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I-205 Toll Project: Toll Revenue Scenarios

In 2022, a Toll Traffic and Revenue (T&R) study was completed for the I-205 Toll Project which analyzed tolling on both the Abernethy and Tualatin River bridges. The analysis assessed traffic levels and performance in combination with forecasts of the potential gross and net toll revenues. Based on those projections, ODOT concluded that I-205 tolling would provide somewhere between $500 and $800 million in construction funding from toll bonds.

In June 2023, ODOT indefinitely postponed the Tualatin River Bridge toll and construction of the third lane and other improvements, which reduced the scope of the I-205 Toll Project to a single toll on the Abernethy Bridge. ODOT is conducting additional financial analysis for the reduced scope of the I-205 Toll Project to help pay for current Abernethy Bridge construction.

Toll Traffic and Revenue Studies

Transportation agencies use toll T&R studies to understand future travel demand and to support financial planning. Toll T&R studies are classified into one of three levels of analysis depending on the phase of project development or specific need. For I-205, ODOT has conducted a Level 1 analysis to gain a better understanding of the relative traffic effects and potential revenues under different scenarios in which just the Abernethy Bridge is tolled. These results will inform the next level of analysis, the Level 2. Levels of toll T&R studies include:

Level 1: Sketch	Level 2: Comprehensive	Level 3: Investment – Grade
• Examines feasibility of tolling and tests high-level alternatives. • Usually takes 1-6 months. • *This analysis for I-205 will allow for comparisons of tradeoffs.*	• More detailed evaluation of alternatives and toll scenarios that support initial rate setting and policy development. • Usually takes 6-8 months but may take longer with multiple iterations. • *Will be prepared concurrently with the Supplemental Environmental Assessment.*	• Deeper evaluation of a preferred toll scenario that supports formal rate-setting, informs investors and lenders, helps to obtain a credit rating, and secures financing. • Usually takes 12 months. May be refreshed periodically. • *Will begin as the Environmental Assessment process ends.*

I-205 Toll Project Financial Scenarios

To determine what to study in the Level 2 analysis, ODOT conducted a preliminary analysis of several different toll scenarios to understand the relative differences in revenue potential, effects on traffic speeds, hours of congestion, and diversion to arterials. All scenarios assume a toll only at the Abernethy Bridge. The table below compares each toll scenario.

Summary of findings:

Description	Goal	Min. Toll	Max. Toll	Congestion Management Benefits*	Arterial Impacts/ Diversion Due to a Toll	Net Toll Revenue Resources (TIFIA + Toll Bonds)
Level 2 T&R Study (Oct. 2022)	Identify potential for construction funding from toll bonds	$0.55	$2.10	45-60 mph average peak speeds 2 hours or less with stop and go traffic		$500 - $800 million
No Build	N/A			30-35 mph average peak speeds 7 hours with stop and go traffic		
Base Scenario (0): 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	$0.75	$2.25	35-40 mph average peak speeds 6 hours with stop and go traffic	Least diversion due to a toll	$369 million
Flatter Tolls (1): Two toll rates only at peak and off-peak hours	Generate same net revenue as the Base Scenario with a simpler toll rate schedule	$1.00	$1.80	35-40 mph average peak speeds 5 hours with stop and go traffic	Least diversion due to a toll	$371 million
Congestion Management (2): Highest peak period toll rates and no overnight tolls	Manage congestion in the entire project area/corridor (Abernethy Bridge to Stafford Road) with peak toll rates	$0.00	$5.60	45-50 mph average peak speeds 0 hours with stop and go traffic	Most diversion due to a toll	$592 million
Revenue Emphasis (3): Higher variable tolls than Scenario 0 to increase net revenue	Increase net revenue	$0.75	$2.75	35-40 mph average peak speeds 4 hours with stop and go traffic	Medium diversion due to a toll	$469 million

*For the October 2022 Level 2 T&R, the congestion management benefits are for 2045. For the No Build and the October 2023 Level 1 T&R scenarios, the congestion management benefits are for 2027.

Key takeaways:

- None of the four scenarios were sufficient to generate net revenue of $400 million using toll bonds only. Securing a TIFIA loan from the federal government, which offers better financing terms than toll bonds, could make any of the scenarios viable. The two scenarios ("base" and "flatter") would require some upward rate adjustments to reach the $400 million net revenue target.
- Similar revenue levels can be achieved with different rate structures. A rate schedule with lower rates at peak times can be constructed in a way that generates sufficient revenue, but it will require higher off-peak rates to meet revenue targets.
- A point toll at the Abernethy Bridge is not the best tool to manage congestion for this 7-mile corridor of I-205. Without the implementation of the Regional Mobility Pricing Project and/or construction of the missing lane on I-205, toll rates would have to be set at much higher levels to achieve significant long-term congestion relief. The consequences associated with high toll rates would include high levels of diversion and greater financial impacts to customers.

Timeline

The Oregon Transportation Commission will discuss the scenarios in November, which will kick off regional conversations on the tradeoffs in November and December. In January 2024, OTC will provide direction on which scenario to use for a Level 2 T&R study.