



September 28, 2016  
AGENDA ITEM #17

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Discussion of Toll Rate Escalation for  
Calendar Year 2017

**CENTRAL TEXAS**  
**Regional Mobility Authority**

Strategic Plan Relevance: Economic Vitality/ Sustainability  
Department: Finance  
Contact: Bill Chapman, Chief Financial Officer  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Briefing and Discussion Only

Summary:

Presentation from the Finance Department on the Mobility Authority toll rate policy, including discussion of (1) the annual toll rate escalation which will occur on October 1, 2016 and may result in an adjustment to the toll rates which would become effective on January 1, 2017 and (2) the fiscal impacts associated with the toll rate and adjustments thereto.

Backup provided: Board Presentation  
Toll Policy

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## Chapter 3: OPERATIONS

### Article 1. TOLL POLICIES

#### Subchapter A. TOLL RATES

##### 301.001 Priority of Bond Documents

Notwithstanding any conflicting provision in this subchapter or in a prior resolution adopting the Toll Policies, the toll rates and schedules set forth in this subchapter shall always be sufficient to meet or exceed all covenants and requirements set forth in all applicable bond documents and obligations of the authority. If any conflict arises between the bond documents and this subchapter or a prior resolution adopting the Toll Policies, the covenants and requirements of the bond documents shall control to the extent of such conflict.

##### 301.002 Toll Rates

(a) Each toll established by this section is subject to an adjustment on January 1 of each year under the procedure set forth in Sec. 301.003 (Annual Toll Rate Escalation). The executive director is authorized and directed to edit a toll established by this section to update and certify any change to a toll made pursuant to Sec. 301.003.

(b) The toll charged at each 183A Turnpike toll gantry is as follows:

Toll Gantry	2-axle Vehicles		3-axle Vehicles	4-axle Vehicles		5-axle Vehicles		6-axle Vehicles		
	TxTag	Pay By Mail		TxTag	Pay By Mail	TxTag	Pay By Mail	TxTag	Pay By Mail	
<b>183A</b>										
Lakeline Mainline	\$ 0.54	\$ 0.72	\$ 1.08	\$ 1.44	\$ 1.62	\$ 2.16	\$ 2.16	\$ 2.88	\$ 2.70	\$ 3.60
Brushy Creek	\$ 0.58	\$ 0.77	\$ 1.16	\$ 1.54	\$ 1.74	\$ 2.31	\$ 2.33	\$ 3.08	\$ 2.91	\$ 3.85
Park Street	\$ 1.46	\$ 1.94	\$ 2.92	\$ 3.88	\$ 4.38	\$ 5.82	\$ 5.84	\$ 7.76	\$ 7.30	\$ 9.70
Scottsdale Drive Ramps	\$ 0.58	\$ 0.77	\$ 1.16	\$ 1.54	\$ 1.74	\$ 2.31	\$ 2.33	\$ 3.08	\$ 2.91	\$ 3.85
Crystal Falls	\$ 1.03	\$ 1.37	\$ 2.06	\$ 2.74	\$ 3.08	\$ 4.11	\$ 4.11	\$ 5.48	\$ 5.14	\$ 6.85
Crystal Falls	\$ 0.40	\$ 0.53	\$ 0.80	\$ 1.06	\$ 1.20	\$ 1.59	\$ 1.60	\$ 2.12	\$ 2.00	\$ 2.65

(c) The toll charged at each 290 Toll gantry is as follows:

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Toll Gantry	2-axle Vehicles		3-axle Vehicles	4-axle Vehicles		5-axle Vehicles		6-axle Vehicles		
	TxTag	Pay By Mail		TxTag	Pay By Mail	TxTag	Pay By Mail	TxTag	Pay By Mail	
<b>290 Toll</b>										
US 183 Ramps	\$ 0.55	\$ 0.73	\$ 1.10	\$ 1.46	\$ 1.65	\$ 2.19	\$ 2.20	\$ 2.92	\$ 2.75	\$ 3.65
Springdale Road Ramps	\$ 0.55	\$ 0.73	\$ 1.10	\$ 1.46	\$ 1.65	\$ 2.19	\$ 2.20	\$ 2.92	\$ 2.75	\$ 3.65
Giles Lane Ramps	\$ 0.55	\$ 0.73	\$ 1.10	\$ 1.46	\$ 1.65	\$ 2.19	\$ 2.20	\$ 2.92	\$ 2.75	\$ 3.65
Giles Lane Mainline	\$ 1.10	\$ 1.46	\$ 2.20	\$ 2.92	\$ 3.30	\$ 4.38	\$ 4.40	\$ 5.84	\$ 5.50	\$ 7.30
Harris Branch	\$ 0.55	\$ 0.73	\$ 1.10	\$ 1.46	\$ 1.65	\$ 2.19	\$ 2.20	\$ 2.92	\$ 2.75	\$ 3.65
Parmer Lane Mainline	\$ 0.55	\$ 0.73	\$ 1.10	\$ 1.46	\$ 1.65	\$ 2.19	\$ 2.20	\$ 2.92	\$ 2.75	\$ 3.65

(d) The toll charged for use of the MoPac Express Lanes shall be variable in nature. The minimum toll rate will be \$0.25 per Express Lane segment, in 2016 dollars. The minimum toll rate per segment will be adjusted annually in accordance with the methodology for toll rate escalation provided in Section 301.003. There shall be no maximum toll rate. To maximize throughput and maintain free flowing conditions, the toll rate for each MoPac Express Lane segment shall change on a real-time basis based on traffic volumes. When traffic volumes increase, the minimum toll rate shall be increased as much as necessary to prevent the MoPac Express Lane(s) from becoming congested. When traffic volumes decrease, the toll rate shall be reduced to encourage use of the MoPac Express Lane(s). The primary goal of the variable toll rate is to minimize congestion on the MoPac Express Lanes and to encourage more people to ride public transit or join a registered vanpool. Changeable message signs shall be located prior to the entrance of each MoPac Express Lane segment to notify customers of the current toll rate. A customer shall never pay more than the toll rate information shown on the sign located near the vehicle's entry point, but may be charged less. The Mobility Authority may reduce tolls if it determines that operational issues warrant such an adjustment.

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## 301.003 Annual Toll Rate Escalation

(a) The following provisions are fully adopted and made a part of this subchapter and may be incorporated in any Trust Indenture or Supplemental Trust Indenture issued in conjunction with bond financing to be utilized for the financing of the construction and development of projects by the authority (defined terms in these provisions shall be in accordance with the terms and definitions set forth in the Master Trust Indenture and any applicable Supplemental Trust Indenture):

Subject in all instances to the provisions, requirements and restrictions of the Master Indenture, as amended and supplemented from time to time, beginning on October 1, 2012 and on each October 1 thereafter (the “Toll Escalation Determination Date”), a percentage increase in the Toll rates charged on all toll facilities in the Turnpike System will be determined in an amount equal to the Toll Rate Escalation Percentage. The Toll Rate Escalation Percentage, as calculated on each Toll Escalation Determination Date, shall be reported to the board each year at its October board meeting. The percentage increase in the Toll rates shall be effective on the January 1 of the next calendar year, unless at such board meeting the board affirmatively votes to modify the Toll Rate Escalation Percentage. If the board votes to modify the Toll Rate Escalation Percentage, the Toll rate increase to be effective on January 1 of the next calendar year shall be based on the modified Toll Rate Escalation Percentage.

(b) For purposes of determining the Toll Rate Escalation Percentage, the following capitalized terms shall have the meanings given below:

- (1) “Toll Rate Escalation Percentage” = shall mean a percentage amount equal to  $[(CPI^t - CPI^{t-12})/CPI^{t-12}]$ . In the event the Toll Rate Escalation Percentage is calculated to equal less than 0%, then the Toll Rate Escalation Percentage shall be deemed to equal 0%.
- (2) “CPI<sup>b</sup>” = the most recently published non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment (“CPI”), as published by the Bureau of Labor Statistics of the U.S. Department of Labor (“BLS”) prior to the Toll Escalation Determination Date for which such calculation is being made. The CPI is published monthly and the CPI for a particular month is generally released and published during the following month. The CPI is a measure of the average change in consumer prices over time for a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, charges for doctors’ and dentists’ services, and drugs. In calculating the index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically by the BLS to take into account changes in consumer expenditure patterns. The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The base reference period for the CPI is the 1982-1984 average.

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- (3) “CPI<sup>-12</sup>” = the CPI published by the BLS in the month that is 12 months prior to the month used to established CPI<sup>t</sup>.
- (4) If the CPI is discontinued or substantially altered, as determined in the sole discretion of the authority, the authority will determine an appropriate substitute index or, if no such substitute index is able to be determined, the authority reserves the right to modify its obligations under this section.

### **301.004 Exemption from Toll**

- (a) The operator or the registered owner of a vehicle operated on an authority toll facility is required to pay the toll established by this subchapter unless the vehicle is exempted by state law or by this section.
- (b) An authorized emergency vehicle defined by Section 541.201, Transportation Code, is exempt from paying a toll to use an authority toll facility under Section 370.177, Transportation Code.
- (c) A state or federal military vehicle is exempt from paying a toll to use an authority toll facility under Section 362.901, Transportation Code.
- (d) Under Section 370.177(a-1), Transportation Code, and to facilitate a multi-modal transportation system that ensures safe and efficient travel for all individuals in central Texas, a vehicle used exclusively to provide transportation to a member of the public under a transit program established and managed by the Capital Metropolitan Transportation Authority or the Capital Area Rural Transportation System is exempt from paying a toll to use an authority toll facility.
- (e) The authority will create technical procedures to implement the toll exemptions described and established by this section.

### **301.005 Discounts and Incentives**

- (a) A primary objective of the authority’s marketing and public information program is to encourage enrollment of as many customers as possible in interoperable transponder programs. Transponder programs that are interoperable with the authority’s facilities currently include the Texas Department of Transportation’s TxTag; the North Texas Tollway Authority’s TollTag; and the Harris County Toll Road Authority’s EZ TAG. The board will determine appropriate introductory and marketing activities on a project-by-project basis by separate resolution, which may include, but not be limited to, those described in subsection (b).
- (b) During the initial start-up phase of tolling on a particular project, incentives to customers may be offered depending on the level of toll tag enrollment, such as the following discounts and incentives:

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- (1) The authority may offer incentives with each new toll project that is opened to encourage ridership.
- (2) The authority may offer discounts for transponder users from the toll amount paid by Pay By Mail toll customers.

## Subchapter B. TOLL COLLECTIONS

### **301.006 Purpose**

This subchapter establishes practices and operations for toll collection systems on designated controlled-access toll roads operating within the turnpike system, and incorporates provisions of Section 370.177, Transportation Code, regarding failure or refusal to pay turnpike project tolls and related penalties and offenses.

### **301.007 Transponder Account**

A customer may establish a transponder account by contacting any interoperable Customer Service Center (“CSC”). A transponder is an electronic device that records the presence of a vehicle on a toll road and is usually attached to the windshield of the vehicle. Each CSC that is interoperable with the authority’s toll facilities has its own user agreement concerning requirements to open and maintain a transponder account.

### **301.008 Unauthorized Transfer of Transponder**

A transponder that is interoperable with the authority’s toll facilities is for use with one vehicle per transponder, and should not be transferred to another vehicle once the transponder is attached to the original vehicle’s windshield. Transfer of a transponder to a vehicle other than the original vehicle is against authority policy. If a transponder is transferred to another vehicle in violation of this section, the authority may refuse to recognize an electronic toll transaction incurred with respect to an unauthorized vehicle.

### **301.009 Video Billing**

(a) The authority offers video billing as payment option for customers that use the authority’s toll facilities without a transponder account. The authority, through its Violations Process and Toll Collection Provider (the “Collections Contractor”), will use the license plate information of a vehicle that does not have a valid toll transponder but travels on the authority’s toll facilities to determine the registered owner of such a vehicle via an interface with Vehicle Title Registration or similar institution.

(b) The Collections Contractor will send an invoice to the registered owner of the vehicle and accept payment on behalf of the authority. The Collections Contractor will add a \$1.00 handling fee for each invoice. The Collections Contractor will retain the additional toll surcharge and handling

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fee to cover their cost and forward the toll payments to the authority. All toll bills/invoices require payment within 30 days of the date thereof.

### **301.010 Establishment of Administrative Fee for Unpaid Tolls**

(a) Section 370.177, Transportation Code, authorizes the assessment and collection of an administrative fee to recover the authority's cost of collecting unpaid tolls. An administrative fee may not exceed \$100.00 per unpaid toll. The authority has determined that such fees may vary depending on how far in the collection process a delinquent account proceeds.

(b) The current administrative fee shall be applied at each phase of the collection process. This means that upon issuance of a notice of non-payment, a \$15.00 administrative fee shall be collected in addition to the unpaid toll and any other fees that are due.

(c) If payment is not received in connection with the first notice of non-payment, and a second notice of non-payment is sent, an additional \$15.00 administrative fee shall become due. Therefore, full payment of a second notice of non-payment will require payment of \$30.00 in administrative fees, in addition to all other amounts due.

(d) If payment is not received in connection with either the first or second notice of non-payment, the unpaid account shall be considered for collection, an additional \$30.00 administrative fee shall become due, and the cumulative administrative fee due shall be \$60.00.

(e) The board recognizes that the amount of the administrative fee should be subject to periodic change when collection costs and associated matters are considered. Therefore, the board delegates the authority to revise the administrative fee, or any aspect thereof, to the executive director, in consultation with the director of operations, and the executive director may revise an administrative fee by written amendment. The executive director shall give notice to the board of any such revision at the next regularly scheduled board meeting after the revision is put into effect.

### **301.011 Customer Service and Violation Policies**

(a) A tolerant and customer-friendly approach will be employed towards customers who use the road without paying the required toll. While it is understood that the objective of the authority is to collect revenue and minimize toll violation abuse, the authority believes that a moderate approach towards customers who did not pay the toll ultimately will allow for a period of adjustment as customers begin using the toll roads, and will create new toll customers for the authority.

(b) The authority will establish a "Violation Processing Center (VPC)" where vehicle images captured at the toll collection point and for which no toll was paid will be reviewed and processed according to authority policies in accordance with the toll enforcement process established by state

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law. Repeat offenders will be issued notices of nonpayment and will be given the opportunity to make outstanding toll and administrative payments. Failure to respond to the established customer contact process and to satisfy outstanding, unpaid toll amounts will result in the issuance of citation and prosecution in accordance with state law.

### **301.012 Procedures for Disputing Toll Violations**

- (a) A customer may dispute an alleged failure to pay a toll on the authority's web site or by contacting the CSC where a valid transponder account has been established.
  
- (b) A customer who has contacted a CSC or the authority's collection contractor and has been unable to satisfactorily resolve a dispute regarding a toll violation may submit a written appeal to the authority. Such appeal shall be for the purposes of the customer providing the authority with the information upon which they base their appeal. The authority may or may not determine that there is any merit to such appeal and is not required to undertake any formal proceedings to make such determination.