

*Pictured below: An example of All-Electronic Tolling*



### Tolling As A Delivery Option

When considering tolling for the SLT, the concept would be all electronic: no stopping, no tickets and no toll booths that you might be used to experiencing. All-Electronic Tolling is part of the future vision for tolling across the country, and if implemented, is a method of collecting tolls using electronic transponders (K-TAGs) or license plate images. Sensors monitor vehicles passing through toll points at highway speeds and automatically debit travelers for the correct toll or take a license plate image to generate a bill that is sent to them for payment.

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## Evaluating Funding Options as Part of the South Lawrence Trafficway

### The SLT Project

A Supplemental Environmental Impact Statement (SEIS) has been initiated by KDOT and FHWA to evaluate the benefits and impacts of needed improvements for the SLT. The SEIS is scheduled to be completed in 2021. It will examine the benefits and impacts of improving the SLT from just north of Interstate 70 at North 1800 Road/Farmer's Turnpike to just east of the existing K-10/23rd Street system interchange and will select the preferred alternative for improving the Corridor and identify a funding plan.

For the West Leg from I-70 to U.S. 59, the SEIS will evaluate alternatives to upgrade the corridor to a freeway and widen to four lanes with grade separated interchanges. For the East Leg from U.S. 59 to K-10/23rd Street, the SEIS will only evaluate the impacts of funding options and it is not anticipated there will be any physical improvements or modifications that will require additional right-of-way. The East Leg is being evaluated in this study because it is a key component of the SLT corridor from I-70 to 23rd Street and it provides sustainable funds for operation, maintenance and future SLT improvements.



### The Funding Challenge

In recent years, funding for Kansas transportation projects has been limited and many priority projects have been on hold awaiting funding. Currently, there continues to be no increased funding sources available for major transportation improvements like the South Lawrence Trafficway (SLT).

Preliminary estimates indicate as much as \$250 to 300 million in today's dollars would be needed to widen and upgrade SLT to a freeway with improved access. This is a daunting figure when factored against other needed transportation improvements across the state.

Therefore, the question is how best to fund the SLT to deliver its needed safety and capacity improvements quickly and efficiently.

One thing is certain, safety and congestion needs continue to grow on SLT, from maintenance of the existing system to improvements through an expanded system. That is why the Kansas Department of Transportation (KDOT) is exploring a variety of revenue sources, including toll and toll-free funding, to potentially pay for improvements to SLT within, the south and west limits of the City of Lawrence.

**Funding SLT Improvements**

The Kansas Department of Transportation is exploring a variety of revenue sources to potentially pay for improvements to K-10/ South Lawrence Trafficway (SLT) within the south and west limits of the City of Lawrence.

KDOT is looking at the impacts and benefits of different funding approaches as part of an extensive study into how best improve a 19-mile section of the SLT to more safely and efficiently meet the transportation needs of this growing area of the region.

The study – known as a Supplemental Environmental Impact Statement (SEIS) – has been initiated by KDOT and scheduled to be completed in 2021. It will examine the benefits and impacts of improving the SLT from just north of Interstate 70 at North 1800 Road/Farmer’s Turnpike to just east of the existing K-10/23rd Street system interchange.

A key issue to be explored in the SEIS will be the role that funding methods can play in advancing the project and what impact, if any, each funding method will have on the improvements’ ability to meet the project’s purpose and need.

**Note:**  
No decision has been made by KDOT regarding how to specifically pay for any needed SLT improvements. The SEIS will evaluate a broad range of funding sources based on their potential feasibility, revenue generation capacity and other social, economic and environmental impacts and benefits.  
All sources discussed in this fact sheet require legislative approval.

Funding/Financing Source*	Predictability	Benefits	Impacts
<b>Bonding</b> Bond purchasers give a government unit money in return for a legally binding commitment to repay the funds on a definite schedule and usually at a fixed rate. Must be authorized by legislature if it exceeds approved KDOT bonding levels.	Available funding and borrowing costs are dependent upon the creditworthiness of a state or agency. Market appetite for bonds may fluctuate depending upon economic conditions.	Bonding can accelerate design and construction of a project.	Increases cost of project. Does not account for inflation, reducing buying power over time.
<b>Fuel Tax</b> User fee levied at the pump on the number of gallons of fuel sold.	Fuel-efficient and non-gasoline driven vehicles erode revenue over time by reducing the amount of fuel sold.	Easily implemented. Directly related to actual highway use or benefit; non-local users help pay for facility.	Has outsized impact on individuals who drive older, less fuel-efficient vehicles or who must travel farther than normal for jobs or other opportunities. Does not account for inflation, reducing buying power over time.
<b>Sales Tax on Fuel</b> Sales tax levied on the wholesale price of fuel sold.	Fuel-efficient and non-gasoline driven vehicles such as hybrids and electric, erode revenue over time by reducing the amount of fuel sold.	Directly related to actual highway use or benefit; non-local users help pay for facility. Revenues would track with inflation as fuel prices increase.	Revenues dependent on high and low fluctuation of fuel prices.
<b>Sales Tax</b> A charge levied on the sale of products at the point of sale expressed as a percentage of the total sale price.	Changing economic conditions may increase or decrease available funds due to changes in economic activity.	Tax impact spread over large number of items/people, including non-local goods and users. Can be focused on a specific project.	Revenues are not directly related to actual highway use or benefit. Revenues may be diverted to other uses.
<b>State General Funds</b> A highway project could be paid for by appropriating money from the state’s general funds. Legislative approval required, with each new or improved facility competing against all other funding requests of any kind.	Funds may be appropriated only for a portion of a project at a time, making long-term planning and budgeting difficult.	Funded projects likely enjoy support among users and/or key stakeholders.	Securing full funding in timely fashion may be difficult due to changing financial or political conditions, driving up costs. Appropriations typically specify how money is spent, limiting ability to respond to changing traveler or project needs.
<b>Tolling</b> A direct user fee that a driver pays to gain access to new or improved transportation facilities, such as roadways, bridges and tunnels. The toll rate charged can vary based on factors such as vehicle classification (e.g., passenger car versus truck), length of trip, method of payment (e.g., cash, toll tag or license plate video toll), frequency of use, and, in some instances, time of day.	Rates can be set to accurately reflect costs associated with actual highway use and vehicle classification. Revenues generated may vary from projections due to traffic diversions to toll-free routes or fluctuations in economic conditions.	Fee charged is directly related to actual roadway use or benefit; state residents and taxpayers that do not use the roadway do not pay for its improvements. Revenues generated by the facility are directly used to operate, maintain and improve the facility over the long-term.	Fees charged may be higher than other funding methods since directly related to actual roadway use. Travel diversions to alternate toll-free routes may reduce traffic and revenues along a specific facility, raising less revenue than projected.
<b>Special Purpose District</b> A special district is created by local governmental entities for a specific geographic area to fund and provide services such as utilities, hospitals, water conservation, fire control, new development and transportation facilities. Depending on their purpose, these districts can levy property tax, sales tax or other user fees within the district, and may issue debt to generate revenue to fund improvements. Examples of special purpose districts are transportation development districts (TDDs) and transportation corporations (TCs).	Fees or tax rates can be set by enabling legislation and/or vote of district’s landowners. Revenues generated may vary from funding projections due to fluctuations in property values or sales of goods and services within district.	Tax or fee charged is directly related to actual roadway use or benefit; Landowners and/or users within the district area that directly benefit from the project pay for the improvements. Broad local/ regional authority and flexibility can be provided to achieve funding for improvements.	Growth may not occur in special district as planned or revenues may fluctuate due to economic conditions. Can be more cumbersome to form and administer special district. With some types of fees or taxes, burden is on local landowners and non-local users may not pay for use of facility and improvements.
<b>Road User Charge/Vehicle Miles Traveled Pricing</b> Per-mile charge levied on vehicle owner based on vehicle usage.	Rates can be set to accurately reflect costs associated with actual highway use.	Revenues directly related to actual roadway use or benefit.	May impact those who must travel farther than normal for jobs or other opportunities. Collection costs may be higher than for taxes. Privacy concerns.

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