll rates and rate increase structures were assumed to be close to the rates per mile of E-470 and the Northwest Parkway. However, for Express Toll Lane alternatives, time of day variable pricing is expected to be utilized. Toll rates will be determined after corridor specific traffic and revenue investment grade analyses are completed. In pursuit of establishing a system of toll facilities and toll rates, the Enterprise is coordinating with other public highway authorities within Colorado, specifically the E-470 Public Highway Authority and the Northwest Parkway Public Highway Authority, on interoperability issues and tolling rate structures.

The Colorado Tolling Enterprise intends to utilize only electronic toll collection methods, no cash or toll booths.

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. The Colorado Tolling Enterprise has joined with E-470 and Northwest Parkway to form an Interoperability Committee. The Committee meets monthly and addresses issues such as information exchange, emerging technologies, toll collection, and enforcement business rules. (The three agencies presented jointly to the Transportation Legislative Review Committee in early fiscal year 2005.)

7.0 RECOMMENDED STATUTORY CHANGES

Technical review of tolling language to clarify roles of the Colorado Tolling Enterprise Board and the Transportation Commission was completed in the 2004 legislative session. No statutory changes are anticipated or proposed for the 2005 General Assembly.