



TRANSPORTATION NEWSLETTER

DATE: JUNE 2024

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

MMOF Fund Is Now Ready

Multimodal Transportation and Mitigation Options Fund (MMOF) - Michael Snow, CDOT Division of Transportation Development A proposal will be considered by the TC in May to update the data used in the match rate formula with 2021 data. If this is adopted, it will apply to subsequent awards of projects, regardless of the fiscal year of funds awarded.

- Many of the MMOF-funded projects have suffered delays and costly setbacks due to unanticipated work, underestimated costs, or technical, regulatory or logistical challenges. To prevent unnecessary delays on future projects, CDOT is proposing to review all MMOF applications to help applicants identify issues early and develop properly scoped applications. TPRs and MPOs will still conduct calls and selections of local MMOF projects, but CDOT will support TPR’s project selection by reviewing applications to identify project issues upfront. CDOT is requesting TPR/MPOs allow time in their selection schedules for CDOT review during both a draft and a final application process.
- STAC members expressed hesitations on this proposal, not wanting CDOT to spend additional time and money supporting the program. Staff explained that this is a cost-saving change - that additional time spent during the application process will result in greater reductions to the overall administrative cost since the resulting projects will experience fewer implementation challenges.

MAY Resolution on MMOF

Resolution #TC-2024-05-06

A Resolution approving updates to the Distribution Formula and Match Reduction Formula applicable to the Local Multimodal Transportation and Mitigation Options Fund Program.

Approved by the Transportation Commission on May 16, 2024.

Whereas, Colorado Revised Statutes 43-4-1103 requires the Transportation Commission establish a formula for disbursement of the funds allocated in the Multimodal Transportation and Mitigation

Options Fund for local multimodal projects, based on population, transit ridership and other criteria; and

Whereas, statutes also require the distribution formula be developed in consultation with the Statewide Transportation Advisory Committee, the Transit and Rail Advisory Committee, transit advocacy organizations, and bicycle and pedestrian advocacy organizations; and

Whereas, the Commission previously adopted a Local Distribution Formula in January, 2022 under TC Resolution 2022-01-07; and

Whereas, the Statewide Transportation Advisory Committee convened in September 2023 to review the distribution formula and have formulated recommended modifications to the current formula; and

Whereas, the local portion of the projected program funds not previously allocated to Transportation Planning Regions, less any set-aside by the Transportation Commission for related administrative program expenses, may be made available by the Commission for distribution to the Transportation Planning Regions for selection and awards to eligible projects; and

Whereas, Colorado Revised Statutes 43-4-1103(2)(c) requires recipients of local Multimodal Transportation and Mitigation Options Fund monies to provide a match of project funding in an amount equal to the award; and

Whereas, the Transportation Commission is permitted to reduce or eliminate the minimum rate of match funding required of local governments for Local Multimodal Transportation and Mitigation Options Fund projects due to agencies' size or any other special circumstances; and

Whereas, the Transportation Commission may also, if recommended by CDOT Staff, reduce or exempt any individual recipient from these match requirements for any specific project; and

Whereas, the Commission previously adopted a Match Reduction Formula under Resolution 2021-12-10 using criteria data from 2019.

Now Therefore Be It Resolved, that the Transportation Commission adopts the Local MMOF Distribution Formula in Appendix A, which allocates local funds not previously allocated to Colorado's Transportation Planning Regions, and which replaces the formula adopted under TC Resolution 2022-01-07; and

Now Therefore Be It Resolved, that this Distribution Formula shall apply to all future local funds until such time the formula is adjusted or amended as needed and desired by the Transportation Commission; and

Now Therefore Be It Resolved, that the Transportation Commission adopts an updated Match Reduction Formula using 2021 criteria data which sets match rates for counties and municipalities as shown in Appendix B, and which replaces the formula adopted under TC Resolution 2021-12-10. These adopted match rates shall apply to all Local MMOF projects awarded funding subsequent to the date of this Resolution; and

Now Therefore Be It Resolved, that sponsors of local Multimodal Transportation & Mitigation Options Fund projects that are not general-purpose local governments shall be granted match funding rates according to those granted to the local governments of the geographic area where the agency provides its services.

Commission of Colorado Herman Stockinger, Secretary Transportation

Multimodal Options Funds (MMOF) Distribution and Project Selection.

- **TC adopted urban formula changes that reduced the vehicles, transit, jobs and school-age criteria weight in favor of adding weight to the 65+ and disabled criteria. All distribution formulas were updated to use the most recent criteria data.**
- **The \$10 million transfer of Local MMOF funding from MMOF to the Zero Fare Transit program under SB24-032 reduces overall MMOF funds. However, Retail Delivery Fee revenues have been higher than expected and administrative set-aside funding has been returned to the Local pools, which means that original program funding projections will not be reduced, and therefore projects previously awarded funds will still be fully funded.**
- **Many STAC members appreciated that the higher Retail Delivery Fee revenues and rolled funds will allow for projects to continue without impacts to previously awarded amounts, but many emphasized that the funding change would have had a large negative impact without these higher revenues.**
- **STAC Representatives put forward a motion to write a letter to the state legislature signed by the members of STAC to communicate their frustrations with the legislature regarding the transfer of MMOF funds to the Zero Fare Transit program. This letter would emphasize that the legislature has changed or reduced transportation funding multiple times in the past without consulting STAC members, and that this trend should not continue.**
STAC Action: STAC members approved the motion to write a letter to the state legislature to communicate their frustrations regarding the MMOF fund transit to Zero Fare Transit.

**A draft letter was put together and sent to STAC members for comment.
A copy of the letter is below.**

Transportation Legislation Review Committee
Colorado General Assembly
200 E Colfax Avenue
Denver, CO 80203>

RE: The Role of the State Transportation Advisory Committee (STAC) in the Legislative Process

Dear Members of the Transportation Legislation Review Committee:

The Statewide Transportation Advisory Committee (STAC) is made up of elected and appointed officials from Colorado's 15 Transportation Planning Regions (TPRs) and two Indian Tribes. The STAC advises both the Colorado Department of Transportation (CDOT) and the Colorado Transportation Commission (TC) on the needs of the transportation system in

Colorado, including but not limited to budgets, transportation investment priorities, the statewide transportation improvement program (STIP), transportation plans, and state transportation policies, and review and provide comment to both CDOT and the TC on all Regional Transportation Plans (RTPs) and the Statewide Transportation Plan.

With the passage of *SB21-260: Sustainability of the Transportation System*, the Multimodal Transportation and Mitigation Options Fund (MMOF) was given an annual funding source, negotiated in good faith between legislators, CDOT staff, and local jurisdictions. These negotiated terms on funding splits and amounts into the future provided much needed certainty to transportation funding dedicated to providing safe, reliable transportation to the most vulnerable road users. With the passage of *SB24-032: Methods to Increase the Use of Transit*, \$10M in MMOF funds intended to be distributed across the state to the TPRs was instead taken off the top of the local share and divided between the Regional Transportation District (RTD) and the Colorado Association of Transit Agencies (CASTA) for the Ozone Season Fare Free and Youth Fare Free programs. The designation of these funds off the top came as a surprise to STAC members, many of whom had been assured the MMOF funds for the TPRs would remain whole.

While these are worthwhile and important programs to the state's air quality and transit goals, the diversion of these funds from local agencies creates significant inequities throughout the state. Funding that should have been allocated by TPRs for important local multimodal projects will be distributed to transit agencies. Furthermore, those funds will not return to TPRs where there either are no transit agencies or where existing transit agencies already offer fare-free services.

As a result of being excluded from these conversations, STAC and the TPRs feel there was a lack of transparency in an important statewide issue and one that directly impacts them and their local government members. This action has also caused the elected officials on the STAC to question the integrity in negotiating legislation since the SB21-260 MMOF agreement was not adhered to. We request that previously negotiated terms and agreements be held in high regard and any proposed changes be brought forward in an inclusive and deliberative process. We ask that our TPRs, MPOs, and local agencies be included in these discussions with the Legislature and CDOT staff to ensure appropriate transparency and collaboration.

On behalf of STAC, we thank you for all that you do for transportation throughout the state of Colorado and request that we continue to be at the table to help ensure the transportation system throughout Colorado continues to improve.

Sincerely,

Potential STAC In-Person Meetings and their Proposed Locations, Darius Pakbaz

- A new list of in-person STAC meeting locations for future meetings was proposed for Pueblo, North Front Range, and Grand Junction.
- STAC members felt it would be better to have in-person meetings at HQ where it is fairly central to most STAC members.

STAC therefore opted to keep the existing meeting schedule, which includes virtual meetings, except for twice a year when they meet in-person in May and October.

Transportation TPR Meeting
NEXT MEETING NOTICE TPR meeting TBD
August 29, 2024
1:30 to 3:30pm
Video Conference Only