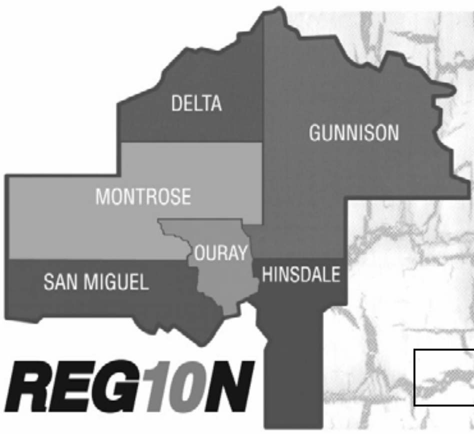
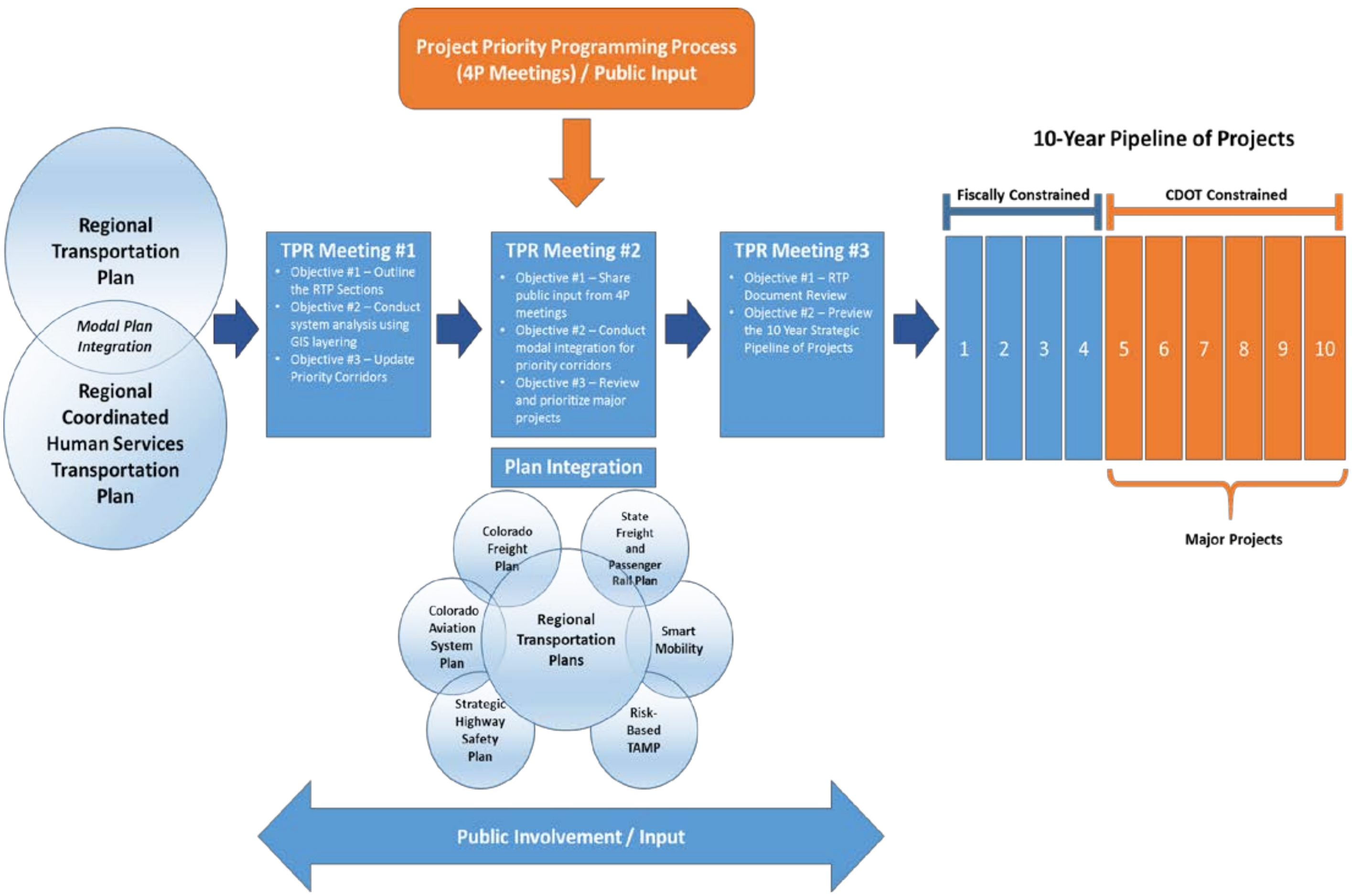


TRANSPORTATION NEWSLETTER

DATE: JULY 2019

Vince Rogalski, Chairman **Gunnison Valley TPR** **vrogal@montrose.net**



At the June 13th TPR meeting we completed the TPR MEETING #1 as listed above. We went through the possible data that's available for us to work on TPR MEETING #2. The list of tasks presented in #2 will be accomplished at this

next meeting. Your input is needed to complete these tasks for our TPR that includes the counties of
Gunnison
Hinsdale
Delta
Montrose
Ouray
San Miguel
Please have discussions with your Counties and Municipalities on your Multimodal Transportation needs for the next 25 years with special emphasis on the next 10 years and bring them to the meeting! Thanks

Multimodal Options Fund Local Funds (David Krutsinger)

Purpose: The purpose of this workshop is to review the recommendation prior to a proposed consent agenda vote.

Action: Consent agenda vote on Thursday, June 20, 2019.

Background: SB 18-001 includes a provision that establishes a Multimodal Options Fund. The Multimodal Options Fund has $96.75 million in dedicated revenue. Of that $96.75 million, $2.5 million is dedicated to the Rail Commission. The remaining $94.25 million is spilt between CDOT (15% or $14.13M) and local governments (85% or $80.12 million).

The legislation mandates the distribution formula for the local portion be developed in consultation with the Transit and Rail Advisory Committee (TRAC), the Statewide Transportation Advisory Committee (STAC), transit advocacy organizations, and bicycle and pedestrian organizations. In addition to these groups, the legislation also states that the Multimodal Options Fund should promote a complete and integrated multimodal system that benefits seniors by making aging in place more feasible; benefits residents of rural areas by providing them with flexible public transportation services; provides enhanced mobility for persons with disabilities; and provides safe routes to school for children.

The legislation also states that recipients shall provide a match equal to the amount of the award. However, the Transportation Commission, per legislation, may create a formula for reducing or exempting the match requirement for local governments or agencies due to their size or any other special circumstance. An advisory committee ("MMOF Committee") to the TC was formed to work on and develop such recommendations. CDOT will use its share of the funds and seek to incentivize partnership projects such as mobility hubs.

The MMOF Committee held three meetings and developed the following general recommendations.

- 5% off the top (or $4 million of $80.12 million) for administration, reporting, environmental/design reviews. To be adjusted later based on actual project selection.
- 81% of remaining $76.12 million to the five urban areas (MPOs), 19% to the ten rural planning regions (TPRs).
- Two sub-allocation formulas, one urban, and the other rural, to each of the fifteen areas of the state, with particular population and employment factors relevant to urban and rural areas.

- Match "relief" or reduction to be decided at the fifteen regions (TPRs) of the state. CDOT provided data to support that decision-making.
- General expectation that minimum transit project size of $25,000, and minimum capital project size of $150,000 would be observed for project selections, with reasonable bundling of smaller projects encouraged to reach these minimum.

Match Relief

Most of the available data to analyze need, poverty vs. wealth, ability to pay, disadvantaged, and similar factors are available at the County level. See Table 4. While there are some truly poor & deserving Counties, the Committee for the Multimodal Option Fund discussion felt that many of the "need" and "ability to pay" distinctions might occur at the city/town level, and would be less likely compelling at the County Level. Further some of the "deserving counties" are clustered in single TPRs, which meant at the TPR level "need" and "ability to pay" could be rendered useless for making decisions within TPRs. Some "wealthy" counties would, similarly, be skewed by towns that are wealthy within them, while many other parts of such counties, if taken alone, might easily be as "deserving" as nearby counties. Fixing the inconsistencies and vagaries of the data could easily take many more months to resolve, which would, in turn, delay the distribution of the funds. Finally some TPRs/MPOs have already done a call for projects, anticipating these MMOF funds, so formulizing the match relief decision appeared to be moot and irrelevant for about 50 percent of the dollars. Given all of these reasons, the MMOF Committee recommended that match relief be delegated to the TPR decision makers themselves. The legal opinion from the Colorado Attorney General's office, however, was that the CDOT Transportation Commission may not delegate such a decision. The formula is therefore:

<u>Eligibility</u>

- Counties of 50,000 or smaller population (as of 2015), and poverty rate of 12% (median) or higher; or
- Cities/Towns of 20,000 or smaller population (as of 2015), and poverty rate of 12% (median) or higher; or
- A County or City/Town which meets the population threshold of either of the above, but not the poverty threshold, but can document other extraordinary circumstances (some other indicator of high need or highly disadvantaged population)

<u>Decision Approved by Transportation Commission</u>

Transportation Planning Region decisions which intend to award such match relief must also have the match relief decisions for those projects approved by the CDOT Transportation Commission.

Discussion:

- Commissioner Thiebaut said in general he liked the resolution of approval, although he said the resolution is not clear to him on procedures. However, he said the resolution should state that it is the intent of the Commission to use designated state funds along with local Multimodal Options Fund match dollars in support of construction of multimodal hubs across the state.
- In answer to a question, David Krutsinger said the metropolitan planning organizations have weighed in on the match relief issue. Some MPOs have already awarded their share of Multimodal Options Fund money. Denver Regional Council of Government (DRCOG), for example, decided against match relief.
- Commissioner Thiebaut and Herman Stockinger, TC secretary, will work on the language together in time for adoption of the resolution at the meeting in Loveland.

<u>The amended Resolution was approved on June 20 by the Transportation Commission</u>

Statewide Travel Model – Erik Sabina

Details

CDOT's statewide travel model is now operational, and tested against real world data to ensure accuracy (for example, comparing its estimates of roadway volume against CDOT traffic counts.) We have simulated a number of scenarios depicting the years 2010, 2015, 2030 and 2045. We are preparing the model for use on several key projects, including the Statewide Transportation Plan and the Front Range Rail corridor study. A few highlights of its results:

o Total vehicle miles (cars/trucks) driven in the state was 131 million in 2015, and is projected to be 178 million in 2030 and 211 million in 2045 (this growth driven heavily by growth of population and jobs in the state.)

o The 2030 and 2045 scenarios are no-build. Build scenarios could show somewhat higher VMT.

o North I-25 travel time highlights:

☐ An I-25 travel time analysis was done for the 2011 North I-25 EIS that showed AM peak hour travel time from

☐ Wellington (north of Fort Collins) to 20th Street @ I-25 in downtown Denver **for the year 2004 at 66 minutes**;

☐ The travel model estimates that in **2015** (prior to any managed lane development) **that the same trip took 86 minutes**;

☐ Our model estimates that in **2030**, with no improvements beyond the 2015 network (a "no build" analysis), **the same trip would take 141 minutes**;

☐ In **2045**, a "no build" analysis estimates **this trip would take 196 minutes**.

o Note that CDOT has already built more than what is included in this no-build analysis, particularly the managed lane between US-36 and 120th Avenue, and has more highway improvements programmed. We are creating a 2030 "Build" scenario, which will show these effects.

Discussion:

- Erik Sabina, CDOT Information Management Branch Manager noted that this new statewide travel model at CDOT is one of the most detailed state travel models.
- Households and jobs are depicted and mapped at individual addresses, mechanics of system, revenue on transit and managed lanes, travel times. Try to determine how people make transportation trip/tour decisions.
- Information came from survey in 2010 for Front Range Area. A 2020 Survey for the whole state is planned.
- The travel model computes a travel diary for each person.
- Many planning scenarios have been run within the model.
- Will continue to improve and enhance this model as it is new. Can do Transit demand, toll effects, nonmotorized demand (bike and pedestrians).
- Working with MPOs on their models too, and CDOT is assuming their model information for their MPO areas.
- Commissioner Gilliland asked if the model could estimate the amount of truck traffic off of I-25 to SH 71 if SH 71 had improvements to accommodate trucks.
- Erik answered yes. Commissioner Gilliland can tell team to check-in with Erik.
- Erik noted that all requests for model runs can go to him.
- Commissioner Stuart noted the issue for local governments is what actually happens vs. what is projected to happen. The model is only as good as data that is installed. Eventually the desire would be to get models to do runs in real time.
- Erik Sabina commented that it is a continuous process to play catch-up, e.g., including electric scooters into the mode types.

MEMORANDUM
TO: INTERESTED PERSONS
FROM: RYAN LONG, LEGISLATIVE ANALYST, OFMB
DATE:MAY 10, 2019
SUBJECT: GENERAL FUND TRANSFERS TO TRANSPORTATION

This memorandum provides a summary recent transportation funding legislation. Table 1 below provides a summary of General Fund transfers to CDOT.

Table 1

General Fund Transfers to CDOT

*SB 19-263 refers a ballot measure asking voters to approve a $1.8 billion TRANs issuance. This table does not include this revenue. See the SB 19-263 section for more information.

Legislation	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
SB 17-267				
Lease-Purchase Agreements	380,000,000	500,000,000	500,000,000	500,000,000
SB 18-001				
General Fund Transfers to SHF	346,500,000	105,000,000	-	-
Multimodal Transportation Options Fund (MTOF)	74,250,000	22,500,000	-	-
SB 19-262				
General Fund Transfers to SHF	-	60,000,000	-	-
SB 19-263*				
General Fund transfers for SB 17-267 Debt Repayment	-	50,000,000	50,000,000	50,000,000
HB 19-1258				
General Fund Tranfers to CDOT	-	-	-	-
General Fund Transfer to CDOT	**726,500,000**	**715,000,000**	**550,000,000**	**550,000,000**
General Fund Transfer to MTOF	**74,250,000**	**22,500,000**	**-**	**-**

SB 17-267 – Sustainability of Rural Colorado

This bill directs the State Treasurer to execute lease-purchase agreements on existing state facilities. These agreements function as sales of state property to private investors, and they require investors to immediately lease the buildings back to the state. Leases are renewed annually for up to 20 years, after which the state resumes ownership of the buildings. The total value of buildings selected is expected to equal $500 million in each of the four years they are executed (FY 2018-19 through FY 2021-22), for a total of $2.0 billion. For FY 2018-19, the first $120 million in proceeds went to controlled maintenance and capital construction projects. The remaining proceeds were credited to the State Highway Fund. All of the proceeds from the second, third, and fourth years will be credited to the SHF. At least 25 percent of the proceeds credited to the SHF must be used for projects in rural counties.

Under this bill, total lease payments are limited to $150 million annually over 20 years, or $3.0 billion total. Of this debt payment, $100 million comes from the General Fund and $50 million from the State Highway Fund. Table 2 below outlines the debt payments for FY 2018-19 through FY 2021-22.

Table 2

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
SB 17-267 COP Repayent	**37,500,000**	**75,000,000**	**112,500,000**	**150,000,000**
First (General Fund)	*9,000,000*	*9,000,000*	*9,000,000*	*9,000,000*
Second (State Highway Fund)	*28,500,000*	*50,000,000*	*50,000,000*	*50,000,000*
Third (General Fund)	*0*	*16,000,000*	*53,500,000*	*91,000,000*
GF Expenditures	**9,000,000**	**25,000,000**	**62,500,000**	**100,000,000**
SHF Expenditures	**28,500,000**	**50,000,000**	**50,000,000**	**50,000,000**

SB 17-267 Lease-Purchase Agreement Repayment

SB 18-001 – Transportation Infrastructure Funding

This bill committed General Fund transfers to transportation for FY 2018-19 and FY 2019-20.
For **FY 2018-19**, SB 18-001 transferred $495.0 million as follows:

- $346.5 million to the SHF;
- $47.25 million to counties and cities; and
- $74.25 to the newly created Multimodal Transportation Options Fund (MTOF).

For **FY 2019-20**, SB 18-001 transferred $150.0 million as follows:

- $105.0 million to the SHF;
- $22.5 million to counties and cities; and
- $22.5 million to the MTOF.

Of the amount transferred to the MTOF in FY 2018-19, $2.5 million was set aside for the Southwest Chief and Front Range Rail Commission (SW Chief Commission). The remaining MTOF funding must be expended for multimodal transportation projects, with 85 percent expended for local multimodal projects and 15 percent expended for state multimodal projects.
In addition to the transfers outlined above, this bill included additional provisions based on the outcomes of two 2018 ballot initiatives, Propositions 109 and 110. With the defeat of both measures, SB 18-001 directed the General Assembly to refer a ballot measure in 2019 asking voters to approve a $2.34 billion TRANs issuance. SB 19-263 repealed this ballot measure and replaced it with a similar measure for the November 2020 election. A more detailed description of the new ballot measure can be found in the SB 19-263 section below.

SB 19-125 – CDOT Supplemental Appropriations

SB 18-001 was passed after the passage of the Long Bill (state budget bill), and there was no opportunity for CDOT to seek an appropriation from the legislature for the $71.75 million in funds transferred to the MTOF for FY 2018-19.
CDOT received a supplemental appropriation to use the MTOF funding in SB 19-125. This appropriation is available to the department through the end of FY 2022-23.
The FY 2019-20 portion of MTOF funding was appropriated in the Long Bill for FY 2019-20, and this funding is available to the department through the end of FY 2023-24.

SB 19-262 – General Fund Transfer to the Highway Users Tax Fund

For FY 2019-20, this bill transfers $100 million from the General Fund to the Highway Users Tax Fund and allocates this funding based on the HUTF's second stream formula:

- 60 percent to the SHF;
- 22 percent to counties; and
- 18 percent to municipalities

SB 19-263 – Delay Referral of TRANs Ballot Issue to 2020

This bill makes annual transfers of $50 million from the General Fund to the SHF until FY 2039-40 to assist with CDOT's portion SB 17-267 lease-purchase agreement debt payments.
This bill also repeals the 2019 ballot measure that would have been referred pursuant to SB 18-001 and creates a similar ballot measure for the November 2020 election.
If approved by voters, this ballot measure will:

- Require the sale of $1.837 billion in TRANs, with a maximum repayment cost of $2.560 billion over 20 years;
- Require an additional $42.5 million be transferred annually to the SHF to assist with TRANSs

debt service; and

- Repeal the last two years of SB 17-267 lease-purchase agreements (a total of $1.0 billion).

Under this bill, the second year of SB 17-267 lease purchase agreements will be issued. The third and fourth years of these agreements will only be issued if the ballot measure fails.
The fiscal impacts of each scenario are outlined, below. Table 3 shows the fiscal impact to CDOT if the ballot measure passes.

Table 3

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total State Revenue				
SB 18-001 TRANs Revenue	-	612,333,333	612,333,333	612,333,333
SB 17-267 COP Revenue	500,000,000	(500,000,000)	(500,000,000)	-
Total	**500,000,000**	**112,333,333**	**112,333,333**	**612,333,333**
Repayment Expenditures				
General Fund	60,500,000	60,500,000	60,500,000	60,500,000
State Highway Fund	14,500,000	57,166,667	99,833,333	142,500,000
Total	**75,000,000**	**117,666,667**	**160,333,333**	**203,000,000**
General Fund Transfers to SHF for repayment	50,000,000	92,500,000	92,500,000	92,500,000
GF Expenditures with Transfer	**110,500,000**	**153,000,000**	**153,000,000**	**153,000,000**
SHF Expenditures with Transfer	**(35,500,000)**	**(35,333,333)**	**7,333,333**	**50,000,000**

Passage of the SB 19-263 Ballot Measure

Ballot Measure Passes

This section outlines the fiscal impacts to the department if the 2020 ballot measure passes.

CDOT Revenue

CDOT revenue will increase by approximately $837 million over the next three fiscal years.
If the ballot measure passes, CDOT revenue will increase by $1.8 billion from the issuance of TRANs. Additionally, CDOT revenue will decrease by $1.0 billion from the repeal of the last two years of SB 17-267 lease-purchase agreements. This will result in a net increase of approximately $0.8 billion to CDOT over the next three fiscal years.

Debt Service

The debt service that CDOT is responsible for will increase to $142.5 million annually. After an annual General Fund transfer for $92.5 million to help defray debt payment costs, total CDOT debt service will be $50 million annually for 20 years.
Lease-Purchase Agreements – Only two out of the four years of SB 17-267 lease-purchase agreements will be issued (with a maximum repayment of $75 million a year). Pursuant to SB19-263, the SHF will pay $14.5 million annually and the General Fund will pay $60.5 million annually for debt repayment on the two years of lease-purchase agreements issued.
TRANs Bonds – The maximum repayment cost of the TRANs issuance is $2.56 billion, or approximately $128.0 million per year for 20 years from the SHF.
General Fund Transfers - CDOT will receive a General Fund transfer of $92.5 million to assist with debt payments from the SB 17-267 lease-purchase agreements and the TRANs issuance. This will result in total annual debt payments from the SHF of $50 million.

Ballot Measure Fails

This section outlines the fiscal impacts to the department if the 2020 ballot measure fails.

CDOT Revenue
If the ballot measure fails, the last two years of SB 17-267 lease-purchase agreements will be issued. Each issuance will be $500 million, resulting in a $1.0 billion increase of revenue to CDOT.

Debt Service
The maximum allowable debt service for the issuance of all four years of SB 17-267 lease-purchase agreements is $150 million a year for 20 years. If all four years are issued, the General Fund will be responsible for $100 million of this repayment, and the SHF will be responsible for $50 million of this debt payment.
General Fund Transfers – Pursuant to SB 19-263, the General Fund will transfer $50 million annually to CDOT to assist with debt service. This will effectively cover CDOT's entire portion of the lease-purchase agreement debt service, and overall expenditures to the department will not increase for debt service.

HB 19-1257 and HB 19-1258 – Allocate Voter Approved Revenue for Education and Transportation

HB 19-1257 submits a referendum to the voters for the November 2019 election authorizing the state to retain and spend revenue collected in excess of the current Referendum C cap, which would otherwise be refunded to taxpayers. Any funding retained in excess of the Referendum C cap must be allocated in equal shares to public schools, higher education, and transportation.
HB 19-1258 allocates the funding that will be retained by the state if the referendum submitted by HB 19-1257 is approved by the voters. Any funding for transportation will be transferred to the Highway Users Tax Fund (HUTF) as second stream revenue: 60 percent will go to the SHF, 22 percent will go to counties, and 18 percent will go to municipalities.
Any funding increase to CDOT is uncertain, and will depend on whether or not state revenue exceeds the TABOR cap.

Multimodal Transportation TPR Meeting #2

NEXT MEETING NOTICE TPR meeting OCTOBER 11, 2019

Place: Montrose County Road and Bridge Conference Room 10:00 to 3:00pm

63160 LaSalle RD