

C-470 Tolled Express Lanes Segment 1 - Frequently Asked Questions

General Project Information

What are the limits of the proposed project?

- The Highway improvements CDOT plans to construct beginning in 2016 will be along C-470 between I-25 and Wadsworth.

What will be constructed by this project?

- *Adding* two westbound tolled express lanes from I-25 to Colorado Boulevard, and one westbound tolled express lane from Colorado Boulevard to Wadsworth.
- *Adding* one eastbound tolled express lane from just west of the Platte River to I-25.
- Additionally, CDOT plans to *add* auxiliary lanes between interchanges that are spaced closely together. These locations include:
 - Westbound
 - University to Broadway
 - Broadway to Lucent
 - Lucent to Santa Fe
 - Santa Fe to Platte Canyon
 - Eastbound
 - Santa Fe to Lucent (existing replaced in kind)
 - Lucent to Broadway
 - Broadway to University
 - Quebec to Yosemite

Noise

Will CDOT construct noise barriers along the highway where I live?

- CDOT is currently analyzing noise levels along C-470 for today's traffic and for forecasted traffic C-470 is expected to carry in 2035.
- If the analysis determines that forecasted noise levels exceed Federal requirements for residences along the corridor, CDOT will evaluate those locations for potential noise mitigation.
- Per Federal requirements, CDOT will determine 1) whether effective noise mitigation can physically be constructed to reduce forecasted noise levels, and 2) if this noise mitigation is cost effective.
- If both requirements are met, noise mitigation may be recommended for that location.
- If noise mitigation is recommended, those residences that would receive the mitigation will vote to determine if they want it to be constructed at their location.

Funding and Tolling

Will this project be a Public-Private-Partnership (P3)?

- A “value for money” (VFM) study for C-470 is nearing completion, which looks at available resources and outcomes.
- The preliminary results and initial assessments indicate that, given the size and scope of this project, a better option may be traditional public financing; not a P3.
- HPTE will continue to seek public input once the VFM study is released. CDOT, considering public input and the VFM study, will make a final decision in October 2014.

What is the HPTE?

- The High Performance Transportation Enterprise (HPTE) is a part of the Colorado Department of Transportation (CDOT) that functions as a government-owned business to develop innovative financing and delivery of important surface transportation projects, such as C-470.
- The HPTE has the authority to manage existing and future state-owned tolled facilities.

What funding is available for the project?

- CDOT has identified \$102 million in state and federal funding, and Douglas County is contributing \$10 million for construction. This leaves a funding gap of \$118 million.

How will the funding gap be closed?

- Traffic & Revenue studies suggest toll revenues may be enough to close the project funding gap, - assuming those funds would be used to issue toll revenue bonds.
- HPTE would then use federal loans to close the funding gap.

What will the toll price be for C-470?

- Express Lanes manage traffic congestion. The Express Lanes toll prices will vary by time of day to provide a reliable travel time. Preliminary studies suggest toll pricing could range from approximately \$4 to \$6 to travel westbound from I-25 to Wadsworth during hours of peak congestion.
- CDOT is conducting additional studies to further refine the possible toll ranges.

How much time will I save by using the tolled Express Lanes?

- The preliminary Level 2 Traffic and Revenue study suggests that by using the tolled Express Lanes during peak congestion a driver may save up to 40 minutes of travel time for a westbound trip from I-25 to Wadsworth.

Will all lanes be tolled?

- No, the non-tolled free general Purpose lanes that exist on C-470 today will continue to exist as non-tolled lanes. The proposed tolled Express Lanes will be in addition to the current General Purpose lanes.

How will the tolls be collected?

- All tolls will be collected by License Plate Toll or with an Express Toll account.

What is the difference in price between transponders and license plate tolls?

- License Plate Toll customers will be billed the EXpressToll rate plus a surcharge. The most efficient and least expensive way to pay tolls is by using an EXpressToll transponder.

Will tolls collected on C-470 be utilized to fund improvements on other highways in Colorado?

- No, all toll revenue collected on C-470 will be utilized for the C-470 corridor.
- Tolls will be utilized for maintenance of the highway.
- Tolls will be utilized for administrative costs of operating the tolled Express Lanes.
- Tolls will be utilized to pay off financing debt

Will the tolls ever expire or go away?

- The toll revenues are set for Express Lanes to manage congestion. The collected toll revenues will help to pay off financing debt, administrative costs and maintenance, but they will not cover the entire costs associated. At this point CDOT and HPTE do not anticipate the tolls will expire.
- Any surplus toll revenue, after maintenance costs, administrative costs, and financing debt have been satisfied, can be used to fund additional improvements on the C-470 corridor.

If my tax dollars (state and federal funds) are being used to build this project, how can you also charge me a toll to use it?

- Using tax dollars to build public works projects and also charging to use the facility is very common. One example is light rail, which is funded by local, state, and federal funds and also charges a fare to use it.
- The C-470 project is not only adding the tolled express lanes, it also includes reconstruction of the un-tolled lanes and is adding un-tolled auxiliary lanes at several locations.

Schedule

When is construction scheduled to begin?

- Preliminary schedules have construction for the C-470 improvement beginning in the Summer of 2016.

When will construction be complete?

- Preliminary schedules have construction being mostly complete by December of 2017. Some minor construction activities may extend beyond that date.

When will a contractor be selected to perform the work?

- CDOT is using a Design-Build project delivery method for the C-470 Tolled Express Lanes project. Selection of a Design-Build team is scheduled to occur during the 1st quarter of 2016.

Transit/HOV

Was adding transit to C-470 considered?

- Yes, this alternative was considered in the original Environmental Assessment, but it did not meet the purpose and need of addressing congestion, reducing traveler delay, and providing a reliable trip.

What transit improvements will be part of the project?

- Although RTD has no near-term plans for C-470 bus service, they believe that commuter service on C-470 may be a viable option if:
 - Congestion levels are sufficiently reduced to permit reliable service to their patrons (the tolled express lanes provide this);
 - Sufficient ridership exists; and
 - Funding becomes available.
 - RTD buses will be allowed to use the tolled express lanes without paying a toll.
 - RTD has been a very active member of the C-470 Corridor Coalition and has supported the addition of tolled Express Lanes.

Will HOVs be able to drive in the tolled Express Lanes without being charged a toll?

- CDOT has not yet made a final decision on HOVs within the C-470 corridor. If it is determined that High Occupancy Vehicles (HOVs) will be exempt from paying tolls, the statewide requirement starting January 2017 will be a minimum of 3 people in the vehicle, also known as HOV3+.
- CDOT wants to hear from you regarding HOVs at our upcoming public meeting at the Ken Caryl Ranch House Monday, September 15th from 6-8 pm. You can also offer comments on HOVs at any of our three other public open houses September 16-18th. Further public open house details will be provided near the conclusion of tonight's meeting.

E-470 Tolls

Tolls on E-470 started out lower and now they are very high. Will the tolls for using the C-470 Express Lanes eventually be as high as they are for E-470?

- The E-470 Public Highway Authority continues to be one of CDOT's many valued partners on the C-470 Express Lanes project. CDOT and E-470 are separate entities and CDOT is in no position to comment on the toll rates set by E-470.
- However, there are vast differences between the E-470 and C-470 Express Lanes facilities worth noting. One of the most notable differences is that E-470 was constructed as an entirely new facility. This resulted in substantial upfront infrastructure costs and involved extensive right of way purchases. In contrast, the C-470 Express Lanes project will have the luxury of building upon as much of the existing C-470 infrastructure as practical. Additionally, the vast majority of the C-470 Express Lanes project will be constructed within existing right of way.
- The Express Lane portion of I-25 is better for toll comparison purposes where tolls range from \$1-\$2 off-peak and \$4-\$6 peak. Like the C-470 Express Lanes facility, this portion of I-25 is also a "choice" facility contrasting with the "all-toll" E-470 facility.

Diversion

With a toll lane being added to C-470, will some drivers divert onto local roads, such as County Line Road, to avoid paying tolls?

- No. The project will add Express Lanes to the existing improved two free lanes. This will provide additional capacity on C-470 and attract more trips onto C-470 rather than divert them from C-470.
- The Express Lanes will be added to the existing two free lanes. Drivers will always have a choice to pay a toll for a reliable travel time using the Express Lanes or to use the free general purpose lanes.

Need for the Project

Is it true that the state's own analysis assumes that the C-470 Tolled Express Lanes project won't deliver net benefits until at least the early 2030s?

- The project will deliver transportation benefits to its users from the first day it opens in 2018. All major public infrastructure projects involve a large upfront cost and it takes many years of future societal benefits for the project to "break even." This is equally true for highway projects, high-speed rail, hospitals, etc., both in the public and the private sectors.

Some studies seem to suggest Americans' driving habits have changed. Vehicle miles per capita traveled in the United States peaked around 2003 and since then have remained constant or even have declined. Isn't allocating \$230,000,000 on this project to address increased demand an example of governments' transportation spending habits not changing with the times?

- Many factors, including:
 - A decline in the number of cars and licensed drivers per household
 - A decline in the work force due to the aging of the Baby Boom generation
 - Higher gas prices influencing Americans to drive less
 - A trend for growth in city centers rather than suburbs, reducing commuting miles driven
 - An increase in use of alternative modes of transportation
 - A significant decrease in driving habits among younger Americans in the past decade

may signal reduced demand for additional roadways in the future, especially for cities with slow or negative growth. However, C-470 is congested now and has been for years. The Denver region has grown and continues to grow rapidly. C-470 is located in Douglas County which has had one of the fastest growth rates in the nation for a number of years. Even if each person drives less there will be more people in the Denver metropolitan region and the total traffic demand will increase from current levels.

Traffic projections developed for the C-470 Revised Environmental Assessment, which forms the basis for this project, utilize the latest approved growth assumptions from the Denver Regional Council of Governments (DRCOG) and the DRCOG FOCUS transportation model. The FOCUS model was developed with funding and oversight from the U.S. Department of Transportation. Both agencies are acutely aware of national megatrends, and CDOT is responding to C-470's existing traffic congestion and DRCOG's regional growth forecasts.

Use of transit in the Denver region has increased due to continued population growth and the expenditure of billions of dollars for the Regional Transportation District's FasTraks light rail system. That rail project was funded largely through a voter-approved sales tax. RTD hopes to extend its Southwest Line from Mineral Avenue to Lucent Boulevard in Highlands Ranch in the future when funding allows. However, there is no RTD bus service on C-470 because congestion levels prohibit reliable travel times necessary for RTD buses to meet a fixed schedule. The C-470 Tolloed Express Lanes project will provide reliable travel times making improvements to transit options possible in this corridor.

Recent USDOT forecasts have not recognized a slowing of traffic growth and seem to ignore the ever-increasing backlog of necessary roadway maintenance. A decade of USDOT spending more money than it collected from Federal gasoline taxes has bankrupted the Highways Users Trust Fund. Given the maintenance backlog and the lack of available funding, shouldn't USDOT and the states stop adding new capacity and focus the limited resources on maintaining existing infrastructure?

- CDOT is fully aware of its statewide maintenance backlog and of the insolvency of the national Highway Users Trust Fund. The Colorado General Assembly and the Colorado Transportation Commission are increasingly turning to innovative financing mechanisms to construct and maintain transportation infrastructure. The C-470 Tolloed Express Lanes project is estimated to cost \$230 million, of which about one third will be used to reconstruct the existing facility. That cost also includes future maintenance of the roadway.

The project has received \$100 million of Responsible Acceleration of Maintenance and Partnerships (RAMP) funding and \$12 million in other funds, leaving a funding shortfall of \$118 million. This money will come from the sale of revenue bonds paid off in the future with toll revenues. The toll is expected to be perpetual, with all future revenues allocated to maintenance and improvements to the C-470 corridor. This \$118 million funding source will not exist unless it is generated through tolls, and it cannot be used for any other purpose than improving C-470 mobility.

Wasn't the C-470 highway built to encourage far-flung development for the benefit of suburban land developers?

- This roadway was originally planned as Interstate 470. I-470 was officially included as part of the U.S. Interstate Highway system before a state-led, anti-sprawl initiative petitioned USDOT to remove the roadway's interstate designation. As a result, today C-470 is a state highway serving the transportation needs of residents, businesses and metro-area travelers.

According to CDOT's 2014 C-470 TIGER grant application, the project's projected break-even year, when cumulative societal benefits will equal and begin to exceed its upfront capital cost, will be 2032. These cost-benefit projections are based upon assumptions of future traffic growth on C-470 through the year 2035. But, traffic volumes on C-470 actually declined each year between 2007 through 2011 and have only increased each year since 2011 at rates less than CDOT has predicted for future years. If future C-470 traffic demand is less than CDOT's predictions, won't toll collection revenues be less than projected and the taxpayers forced to make up the funding shortfall?

- Traffic projections for the C-470 Tolloed Express Lanes project are based on the latest approved DRCOG regional growth projections and DRCOG's FOCUS regional transportation model. CDOT is responding to the problem of congestion on a State highway C-470 identified in the DRCOG Metro Vision 2035 Regional Transportation Plan. Lack of traditional public

funding is the reason why a toll-funded approach, along with other funding sources including federal loans and local funding, has been selected by CDOT and the local government members of the C-470 Coalition. Evaluation and planning for the sale of revenue bonds is being undertaken by the CDOT's High Performance Transportation Enterprise (HPTE). HPTE is fully aware of the very conservative assumptions required for the successful sale of revenue bonds.

In order to generate \$118 million in bond proceeds, HPTE must demonstrate to the investment community that conservative assumptions about future growth and toll collections are reasonable and include a substantial margin of safety. This means that expected toll revenues must be considerably more than the amount needed to repay the bond investors.

In public meetings held in September 2014, CDOT and HPTE were asked who would be responsible for bond repayment in the event that future toll collections are insufficient to meet bond obligations. HPTE staff replied that in such a case CDOT would be responsible for any shortage and the burden would indeed fall upon Colorado's taxpayers. This risk can never be eliminated entirely, but as explained above, HPTE is fully aware of the risk and is making very conservative assumptions to protect taxpayers and bondholders alike.

Will future traffic growth be sufficient to generate toll revenues needed to pay for the project?

- CDOT has extensively evaluated traffic growth and projected revenues in Traffic and Revenue (T&R) studies. A Level 3, investment-grade T&R study is in process and is the final analysis required to satisfy CDOT and the investment community that future toll revenues will be sufficient to repay the bonds. If the investment community is not satisfied with the study's results, the bonds will not be sold and the project will not be built.