



TRANSPORTATION NEWSLETTER

DATE: OCTOBER 2021

Vince Rogalski, Chairman

Gunnison Valley TPR

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10-Year Plan Update and Fiscal Constraint

DATE: October 20, 2021

TO: Transportation Commission

FROM: Rebecca White, Director, Division of Transportation Development

Jeff Sudmeier, Chief Financial Officer

SUBJECT: 10-Year Plan Update and Fiscal Constraint

Purpose

This memo explains the timing and process to update the 10-Year Plan and includes a discussion on anticipated available funding for 10-Year Plan projects.

Action

No action is required. This agenda topic is for informational and discussion purposes only.

Background

Projects in the 10-Year Plan were based on statewide outreach, funneled through rural Transportation Planning Region (TPR) and Metropolitan Planning Organization (MPO) prioritization within the framework of TC guiding principles. The 10-Year plan represents a multimodal approach to planning with transit and highway projects combined together to address our transportation challenges and needs.

With the near completion of the first four years of the 10-Year Plan Strategic Pipeline of Projects, it is now time to prioritize and advance projects from the out years of the plan considering the sustainable funding provided by SB 260 as well as Colorado's share of the federal infrastructure funding. Lastly, SB260 requires CDOT to update it's plan to be in

compliance with the new standard for greenhouse gas emissions.

Details

Staff has developed a draft 10-Year Plan update schedule that includes Transportation Commission discussions on revisions to the prioritization framework in November which will be used to assist in the prioritization process for the 10-Year Plan update over the next several months. An accelerated schedule has been proposed in order to position the Department to begin allocating revenues and implementing the Greenhouse Gas requirements also identified in SB 260.

The Division of Accounting and Finance has developed an estimate for planning purposes of reasonably anticipated revenue through CDOT and the Enterprises that may be available to fund the updated 10-Year Plan. Over the next four years this is estimated to total approximately \$2 billion or \$500 million/year, and approximately \$400 million or \$200 million/year in subsequent “out years”.

In the next four years (year 5-8, or FY 23-FY 27), this totals approximately \$2 billion or \$500 million/year on average through CDOT, Bridge and Tunnel Enterprise, High Performance Transportation Enterprise, and the Non-Attainment Enterprise, with resources split relatively evenly between CDOT and the Enterprises. This estimate incorporates both “net new” revenue through SB 21-260 (i.e. revenues above FY 22 baseline levels, after accounting for debt service due on SB 17-267 Certificates of Participation (COPs), as well as anticipated incremental revenue (above FAST Act levels) included in the proposed federal Infrastructure Investment and Jobs Act. Additionally, the estimate of available revenues has been reduced to “set aside” an amount estimated to be required to “keep up” with inflation in Maintenance and Operations programs. Specific sources in the estimate include:

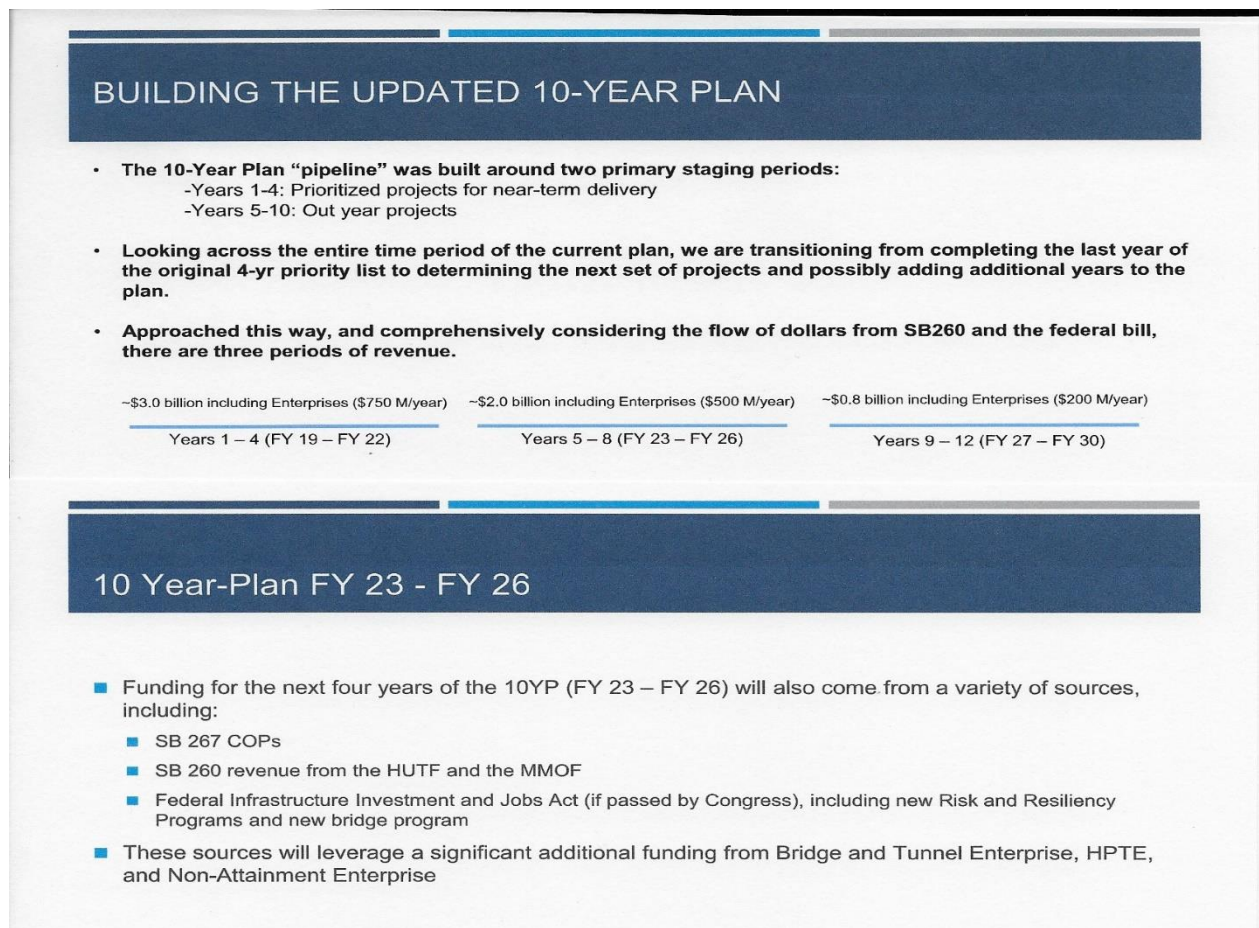
- Anticipated SB 17-267 revenue remaining from the fourth and final issuance, after funding remaining “year 4” projects.
- Incremental HUTF revenue (including new SB 21-260 HUTF revenue)
- Multimodal Mitigation Options Fund revenue (CDOT share only; funded through SB 21-260)
- Incremental federal-aid highway program revenue (above current FAST Act levels) from the proposed Infrastructure Investment and Jobs Act, including flexible revenue to CDOT, the new Risk and Resiliency Program, and new bridge program.
- Non-Attainment Enterprise revenue (funded through SB 21-260)
- Anticipated project-specific financing through the High-Performance Transportation Enterprise
- Anticipated project-specific funding and financing through the Bridge and Tunnel

Enterprise (funded in part through new SB 21-260 revenue)

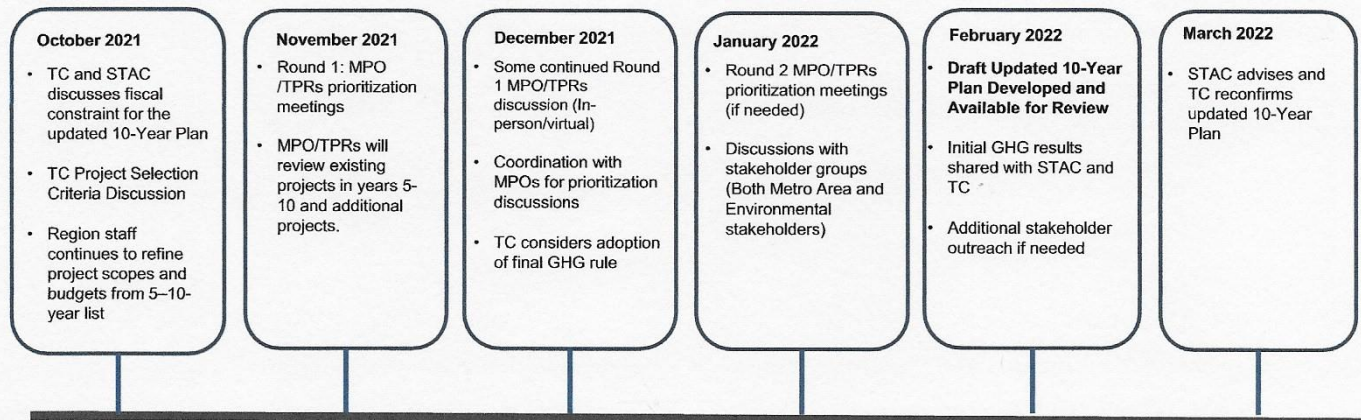
An estimate has also been developed for subsequent “out years” (years 9-10 or FY 27-FY 28 and beyond). The “out year” estimate is significantly lower, primarily due to an assumed return to “more typical” levels of federal funding in transportation authorizations following the Infrastructure Investment and Jobs Act, and increasing costs of keeping up with inflation in Maintenance and Operations programs. This estimate totals approximately \$200 million/year on average through CDOT, Bridge and Tunnel Enterprise, High Performance Transportation Enterprise, and the Non-Attainment Enterprise, with resources split relatively evenly between CDOT and the Enterprises.

Next Steps:

- **Confirming Year 4 Projects:** Staff will review the remaining unfunded projects identified in the 4th year of the original 10-Year Plan, which will be discussed with the Commissioner in November.
- **Timeline:** The proposed schedule was developed to ensure a transparent, stakeholder focused process. This schedule includes TPR discussions on project priorities from years 5-10 of the 10-Year Plan and coordination with the MPOs on those same priority discussion.



10-Year Plan Update Timeline: October 2021-March 2022



Next Steps in the Planning Process

- Review remaining “year 4” projects
- Determine next set of priorities for new 4-year list
- Re-establish out-year projects
- Consider adding additional years (to reach 2032)

STAC Discussion Summary

- There was concern about future funds should the federal infrastructure bill fail to pass.
- There was discussion on coordinating CDOT and TPR/MPO schedules for the 10-Year Plan update process.
- It was requested that CDOT commit to finishing Years 1-4 projects before starting Year 5-10 projects.
- STAC members were concerned about the vagueness of the term “Regionally Significant Project.”

- Even though I-25 segment 5 has a Record of Decision (ROD) as part of the National Environmental Policy Act (NEPA) process, it will still need to undergo analysis to check compliance with the GHG rule.

Legislative Report – Andy Karsian, CDOT Office of Policy and Government Relations; Jamie Grim, CDOT Office of Policy and Government Relations

- Staff reviewed state bills relating to Idaho Stops. The Idaho Stop bill would allow cyclists, pedestrians, and electric scooters to make the determination whether to stop at intersections, including traffic lights. CDOT has concerns about electric scooters and the application of the bill to school zones, and is recommending limiting the bill to 4-way stop signs.
- The CDOT legislative agenda includes enforcement of mountain express lane closures using photo enforcement.
- On the federal level, there is a stalemate in Congress regarding the infrastructure bill and reconciliation bill (a.k.a. Build Back Better). The debt ceiling has been extended to early December. Transportation and Fast Act funding have been reauthorized through a continuing resolution through the end of the month. The goal in the House is to vote before October 31.

Last month we talked about GHG. Here are STAC's most recent comments

Discussion Summary

- STAC members expressed concerns about the Rule: potential for project cost increases due to mitigation, problems with the algorithm for determining GHG emissions, bias against capacity projects, vagueness of the terms "Regionally Significant" and "transportation terminals," applicability of mitigation measures in rural areas, representation of the rural areas on the interagency group that can modify definitions in the Rule, and VMT modeling assumptions being too far removed from reality.

Multimodal Transportation and Mitigation Options Fund (MMOF) Process Update – Heather Sloop, Northwest TPR Representative

- The MMOF Advisory Committee has met twice and reviewed the Distribution Formula for the rural/urban split, distribution within the Urban and Rural breakouts, and also the Match Reduction Formula. The Committee's recommendations will be presented at the November STAC.

Transportation TPR Meeting
NEXT MEETING NOTICE TPR meeting November 4, 2021
Virtual at 9am to 2pm