

Toll Implementation Update

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EMAC's Input on Low-Income Toll Options

Foundational Statements

- Extend to Washington
- Travel free options
- Equity investments on day 1, greatest degree possible
- Climate and equity are connected

EMAC Feedback & Recommendations

EMAC Feedback for OTC on Current Decisions

- Support for percent discount, extending to Washington State and Oregon residents, prioritizing enrollment efforts, and continuing to study 75% discount for 200% FPL
- Work needed
 - One-time loading of free trips for low-income customers
 - Partnerships with others to “fill in the funding gap” for those most in need
 - Development of communications materials, tailor to specific equity needs (e.g. travel to OHSU or social service centers)
 - Delivery of a 400% FPL program

OTC Toll Policy, Rulemaking & Rate Setting Discussions

November

- Discuss updated I-205 toll rate schedule options
- Direction on Low Income Toll Program

December

- Final LITP decisions to include in report to Governor
- Approval to release toll rules for public comment

January

- Confirm option for I-205 Level 2 traffic & revenue (T&R) analysis
- Discuss revenue scenarios for Regional Mobility Pricing Project
- Discussion on revenue sharing request from regional partners

March

- Confirm policy on revenue sharing

June

- Final approval of toll rules



A worker in a blue safety suit and hard hat is positioned on a blue lift bucket, working on a steel bridge structure. The background is a dense forest of evergreen trees. The scene is dimly lit, suggesting dusk or dawn.

I-205 Toll Project Scenarios

What we heard: Partner and public comments

- Set rates low enough that drivers do not significantly divert to local roads
- Desire for \$0 overnight tolls
- Need more information on toll rate assumptions to provide feedback on the Environmental Assessment

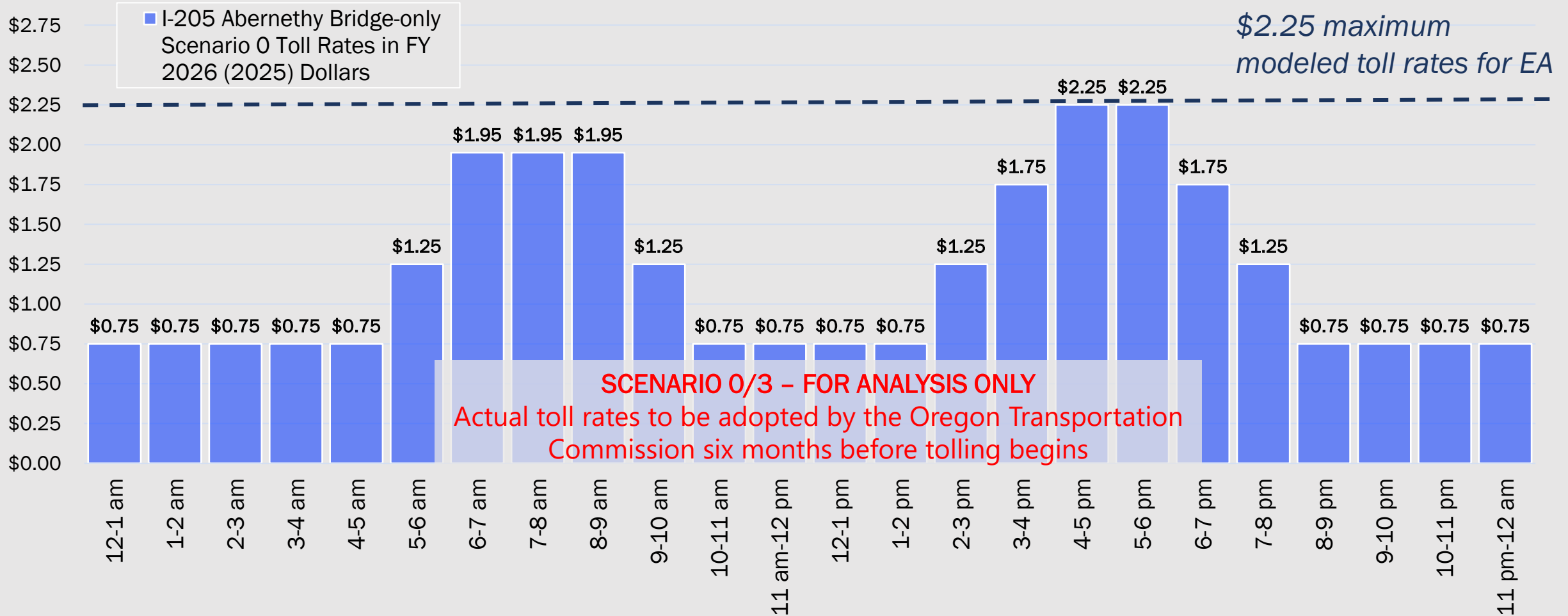


I-205 Scenarios for Trade-Off Analysis

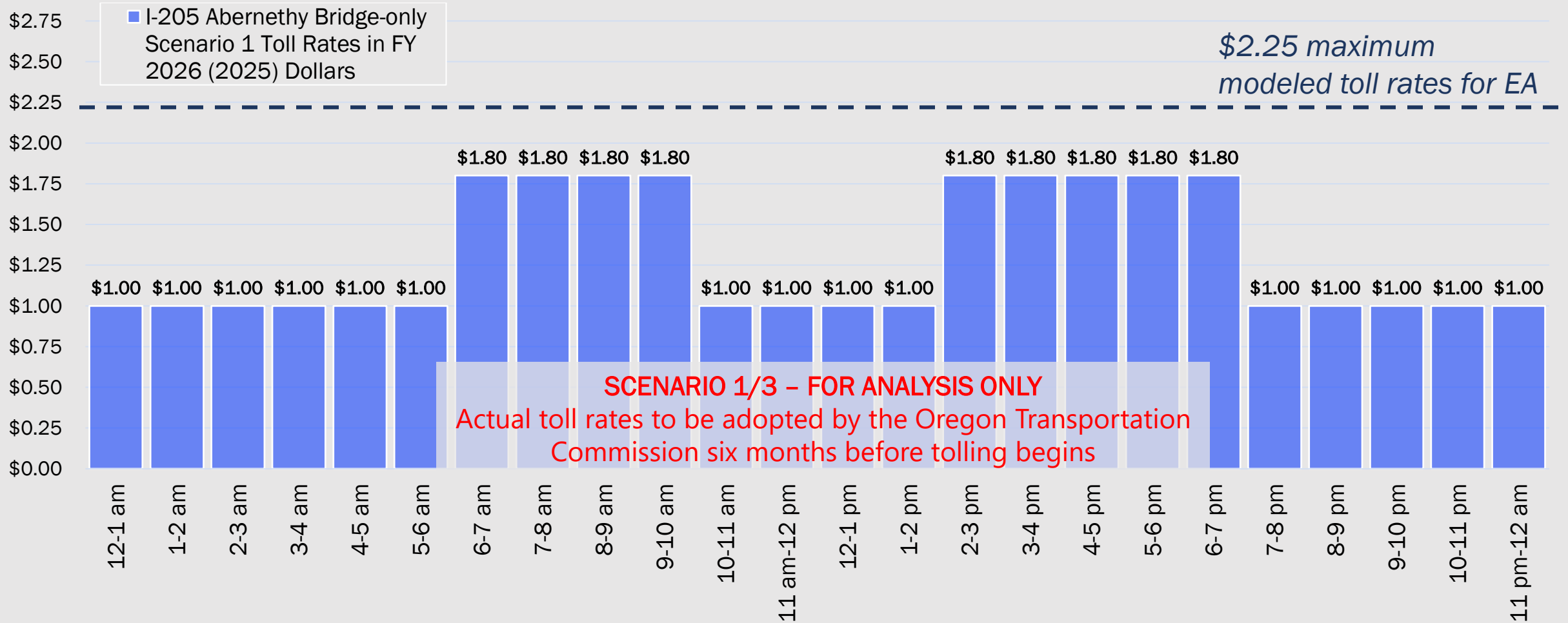
Toll rate scenarios developed to understand the effects on traffic, diversion, and potential net toll revenues

#	Scenario	Description
NB	No Build (with IBR toll)	No action basis of comparison
0	Base Scenario: Abernethy Bridge-only Base Toll Rates	2022 Level 2 T&R study toll rates with minor adjustments (including \$0.75 minimum toll) to adapt for one bridge
		Goal
1	Flatter toll scenario: two toll rates only at peak and off-peak	Generate same net revenue with simpler toll rate schedule
2	Congestion management scenario: highest peak period and no overnight tolls	Manage congestion in the entire project area/corridor (Abernethy Bridge to Stafford Road) with peak toll rates
3	Revenue emphasis scenario: Higher variable tolls than Scenario 0	Maximize net revenue

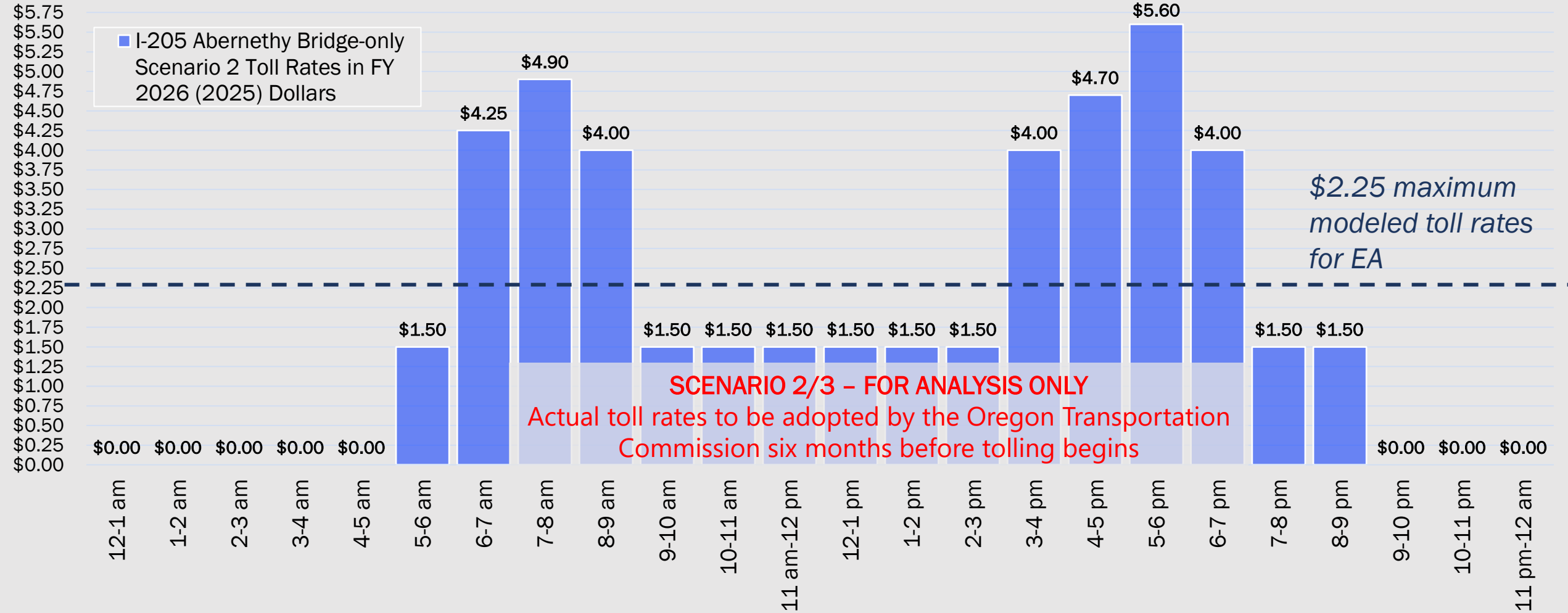
Scenario 0 | Base Scenario



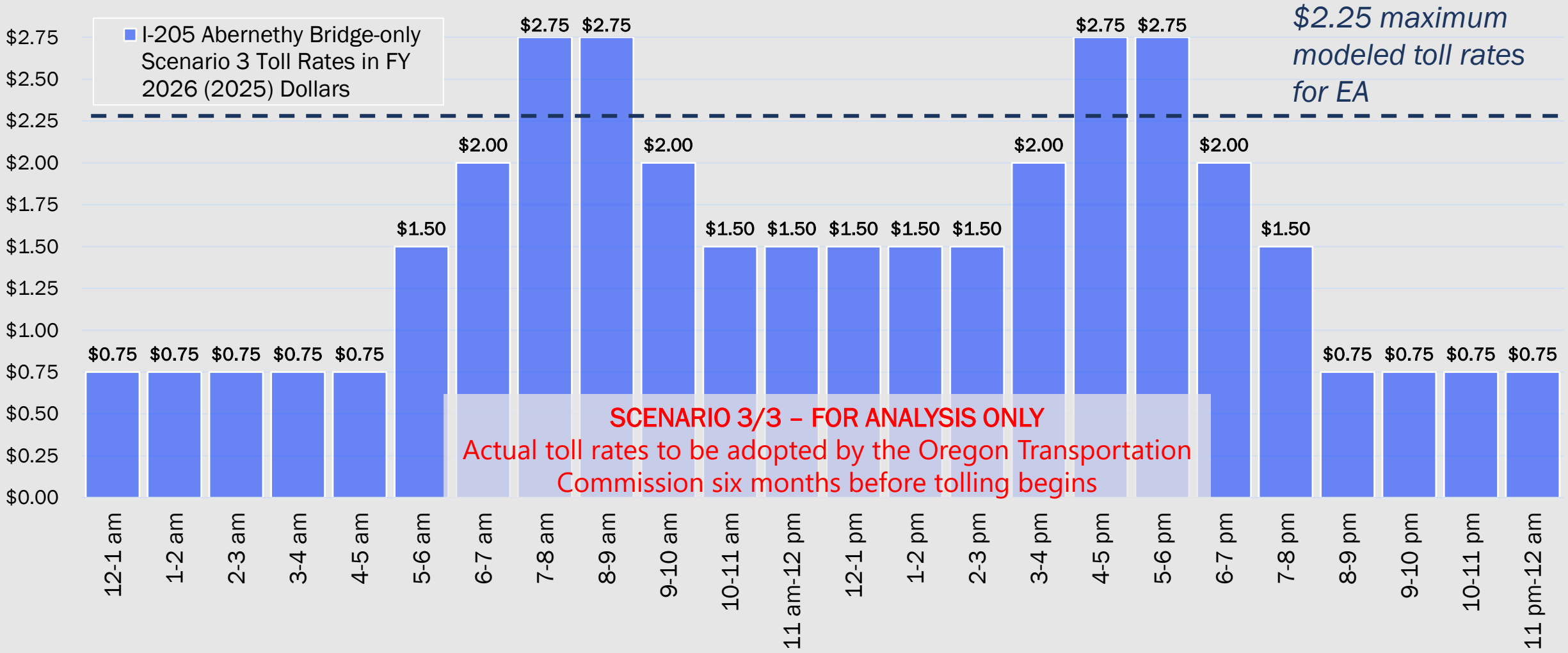
Scenario 1 | Flatter Toll Scenario



Scenario 2 | Congestion Management Scenario



Scenario 3 | Revenue Emphasis Scenario



Summary of Key Findings

I-205: Stafford Road – OR 213

Preliminary Estimates from Raw Model Results

Scenario	Approximate Average Peak Hour Speeds on I-205 (2027)	Hours with Stop and Go Traffic on I-205 (2027)	Arterial Impacts / Diversion	Net Toll Revenue (% change vs. Scenario 0)
No Build	30-35 mph	7	N/A	N/A
Scenario 0	35-40 mph	6	Limited Diversion	-
Scenario 1	35-40 mph	5	Limited Diversion	Negligible difference
Scenario 2	45-50 mph	0	Significant Diversion	+50-70%*
Scenario 3	35-40 mph	4	Moderate Diversion	+35-40%

* Scenario 2 tolls may change travel behavior other than route choice, which could lead to lower revenue and would need additional analysis to estimate

Toll Revenue Debt Capacity

Scenario	Description	Net Revenue \$ Millions (FY 2030)	Funding: Toll Revenue Bonds Only	Funding: Toll Revenue Bonds + TIFIA
Scenario A	Level 2 T&R Study	\$75 M		
Scenario 0	Abernethy Bridge-only Base Toll Rates	\$31 M	\$215 M	\$340 M
Scenario 1	Two toll rates only: Peak and off-peak	\$31 M	\$217 M	\$342 M
Scenario 2	Highest peak period and no overnight tolls	\$51 M	\$352 M	\$556 M
Scenario 3	Higher variable tolls than Scenario 0	\$40 M	\$276 M	\$436 M

Takeaways from I-205 Toll Tradeoff Analysis

- There is no perfect toll rate structure that accomplishes all things
- Tradeoffs between congestion relief, diversion, and revenue need to be balanced
- Similar revenue levels can be achieved with different rate structures
- \$400 million revenue target can be achieved with toll bonds and a TIFIA loan, but Scenario 0 and 1 rates would need to be adjusted upward
- Toll at Abernethy Bridge is not the best tool to manage congestion on its own



Next steps

- Regional conversation about trade-offs and I-205 scenarios and bring input back to OTC – Fall 2023
- OTC decision on which scenario we will move forward with in the I-205 Toll Project Level 2 T&R Study – Early 2024
- Conduct Level 3 Investment Grade T&R Analysis for I-205 Toll Project prior to setting toll rates – Late 2025



Mitigation and Equity Toll Implementation Plans

Equitable Toll Program and Diversion Mitigation Implementation Plan

- Plan due to Governor Kotek Dec. 15
- OTC approval Dec. 11
- Outline shared with EMAC and RTAC at November meetings
- Plan will cover:
 - Decisions already made about Low Income Toll Program
 - Upcoming efforts and decision-making processes, including points of input that will allow the public and regional partners to continue to shape tolling



Low Income Toll Program

Timeline: OTC Toll Policy Decisions

NOTE: Interstate Bridge Replacement Program to be decided through bi-state process



2023

2024

2025

Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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Policy

OHP Amendment and OTP Update

Rules

Update statewide toll rules (OARs)

Low Income

Identify benefit levels for rate setting analysis

I-205 Toll Project level 2 traffic and revenue analysis

I-205 Toll Project level 3 traffic and revenue analysis

Rate Setting

Rate setting process for I-205 Toll Project

Progress Since September OTC Meeting

- Statewide Toll Rule Advisory Committee (STRAC) input on exemptions and low-income toll rules
- Thorough discussion with the Equity and Mobility Advisory Committee (EMAC) about low-income toll decisions
- Additional analysis of LITP benefit types and levels
- Held intertribal toll meetings

LITP Two Potential Tiers

200% of Federal Poverty Level

- People at this income level face challenges to pay for basic needs
- Ability to attract users back to the toll facility
- 200% FPL is used by existing low-income toll programs
- ODOT could rely on existing benefit programs for income verification

Up to 400% of Federal Poverty Level

- Reach customers at the minimum wage
- Avoid a “benefit cliff”
- Avoid worsening transportation cost burden for middle income families
- EMAC supportive of this benefit level
- Would require another way to verify eligibility

Federal Poverty Level (FPL) and Median Income by Household Size

Household Size	200% Federal Poverty Level (2023)	400% Federal Poverty Level (2023)	Portland Metro Region Median Household Income (2022)
1	\$29,160	\$58,320	\$74,550
2	\$39,440	\$78,880	\$85,200
3	\$49,720	\$99,440	\$95,850
4	\$60,000	\$120,000	\$106,500
5	\$70,280	\$140,560	\$115,020
6	\$80,560	\$161,120	\$123,540

Existing Low-Income Toll Programs

Facility	Geographic extent	Income Level	Benefit
San Mateo 101 Express (San Francisco, CA)	San Mateo County residents	200% of FPL	\$100 credit (one-time)
Elizabeth River Bridge Crossings (Hampton Roads, VA)	Hampton Roads region residents	200% of FPL	50% discount on first 10 toll trips per month
I-10/I-110 Express Lanes (Los Angeles, CA)	Los Angeles County residents	200% of FPL	\$25 credit (one-time)
Central 70 Express Lane (Denver, CO)	Globeville and Elyria-Swansea neighborhood residents	200% of FPL	\$100 credit (one-time)

LITP Implementation Challenges

Verification
process

Schedule
impact

Congestion
impact

Revenue
risk

Financing
risk

Operations
costs

Key LITP Direction Needed from OTC Today

- Set geographic scope
- Select benefit type– credit versus percentage discount
- Set benefit level to implement for up to 200% of FPL

OR

Narrow to 2 options for further study

- Set benefit levels to analyze for up to 400% of FPL



Geographic Scope

ODOT Recommendation:

Open LITP to all of Oregon and Washington

Rationale:

- LITP should extend to all Oregonians
- Program should extend into SW WA
- Easier to cover whole state rather verify county
- Discussion groups and EMAC have recommended extension across both OR and WA
- Unlikely to be used much by WA residents outside of SW WA, so low revenue & operational impact
- Limiting to OR challengeable under federal law

Benefit Type

ODOT Recommendation:

Provide percentage discount (rather than monthly credit)

Rationale:

- Discussion groups were ambivalent on discount v. credit; EMAC had a mix of opinions
- Provides consistent level of benefit across different customer use levels
- No need to adjust benefit level with new facilities
- Free trips under a credit run counter to demand management and GHG goals
- Easier to allocate net revenue to correct project

Credits vs. Discounts Impact on Customers

Customer Type	I-205 Abernethy Monthly Toll Cost	\$40 Credit			50% Discount		
		User Benefit	Toll Payment	Discount %	User Benefit	Toll Payment	Discount %
Low use	\$20.00	\$20.00	\$0.00	100%	\$10.00	\$10.00	50%
Moderate use	\$50.00	\$40.00	\$10.00	80%	\$25.00	\$25.00	50%
Heavy use	\$80.00	\$40.00	\$40.00	50%	\$40.00	\$40.00	50%
Household	\$100.00	\$40.00	\$60.00	40%	\$50.00	\$50.00	50%

Benefit Level

0-200% of FPL

ODOT Recommended Options:

- Commit to a discount of 50% in November
OR
- Study 50% & 75% discounts in the I-205 Level 2 T&R analysis and decide in 2024

Considerations:

- Both options provide significant discount
- 50% offers acceptable traffic and revenue impact; 75% is less clear
- Larger discount would limit demand management and GHG reduction
- Larger discount would lead to limited or no net revenue from these customers
- Should commit to offer benefit now, but could take more time to study specific level

Traffic and Revenue Analysis for I-205 Toll Project

	Value	Enrollment*	Gross Revenue*	Traffic*
0-200% of Federal Poverty Level Options				
100% discount	\$115	23.2%	-6.9%	+5.0%
90% discount	\$80	15.0%	-4.1%	+3.2%
75% discount	\$65	11.0%	-2.1%	+1.9%
50% discount	\$45	6.0%	-0.6%	+0.7%

*Medium outcome in analysis

Benefit Level

200-400% of FPL

ODOT Recommendation:

Analyze 10% and 25% discount in the Level 3 T&R for both 300% of FPL and 400% of FPL, with decision in 2025 after T&R analysis

Rationale:

- Analysis will provide better understanding of likely traffic and revenue impacts
- Benefit that extends only to 300% of FPL help those who need it most
- Additional T&R analysis will allow Commission to make decision in early 2025
- Focus on maximizing enrollment in <200%

Outreach and Analysis to Aid OTC Decision by December 2023

Continue our equity-focused engagement work

- Toll advisory committees
- Community Engagement Liaison Service-led discussion groups
- Community-Based Organizations