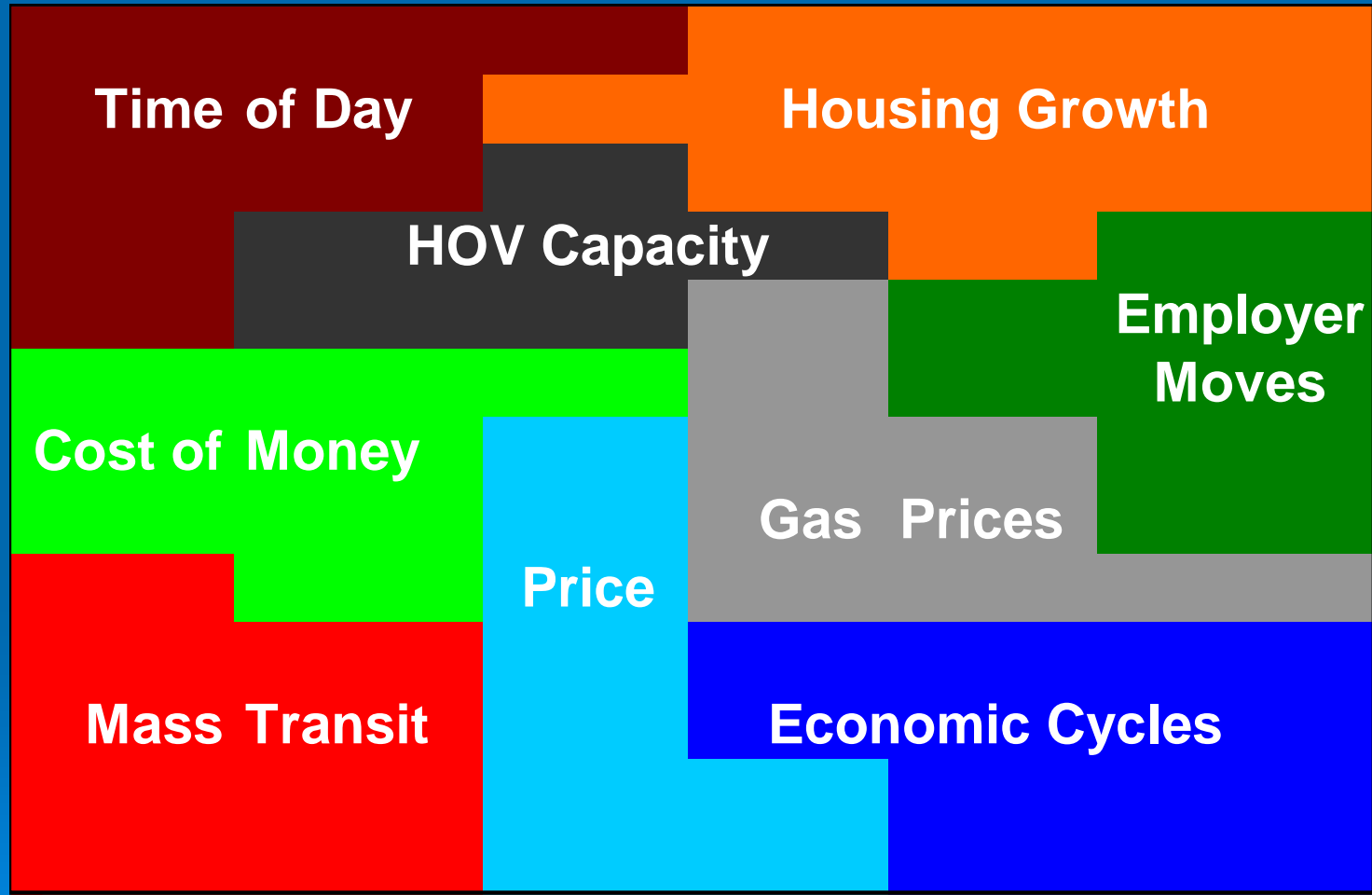


High Occupancy Toll Lanes

Financial Issues



HOT Puzzle



Managed Lanes Challenges

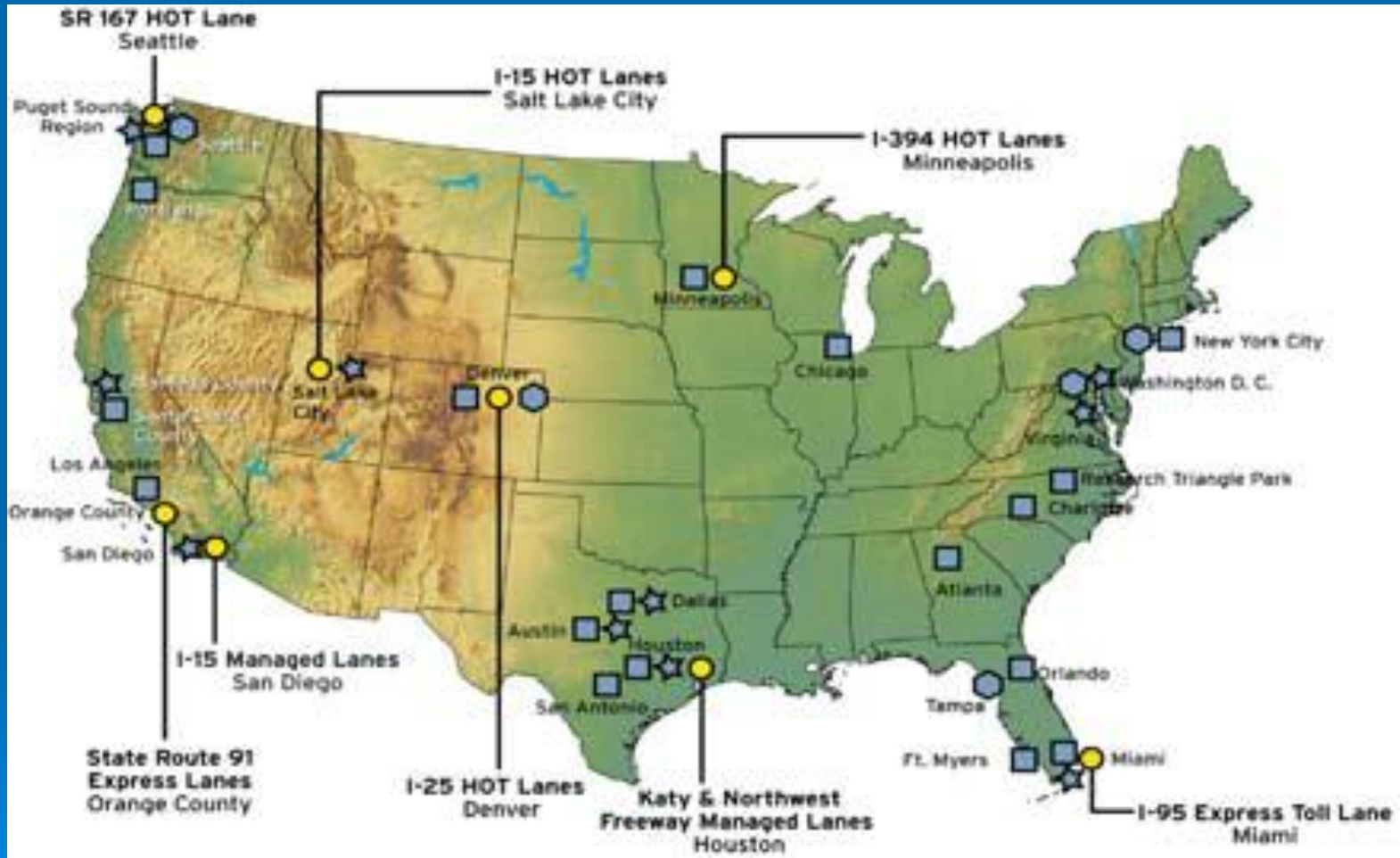
- Traffic vs. Tolls
- Minimal experience
 - 9 roads in place
 - 30+ in planning
- **Active** not passive management
- Each case has many unique characteristics
 - **Alternate routes**
 - **Exit opportunities**
 - **Variable daily volumes**

Existing HOT Roads

- I-15 San Diego
- SR 91- Orange Co, Ca
- I-680 Alameda Co, Ca
- SR 167 Seattle
- I-15 Salt Lake City
- Katy Freeway – Harris Co, Tx
- I-25 Denver
- I-35 Minneapolis
- I-95 Miami



Managed Lanes



HOT Options

➤ Good for P3

- Is actually a “live” business
- Public sector is not good at managing competitive businesses
- Risk transfer and rewards from better implementation
- Real risk of lower use as gas prices rise

➤ If Public

- Lower cost of capital
- Unable to model other than base case
- Potential of HOV tolls alone falling short
- Receivables



My Don Quixote Moment

Will logic
ever
prevail
over
politics?



Gas Tax vs. Tolls

- Assuming a car gets 20 MPG and the gas tax is 26 cents the cost is 1.4 cents per mile
- The cheapest toll roads in the country cost more than 5 cents per mile
- In Texas new toll roads are being priced at 14 cents plus per mile

