

RIDOT REVISION OF TOLL RATES FOR TOLL LOCATION 13

PUBLIC NOTICE DATE: JULY 10, 2019

END OF COMMENT PERIOD: AUGUST 10, 2019

COMMENTS INVITED:

All interested parties are invited to submit written comments concerning the proposed revision of toll rates by **AUGUST 10, 2019** to the addresses listed below.

ADDRESSES FOR PUBLIC COMMENT SUBMISSIONS:

Mailing Address:

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Date Tolling To Commence: On or about August 13, 2019.

Cost-Benefit Analysis: RhodeWorks Tolling Location 13

Toll Location	Toll Rate	Annual Cost (C) (Implementation, O&M, and RITBA)*	Benefit to Cost Ratio (B/C)
13	\$5.00	\$420,750	2.09

Description of Analysis

A Cost-Benefit analysis was performed to determine whether the proposed toll rate within the RhodeWorks Tolling Project – Location 13 (Project) generates adequate revenue to pay back the cost of the Project and yield additional funds for bridge reconstruction. Toll Location 13 was previously approved at \$2.00. The rate is now proposed at \$5.00 to account for the elimination of Toll Location 14 (previously planned at \$3.00). There is no change in the total amount of tolls at these locations which are approximately 1 mile apart. This modification saves the State money on Implementation, O&M, and RITBA costs by eliminating Location 14. This analysis was conducted pursuant to R.I. Gen. Laws §42-13.1-4.

Methodology

To arrive at a cost-benefit ratio for the Project, annual revenue was predicted using proposed toll rate and truck toll traffic estimates. This annual revenue represents the Project Benefit (B) at each tolling location. The cost was calculated at the tolling location by combining the cost of the toll infrastructure, tolling system, operations and maintenance (O&M) costs as well as the tolling processing and invoicing costs. The infrastructure, tolling system and O&M costs are based on the contracted agreement with

Kapsch TrafficCom Inc. to provide Design, Build, Operate, and Maintain services at 14 proposed tolling locations. While infrastructure costs are included in the contract per location, the tolling system and operational costs were common to all 14 locations. Therefore, the tolling system and operational costs were divided by 14 to yield a cost per location. The processing and invoicing costs are based off an agreement with Rhode Island Turnpike and Bridge Authority (RITBA) to provide these services at all 14 proposed locations and includes startup costs. The total cost paid to RITBA was divided by 14 to yield a cost per location and added to each location's total cost. The total cost at each location was then divided by 20 years (the expected service life of the steel gantries) to yield the annual Project Cost (C) per location. The final benefit to cost ratio for the location was calculated by dividing the Benefit (Annual Revenue) by the Cost.

Conclusion

The previously proposed toll rate for Location 13 of \$2.00 yielded a Cost-Benefit ratio of 0.84. The proposed toll rate Tolling Location 13 yields a positive Cost-Benefit ratio at 2.09. A project with a Cost-Benefit ratio above 1.0 shows that the benefits outweigh the costs and the project is profitable. Therefore, the proposed toll rate within the Project generates adequate revenue to pay back the cost of the Project. Additional toll revenue, beyond the funds needed for the Project, would be available for deposit into the Rhode Island bridge replacement, reconstruction, and maintenance fund. This revenue would be used for purposes outlined in RIGL § 42-13.1 and compliant with 23 U.S.C. § 129.