



Oregon

Tina Kotek, Governor

Oregon Transportation Commission

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DATE: January 11, 2024
TO: Oregon Transportation Commission

FROM: Kristopher W. Strickler
Director

SUBJECT: Agenda Item J – I-205 Toll Scenarios

Requested Action:

Approve toll rate schedule scenarios to include in the I-205 Level 2 Traffic and Revenue Analysis.

Background:

ODOT's original Level 2 Traffic and Revenue (T&R) Analysis for the I-205 Toll Project included a single rate schedule and analyzed tolling both the Abernethy and the Tualatin River bridges. With tolling on the Tualatin River Bridge indefinitely postponed, ODOT needs to complete a follow-up T&R analysis with an updated toll rate schedule. To better understand the tradeoffs inherent in any toll rate schedule, ODOT has undertaken a preliminary analysis of four potential rate schedules. Tradeoffs center around ability to raise revenue, options related to peak and off-peak toll rates, levels of rerouting to local routes, and ability to reduce congestion.

For this analysis, ODOT set a minimum net funding goal of \$400 million to ensure tolling will provide the \$385 million for the Abernethy Bridge construction costs, as laid out in the Urban Mobility Finance Plan approved by the Commission in June 2023.

ODOT analyzed a base toll scenario similar to the original Level 2 T&R and three alternative sets of toll rate assumptions for the I-205 Toll Project with a single point toll on the Abernethy Bridge to understand potential tradeoffs for different toll rate schedules.

- **Base (Scenario 0):** With tolling now assumed to start one year later, a few minor adjustments were made to the base toll schedule, including factoring in the assumed 2.15% toll escalation to keep pace with inflation and bringing the minimum toll up to \$0.75 for consistency with other analyses.
- **Flatter Rates (Scenario 1):** This scenario responds to public and partner concerns that the initial toll rate schedule's peak toll rates were too high. The goal of Scenario 1 was to achieve the same net toll revenues and funding capacity as the base toll Scenario 0 using a flatter toll schedule with only two rates for peak and off-peak. In this preliminary analysis, that goal was achieved, and resulted in slightly fewer hours with severe congestion in the overall I-205 project area relative to Scenario 0, in part because it has higher midday and peak shoulder tolls.
- **Congestion Relief (Scenario 2):** Scenario 2 examined peak period and midday tolling only, testing how high tolls would have to be at the Abernethy Bridge to eliminate congestion in the entire two-by-two lane stretch from the bridge southwest to Stafford

Road. While this scenario also would generate considerably more revenue, it would cause sizable diversion impacts to adjacent arterial routes, with the most severe impacts estimated in and around Oregon City.

- **Net Revenue Emphasis (Scenario 3):** Scenario 3 tested raising peak period, peak shoulder, and midday toll rates relative to base Scenario 0, including equalizing the morning and afternoon peak period tolls, with the goal of achieving 25% more net toll revenue and funding capacity. Preliminary results show that it generates around 30% more net toll revenue along with higher I-205 project area speed and fewer hours of congestion, along with higher diversion impacts to adjacent arterial routes compared to Scenarios 0 and 1.

Summary of Key Findings:

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 Resources (TIFIA + Toll Bonds)
No Build	30-35 mph	7	N/A	N/A
Scenario 0	35-40 mph	6	Least Diversion	\$369m
Scenario 1	35-40 mph	5	Least Diversion	\$371m
Scenario 2	45-50 mph	0	Most Diversion	\$592m
Scenario 3	35-40 mph	4	Moderate Diversion	\$469m

I-205: Stafford Road – OR 213
Preliminary Estimate from Raw Model Results

A few key takeaways emerged from the 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. A rate schedule with lower rates at peak times can be constructed in a way that generates sufficient revenue, but it requires higher off-peak rates to meet revenue targets.
- Scenarios 0 and 1 fall just short of the funding target; with minimal upward rate adjustments they can reach the \$400 million net revenue target.
- Scenarios 2 and 3 exceed the revenue target established in the Urban Mobility Strategy (UMS) Finance Plan but cause more diversion due to higher toll rates.
- A point toll at the Abernethy Bridge is not the best tool to manage congestion for this seven-mile corridor of I-205. Without the implementation of the Regional Mobility Pricing Project and/or construction of a third lane on I-205, toll rates would have to be set at much higher levels to achieve significant long-term congestion relief for the corridor. The consequences associated with high toll rates would include high levels of diversion and greater financial impacts to customers.
- Securing a TIFIA loan from the federal government, which offers better financing terms than toll bonds alone, will be necessary to make any of the toll scenarios viable.

ODOT sought input from the Regional Toll Advisory Committee and regional partners about the tradeoffs associated with these toll schedules. ODOT received a number of comments on the scenarios.

- Regional Toll Advisory Committee (RTAC) members and other regional leaders expressed significant concerns about the additional diversion that will be caused by tolling and were particularly concerned about the levels of impact on local roads and other state highways that could occur under the Congestion Management scenario (#2). In a follow up letter, Clackamas County asked for this scenario to be removed from further consideration, and TriMet and Washington County also expressed concerns about the diversion and related impacts associated with scenario 2. In addition, Clackamas County's follow up letter requested eliminating overnight tolls to avoid diversion during times that might be particularly dangerous on local roads.
- Several RTAC members expressed support for a simple toll rate schedule that is easily understood by the public.
- Several RTAC members emphasized the opportunity for the toll rate schedule to help manage congestion while also recognizing the need to balance the congestion management and revenue generation associated with higher toll rates against the diversion impacts this may cause.

Based on the analysis and public feedback, ODOT makes the following recommendations for scenarios that should be taken forward into the Level 2 T&R.

- Include the Base (Scenario 0) and Flatter Rates (Scenario 1) options in the Level 2 T&R, with relatively minor upward adjustments in rates intended to reach the target funding level of \$400 million.
- Drop the Congestion Relief (Scenario 2) from further consideration due to the high toll rates and significant diversion, both in response to partner agency concerns, as well as impacts to the public.
- Include the Net Revenue Emphasis (Scenario 3) option for further analysis in the Level 2 T&R to understand the tradeoffs associated with higher toll rates and impacts of raising additional revenue.
- Under Scenario 3, include an analysis of the traffic and revenue impacts of eliminating overnight tolls by offering toll-free travel between 9 pm and 5 am.

Outcomes:

With approval from the Commission, ODOT will move into the Level 2 T&R analysis, with results expected in mid-2024. After review of the Level 2 findings, and before rates are set by the Commission, an Investment Grade Analysis (Level 3 T&R) will be conducted. The Commission would set rates as part of a public process, with the final decision made about six months before tolling begins.

Without approval, ODOT will delay the Level 2 T&R analysis, which could impact the timeline for toll rate-setting and implementation of tolls on I-205.