



TRANSPORTATION NEWSLETTER

DATE: MAY 2020

Vince Rogalski, Chairman

Gunnison Valley TPR

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Senate Bill 267

A presentation by Colorado State Treasurer at the Transportation Commission meeting May 21 was very positive about the issuance of the second year of SB-267. It is anticipated that the COP's will be issued Memorial Week with closing By June 2nd or 3rd.

Budget and Project Impacts Presented at STAC May 15 by Shoshana Lew (Executive Director) and Rebecca White (Division of Transportation Development)

- a) CDOT is continuing to explore how we execute our plans in a worst case scenario.
- b) We have to consider what can be delivered in the 10-year pipeline, we are taking a tactical, technical approach to intentionally dealing with a very conservative scenario.
- c) The goal is to not over-extend, and then build back in rather than take more out if we can, while preparing for what might last years, not months.
- d) Important considerations include how we maximize equity statewide, and how any existing or additional federal stimulus funding might help locals now versus long term, and how we can use state funds to ease local match challenges.
- e) Direction that staff and TC has thus far said includes 1) Stay true to the 10-year pipeline, 2) programming to the baseline level, while 3) being practical about the second tranche of SB267 projects by honoring those already awarded projects, proceeding with projects released by not

yet awarded, and to honor those projects that received a federal grant or have partnership funding.

f) Options include reduced funding on multi-year projects; regional equity targets; maintaining rural paving; potential loss of \$50 million/year general fund transfers to debt service; reduction

of year two SB267;

g) Recommended planning range is \$530-550 million

h) Looking at trimming I-25 North segments 7 & 8 while not derailing the scope of the project, and

not budgeting the whole project in early years while they won't be spent for 18-24 months.

i) Staff is recommending: that remaining 267 year two funds be programmed in regions one, two,

and three; leaving \$75 million left to be programmed; seek an additional loan of \$50 million

from USDOT, assuming years 3 & 4 of SB267 won't be issued and we'll be covering years 1 & 2

debt service; maintain 25% rural paving target.

j) Should we not get the additional money on years 2022 and 2023, the portion of the I-25 project

north of the Poudre would most likely be cut;

k) Should 2022 and 2023 be worse off, we have time to make necessary adjustments.

l) STAC Discussion: Securing loans is not guaranteed; If I-25 south of Poudre isn't completed, it

also loses Weld County's contribution;

m) **STAC voted unanimously to recommend to the TC the CDOT staff recommendation in terms of adjusting the funding and moving in the direction of regional equity.**

A copy of a couple of slides from a presentation to the Transportation Commission on May 21 might help.



Regional Equity Discussion Recap

- The *Current and Historic RPP Midpoint* was the target established by staff to ensure statewide equity, across all four years, in the original distribution of SB funding.
- Staff analyzed three scenarios above (\$50M, \$100M, and \$154M) for varying levels of I-25N Seg 7&8 investment demonstrate that equity is impacted.
- Based on current funding assumptions, it is not possible to restore the regional equity distribution to the original target levels.
- Based on this analysis, the only way to partially restore equity is to program remaining funding to to Regions 1, 2, and 3.

4-Year Equity Target*	
Region	Region %
1	34.2%
2	19.0%
3	15.1%
4	23.9%
5	7.9%

Current Equity (I-25 @ \$50M)	
Region %	
30.2%	↓
11.6%	↓
9.5%	↓
39.5%	↑
9.2%	↑

Current Equity (I-25 @ \$100M)	
Region %	
28.9%	↓
11.2%	↓
9.1%	↓
42.1%	↑
8.8%	↑



I-25 North Segments 7&8 Financing Options

- I-25 North Segments 7 and 8 already assumed financing through toll revenue
- Utilizing other funds (federal and state base revenues) and available tools such as TIFIA and/or GARVEE, project financing could be increased above levels supported by toll revenue alone
 - Up to 33% of eligible segment costs are eligible for financing through TIFIA, or ~\$200 million based on a \$598 million project value
 - TIFIA and GARVEE could be used independently or in combination
- “Year 2” funding of \$50 million = total financing need of \$154 million
- “Year 2” funding of \$100 million= total financing need of \$104 million
- A commitment of \$50 million in SB 267 funding would keep the project going through FY 2022, allowing 18-24 months to secure financing or identify other sources



Staff Recommendations

- **Staff recommends providing I-25 North Segments 7&8 with \$50M in Year 2 SB267 dollars and completing the remaining funding package through financing; commence financing process immediately.**
 - \$50 million commitment will fund project for next 18-24 months, through 2021;
 - Allows other projects that can use funding today to move forward, increasing regional equity;
 - Interest rates remain at historic lows, and \$50 million in financing was already planned, so execution is similar to what was planned initially; and
 - Explore “surgical” cuts to project scope that do not compromise the footprint of the project but show commitment to “belt tightening” in light of economic constraints.
- **Staff recommends adopting the resulting high end of the planning range (\$75M) to be programmed (which assumes recommendation above).**
- **Staff recommends allocating the remaining \$75M to Region 1, 2, and 3 in order to partially restore regional equity.**
- ***These recommendations received unanimous support from STAC at their 5/15 meeting.***

Affirmation of Commitment to 10Year Strategic Pipeline of Projects – Rebecca White (Division of Transportation Development) & Marissa Gaughan (Statewide and Multimodal Planning)

- a)The 10year Pipeline is an important plan to have in addition to the statewide plan and will provide important support as we deal with economic downturn.
- b) STAC unanimously affirmed the 10-year Strategic Pipeline of Projects.
- c)STAC Discussion: The important thing about the pipeline is the process, and we have that process to lean on when funding levels are cut.

TO: Statewide Planning Committee, Transportation Commission

FROM: Rebecca White, Director, Division of Transportation Development

Tim Kirby, Manager, Multi-modal Planning Branch

DATE: May 21, 2020

RE: Statewide Plan Committee

TO: Statewide Planning Committee, Transportation Commission

Purpose

The Division of Transportation Development is intends seek the Transportation Commission approval of for a change to the formal adoption date of the 2045 Statewide Plan.

Action Requested Discussion only.

Background

Over the last year, staff has sought input from the Transportation Commission's Statewide Plan Committee to inform the development of the 2045 Statewide Transportation Plan. It was orginally intended for the Transportation Commission to review and approve the 2045 Statewide Plan at their June meeting. However, COVID related circumstances have lead staff to believe that a partial delay in the adoption of the plan is warrented.

Details

The draft 2045 Statewide Transportation Plan helps the Department to meet a number of state and federal requirements. One of those requirements is public review and comment. CCR 4.06.3.1 states,

“The Department will submit a draft Statewide Transportation Plan to the Commission, the STAC, and all interested parties for review and comment. The review and comment period will be conducted for a minimum of 30 days. The publication will be available at public facilities, such as at the Department headquarters and region offices, state depository libraries, county offices, TPR offices, Colorado Division offices of the Federal Highway Administration and Federal Transit Administration, and the internet.”

Staff is concerned that due to the COVID-19 outbreak, a 30-day comment period may not allow citizens enough time to offer public comment. Extending the public review period to 60-days would allow more time to engage with stakeholders and the public, allow staff to reach more people more equitably, and will allow staff to utilize virtual/electronic means of communication to meet the intent of the regulations (i.e. emailing the draft plan to the list of public facilities and asking stakeholder/community groups to help spread the word).

Next Steps

- **May 12-21:** Transportation Commission, STAC, FHWA and FTA review period.
- **June 1 - July 30: 60-day public review and comment period.**
- **August 20:** Formal TC adoption of the 2045 Statewide Transportation Plan.



Throughout the planning process, the CDOT team has been working to develop three sets of documents:

1) The 10-Year Vision COMPLETE

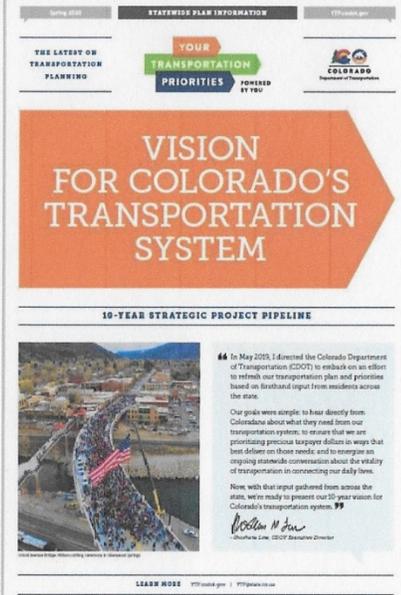
- Focuses on a more tangible timeframe
- Lists specific projects across the state
- Describes outcomes according to the themes we heard during outreach process (e.g. fixing rural roads)
- Includes projects identified for SB267 (next four years)

2) 10 Rural Transportation Plans FINAL DRAFT

- Heavily directed by the Transportation Planning Regions but drafted by CDOT.
- Each of the 5 MPOs also have long-term plans but those are created by MPO staff and are on a separate timeline.

3) The 2045 Statewide Plan FINAL DRAFT

- Essentially the “mother plan” because it incorporates the above documents.
- By state/federal statute must cover a 25 year planning horizon
- Must have a formal public review period of at least 30 days
- Must be formally adopted by the Transportation Commission
- Must meet a slough of state and federal requirements, including very specific direction on including all modes (e.g. aviation), linking to performance measures and describing CDOT’s budget.



Transportation TPR Meeting
NEXT MEETING NOTICE TPR meeting July 30, 2020
Region 10 at 10am to Noon
Possible
Video Conference Only