

**Colorado Transportation Commission**

Schedule & Agenda

August 18-19, 2021

Due to the ongoing COVID-19 Situation, the Transportation Commission workshops and meeting will occur ONLINE with limited in-person attendance for commissioners, senior staff and presenters.

For link to youtube meeting access please see website:

<http://www.coloradodot.info/about/transportation-commission/meeting-agenda.html>

Kathy Hall, Vice-Chair

Grand Junction, District 7

Yessica Holquin

Denver, District 1

Don Stanton, Vice-Chair

Arvada, District 2

Eula Adams

Arapahoe County, District 3

Karen Stuart, Chair

Broomfield, District 4

Kathleen Bracke

Fort Collins, District 5

Barbara Vasquez

Cowdrey, District 6

Mark Garcia

Pagosa Springs, District 8

Lisa Hickey

Colorado Springs, District 9

Terry Hart

Pueblo, District 10

Gary Beedy

Genoa, District 11

THE CHAIRWOMAN MAY ALTER THE ITEM SEQUENCE OR TIMES

The times indicated for each topic on the Commission agenda are an estimate and subject to change. Generally, upon the completion of each agenda item, the Commission will immediately move to the next item. However, the order of agenda items is tentative and, when necessary to accommodate the public or the Commission's schedules, the order of the agenda items are subject to change.

Documents posted at <http://www.coloradodot.info/about/transportation-commission/meeting-agenda.html> no less than 24 hours prior to the meeting. The documents are in draft form and for information only until the Commission takes final action.

**TRANSPORTATION COMMISSION WORKSHOPS**

Wednesday, August 18, 2021

8:00 a.m. Commission Retreat – Governor’s Mansion, Main House (8<sup>th</sup> and Logan)

12:30 p.m. Retreat Adjournment – Travel to CDOT

1:00 p.m. Commission Working Lunch

1:00 p.m. Condemnation Workshop (Steve Harelson)

1:15 p.m. Budget Workshop (Jeff Sudmeier and Bethany Nicholas)

1:30 p.m. PD 703.0 Annual Review (Jeff Sudmeier and Bethany Nichols)

1:45 p.m. Glenwood Canyon Update (Mike Goolsby)

2:15 P.M. Revitalizing Main Street Grant Awards (Rebecca White)

- 2:30 p.m. GHG Rule Making Update (Rebecca White and Theresa Takushi)
- 3:15 p.m. Walking Down Main Streets Listening Tour (Nathan Lindquist)
- 3:35 p.m. Small Business and Diversity Committee (Greg Diehl and Emily Crespin)
- 4:35 p.m. Adjournment

**TRANSPORTATION COMMISSION ADDITIONAL MEETING NOTICE**

Wednesday, August 18, 2021

Social Gathering for Commissioners/Senior Staff – 5:00 pm Cilantro 1703 Federal Blvd. Denver, 80204

**TRANSPORTATION COMMISSION MEETING**

Thursday, August 19, 2021

- 8:00 a.m. Commissioner Breakfast
- 9:00 a.m. 1. Call to Order, Roll Call
- 9:05 a.m. 2. Swearing in of New Commissioner (Herman Stockinger)
- 9:10 a.m. 3. Public Comments (provided to commissioners in writing before meeting)
- 9:30 a.m. 4. Comments of the Chair and Individual Commissioners
- 9:50 a.m. 5. Executive Director’s Management Report (Shoshana Lew)
- 9:55 a.m. 6. Chief Engineer’s Report (Steve Harelson)
- 10:00 a.m. 7. HPTE Director’s Report (Nick Farber)
- 10:05 a.m. 8. FHWA Division Administrator Report (John Cater)
- 10:10 a.m. 9. STAC Report (Vincent Rogalski)
- 10:15 a.m. 10. Act on Consent Agenda
- a) Proposed Resolution #1: Approve the Regular Meeting Minutes of July 15, 2021 (Herman Stockinger)
  - b) Proposed Resolution #2: IGA Approval >\$750,000 (Steve Harelson)
  - c) Proposed Resolution #3: Repeal of Policy Directive 16.0 “Regional Transportation Director Authority for Administrative Settlement of Construction Contract Claims” (Steve Harelson)
  - d) Proposed Resolution #4: Approval of Updated Policy Directive 1301.0 “Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project by a Petition in Condemnation will Serve the Public Interest” (Steve Harelson)
  - e) Proposed Resolution #5: PD 703.0 Annual Review (Jeff Sudmeier and Bethany Nichols)

- f) Proposed Resolution #6: Disposal: Hugo Rest Area US 40 - Reaffirm (Parcel 1) (Heather Paddock)
- 10:20 a.m. 11. Discuss and Act on Proposed Resolution #7: 2nd Budget Supplement of FY 2022 (Jeff Sudmeier)
- 10:25 a.m. 12. Discuss and Act on Proposed Resolution #8: 2nd Budget Amendment of FY 2022 (Jeff Sudmeier)
- 10:30 a.m. 13. Discuss and Act on Proposed Resolution #9: Adopt FFY22-24 Statewide DBE Goal (Jun Arcilla)
- 10:35 a.m. 14. Discuss and Act on Proposed Resolution #10: Condemnation (Steve Harelson)
- 10:40 a.m. 15. Discuss and Act on Proposed Resolution #11: Approve Moving Forward on Next Round of Revitalizing Main Streets (Rebecca White)
- 10:45 a.m. 16. Recognition
- 10:50 a.m. 17. Other Matters
- 10:55 a.m. 18. Adjournment

The Bridge Enterprise Board of Directors meeting will begin immediately following the adjournment of the Transportation Commission Meeting. Est. Start Time: 10:55 a.m.

**BRIDGE AND TUNNEL ENTERPRISE BOARD OF DIRECTORS MEETING**

Thursday, August 19, 2021

- 10:55 a.m. 1. Call to Order and Roll Call
- 2. Public Comments (provided to commissioners in writing before meeting)
- 3. Act on Consent Agenda
  - Proposed Resolution #BTE1: to Approve the Regular Meeting Minutes of July 15, 2021 (Herman Stockinger)
- 4. Discuss and Act on Proposed Resolution #BTE2: 1st Budget Supplement of FY 22 (Jeff Sudmeier)
- 5. Other Matters
- 6. Adjournment

**INFO ONLY**

- Project Budget/Expenditure Memo (Jeff Sudmeier)
- Annual SIB Year End Memo (Jeff Sudmeier and Bethany Nichols)
- Central 70 Quarterly Update (Bob Hayes)



**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CHIEF FINANCIAL OFFICER  
BETHANY NICHOLAS, BUDGET DIRECTOR  
**DATE:** AUGUST 18, 2021  
**SUBJECT:** FY 2021-22 BUDGET AMENDMENT

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**Purpose**

To review the second amendment to the FY 2021-22 Annual Budget in accordance with Policy Directive (PD) 703.0.

**Action**

The Division of Accounting and Finance (DAF) is requesting Transportation (TC) review and approval of the second amendment to the FY 2021-22 Annual Budget. The second amendment consists of one item that requires TC approval, described below, resulting in the reallocation of \$6.0 million from TC Program Contingency to the Maintenance Program Areas to increase the FY22 MLOS budget allocation.

**Budget Amendment**

**Increase the FY 2021-22 MLOS Budget**

The Division of Maintenance and Operations is seeking \$6.0 million in order to increase the FY 2021-22 Maintenance Level of Service (MLOS) budget. Over the last three years, the overall MLOS budget has declined by \$9.3 million from \$272.8 million to the current FY 2021-22 budget allocation of \$263.5 million. The MLOS annual budget falls under the Transportation Asset Management Cap and must compete for funding alongside 11 other asset classes. Recognizing the challenges with these lower levels of funding, including budget shortfalls during the course of the fiscal year, last year the Transportation Commission allocated \$4.5 million in supplemental funding. In order to maintain similar levels of funding in FY 2021-22, the Division of Maintenance and Operations is requesting a \$4 million increase in funding from the currently planned \$263.5 million to \$267.5 million.

Over time the amount of funding available for operating costs has been significantly impacted by increased personnel costs. Currently, any MLOS personnel cost shortages are offset with MLOS operating funds. In recent years this has resulted in a 60/40 split between the MLOS personnel services and operating budgets compared to a 40/60 split historically. An increase of \$4 million will help mitigate some of the effects of continued growth in personnel services costs.

Additionally, the Division of Maintenance and Operations is requesting \$2.0 million in order to fund the FY 2021-22 Winter Operations Bonus program. This new program provides an end-of-winter season \$2,000 bonus per snowplow operator, and is an effort to retain these highly trained operators by acknowledging their contribution to keeping the highways open and safe for the traveling public. In order to qualify for this program, snowplow operators must be available for work 90% of the season, remain in good standing (performance evaluations), and complete all required safety training.





The second budget amendment reallocates \$6,000,000 from TC Contingency Fund (line 68) to Maintenance Program Areas (line 22).

**Attachments**

Attachment A - Amended FY 2021-22 Annual Budget

Attachment B - MLOS Memo

Amendment C - Presentation



**Attachment A: FY 2021-22 CDOT AMENDED ANNUAL BUDGET (August 2021)**

Line	Budget Category / Program	Rollforward from FY20-21 *Estimated	FY 2021-22 Allocation Plan	Approved TC Amendments	Proposed TC Amendments	EMT and Staff Approved Adjustments	Total FY22 Program Budget Available including Changes	Directed By	Funding Source
<b>1 COLORADO DEPARTMENT OF TRANSPORTATION</b>									
2	Capital Construction	\$351.6 M	\$972.3 M	\$210.7 M	\$0.0 M	\$169.9 M	\$1,704.5 M		
3	Asset Management	\$54.4 M	\$336.1 M	\$0.0 M	\$0.0 M	-\$0.5 M	\$390.1 M		
4	Surface Treatment	\$0.0 M	\$223.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$223.3 M	TC	FHWA / SH / SB 09-108
5	Structures	\$0.0 M	( : 52=\$	\$0.0 M	\$0.0 M	\$0.0 M	\$61.9 M	TC	FHWA / SH / SB 09-108
6	System Operations-AM	\$3.5 M	\$34.3 M	\$0.0 M	\$0.0 M	\$0.2 M	\$38.0 M	TC	FHWA / SH
7	Geohazards Mitigation	\$0.0 M	\$10.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$10.1 M	TC	SB 09-108
8	Permanent Water Quality Mitigation	\$5.6 M	\$6.5 M	\$0.0 M	\$0.0 M	-\$0.6 M	\$11.5 M	TC	FHWA / SH
9	Emergency Relief	\$45.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$45.3 M	FR	FHWA
10	Safety	\$17.7 M	\$115.3 M	\$18.0 M	\$0.0 M	-\$0.1 M	\$150.8 M		
11	Highway Safety Improvement Program	\$1.7 M	\$33.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$34.8 M	FR	FHWA / SH
12	Railway-Highway Crossings Program	\$8.6 M	\$3.6 M	\$0.0 M	\$0.0 M	\$0.0 M	\$12.2 M	FR	FHWA / SH
13	Hot Spots	\$0.0 M	\$2.2 M	\$0.0 M	\$0.0 M	-\$0.2 M	\$2.0 M	TC	FHWA / SH
14	FASTER Safety	\$7.4 M	\$69.2 M	\$18.0 M	\$0.0 M	\$0.0 M	\$94.6 M	TC	SB 09-108
15	ADA Compliance	\$0.0 M	\$7.2 M	\$0.0 M	\$0.0 M	\$0.0 M	\$7.2 M	TC	FHWA / SH
16	Mobility	\$279.4 M	\$520.9 M	\$192.7 M	\$0.0 M	\$170.5 M	\$1,163.5 M		
17	Regional Priority Program	\$25.4 M	\$48.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$73.8 M	TC	FHWA / SH
**18	Strategic Projects	\$213.0 M	\$450.0 M	\$192.7 M	\$0.0 M	\$170.5 M	\$1,026.2 M	SL	SB 17-267 / SB 19-262
19	National Highway Freight Program	\$41.0 M	\$22.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$63.5 M	FR	FHWA / SH
20	Maintenance and Operations	\$28.5 M	\$347.7 M	-\$1.0 M	\$6.0 M	-\$4.6 M	\$371.6 M		
21	Asset Management	\$25.3 M	\$312.3 M	\$5.5 M	\$6.0 M	\$0.9 M	\$344.9 M		
22	Maintenance Program Areas	\$2.1 M	\$263.5 M	\$5.5 M	\$6.0 M	\$0.0 M	\$277.0 M		
23	Roadway Surface	\$0.0 M	\$40.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$40.4 M	TC	SH
24	Roadside Facilities	\$0.0 M	\$21.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$21.4 M	TC	SH
25	Roadside Appearance	\$0.0 M	\$9.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$9.8 M	TC	SH
26	Structure Maintenance	\$0.0 M	\$5.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$5.4 M	TC	SH
27	Tunnel Activities	\$0.0 M	\$4.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$4.0 M	TC	SH
28	Snow and Ice Control	\$0.0 M	\$79.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$79.1 M	TC	SH
29	Traffic Services	\$0.0 M	\$69.0 M	\$5.5 M	\$0.0 M	\$0.0 M	\$74.5 M	TC	SH
30	Materials, Equipment, and Buildings	\$0.0 M	\$17.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$17.5 M	TC	SH
31	Planning and Scheduling	\$0.0 M	\$16.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$16.8 M	TC	SH
32	Toll Corridor General Purpose Lanes	\$0.0 M	\$5.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$5.0 M	TC	SH
33	Property	\$2.8 M	\$19.9 M	\$0.0 M	\$0.0 M	\$0.9 M	\$23.6 M	TC	SH
34	Capital Equipment	\$8.4 M	\$23.9 M	\$0.0 M	\$0.0 M	\$0.0 M	\$32.3 M	TC	SH
35	Maintenance Reserve Fund	\$12.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$12.0 M	TC	SH
36	Safety	\$0.3 M	\$11.4 M	-\$6.5 M	\$0.0 M	-\$5.5 M	-\$0.3 M		
37	Strategic Safety Program	\$0.3 M	\$11.4 M	-\$6.5 M	\$0.0 M	-\$5.5 M	-\$0.3 M	TC	FHWA / SH
38	Mobility	\$2.9 M	\$24.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$26.9 M		
39	Real-Time Traffic Operations	\$2.9 M	\$14.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$16.9 M	TC	SH
40	ITS Investments	\$0.0 M	\$10.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$10.0 M	TC	FHWA / SH
41	Multimodal Services	\$129.0 M	\$69.8 M	\$36.5 M	\$0.0 M	\$0.0 M	\$235.4 M		
42	Mobility	\$129.0 M	\$69.8 M	\$36.5 M	\$0.0 M	\$0.0 M	\$235.4 M		
43	Innovative Mobility Programs	\$0.0 M	\$11.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$11.1 M	TC	FHWA / SH
***44	Strategic Transit and Multimodal Projects	\$123.1 M	\$50.0 M	\$22.0 M	\$0.0 M	\$0.0 M	\$195.1 M	SL	SB 17-267
45	Rail Commission	\$0.0 M	\$0.4 M	\$14.5 M	\$0.0 M	\$0.0 M	\$14.9 M	SL	SL
46	Bustang	\$5.9 M	\$8.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$14.2 M	TC	SB 09-108 / Fare Rev.
47	Suballocated Programs	\$347.7 M	\$224.1 M	\$124.8 M	\$0.0 M	-\$0.6 M	\$696.0 M		
48	Aeronautics	\$30.0 M	\$19.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$49.3 M		
49	Aviation System Programs	\$30.0 M	\$19.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$49.3 M	AB	SA
50	Highway	\$201.4 M	\$126.5 M	\$0.0 M	\$0.0 M	-\$0.4 M	\$327.5 M		
51	STP-Metro	\$139.8 M	\$56.0 M	\$0.0 M	\$0.0 M	-\$0.1 M	\$195.6 M	FR	FHWA / LOC
52	Congestion Mitigation and Air Quality	\$44.9 M	\$50.7 M	\$0.0 M	\$0.0 M	-\$0.3 M	\$95.4 M	FR	FHWA / LOC
53	Metropolitan Planning	\$0.0 M	\$9.2 M	\$0.0 M	\$0.0 M	\$0.0 M	\$9.2 M	FR	FHWA / FTA / LOC
54	Off-System Bridge Program	\$16.7 M	\$10.6 M	\$0.0 M	\$0.0 M	\$0.0 M	\$27.3 M	TC / FR	FHWA / SH / LOC
55	Transit and Multimodal	\$116.3 M	\$78.4 M	\$124.8 M	\$0.0 M	-\$0.2 M	\$319.3 M		
56	Recreational Trails	\$2.5 M	\$1.6 M	\$0.0 M	\$0.0 M	\$0.0 M	\$4.1 M	FR	FHWA
57	Safe Routes to School	\$7.9 M	\$3.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$11.0 M	TC	FHWA
58	Transportation Alternatives Program	\$30.9 M	\$12.0 M	\$0.0 M	\$0.0 M	-\$0.2 M	\$42.7 M	FR	FHWA / LOC
59	Transit Grant Programs	\$75.0 M	\$61.7 M	\$0.0 M	\$0.0 M	\$0.0 M	\$136.7 M	FR / SL / TC	FTA / LOC / SB 09-108
***60	Multimodal Options Program	\$0.0 M	\$0.0 M	\$124.8 M	\$0.0 M	\$0.0 M	\$124.8 M	TC/SL	SB 19-125
61	Administration & Agency Operations	\$17.3 M	\$102.7 M	\$0.0 M	\$0.0 M	-\$0.5 M	\$119.5 M		
62	Agency Operations	\$12.4 M	\$62.6 M	-\$0.4 M	\$0.0 M	-\$0.5 M	\$74.1 M	TC / AB	FHWA / SH / SA / SB 09-108
63	Administration	\$4.9 M	\$37.5 M	\$0.4 M	\$0.0 M	\$0.0 M	\$42.8 M	SL	SH
64	Project Initiatives	\$0.0 M	\$2.6 M	\$0.0 M	\$0.0 M	\$0.6 M	\$3.2 M	TC	SH
65	Debt Service	\$67.2 M	\$9.6 M	\$265.5 M	\$0.0 M	\$0.0 M	\$342.3 M		
66	Debt Service	\$67.2 M	\$9.6 M	\$265.5 M	\$0.0 M	\$0.0 M	\$342.3 M	DS	FHWA / SH
67	Contingency Reserve	\$81.3 M	\$0.0 M	\$0.0 M	-\$6.0 M	-\$0.4 M	\$74.9 M		
68	Contingency Fund	\$55.6 M	\$0.0 M	\$0.0 M	-\$6.0 M	\$0.0 M	\$49.6 M	TC	FHWA / SH
69	Reserve Fund	\$17.6 M	\$0.0 M	\$0.0 M	\$0.0 M	-\$0.4 M	\$17.2 M	TC	FHWA / SH
70	Other Programs	\$17.3 M	\$24.8 M	\$3.0 M	\$0.0 M	\$0.0 M	\$45.1 M		
71	Safety Education	\$12.8 M	\$9.9 M	\$3.0 M	\$0.0 M	\$0.0 M	\$25.8 M	TC/FR	NHTSA / SSE
72	Planning and Research	\$4.0 M	\$14.7 M	\$0.0 M	\$0.0 M	\$0.0 M	\$18.8 M	FR	FHWA / SH
73	State Infrastructure Bank	\$0.4 M	\$0.2 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.6 M	TC	SIB
74	<b>TOTAL - CDOT</b>	<b>\$1,039.7 M</b>	<b>\$1,751.1 M</b>	<b>\$603.0 M</b>	<b>\$0.0 M</b>	<b>\$163.9 M</b>	<b>\$3,557.7 M</b>		

**Key to Acronyms:**  
 TC = Transportation Commission  
 FR = Federal  
 SL = State Legislature  
 AB = Aeronautics Board  
 SH = State Highway  
 SIB = State Infrastructure Bank  
 LOC = Local  
 SB = Senate Bill  
 SA = State Aviation

76 COLORADO BRIDGE ENTERPRISE									
77	Capital Construction	\$49.5 M	\$105.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$105.8 M		
78	Asset Management	\$49.5 M	\$105.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$105.8 M		
79	Bridge Enterprise Projects-CBE	\$49.5 M	\$105.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$105.8 M	BEB	SB 09-108
80	Maintenance and Operations	\$0.7 M	\$0.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.5 M		
81	Asset Management	\$0.7 M	\$0.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.5 M		
82	Maintenance and Preservation-CBE	\$0.7 M	\$0.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.5 M	BEB	SB 09-108
83	Administration & Agency Operations	\$0.1 M	\$1.9 M	\$0.0 M	\$0.0 M	\$0.0 M	\$1.9 M		
84	Agency Operations-CBE	\$0.1 M	\$1.9 M	\$0.0 M	\$0.0 M	\$0.0 M	\$1.9 M	BEB	SB 09-108
85	Debt Service	\$0.0 M	\$17.2 M	\$0.0 M	\$0.0 M	-\$17.2 M	\$0.0 M		
86	Debt Service-CBE	\$0.0 M	\$17.2 M	\$0.0 M	\$0.0 M	-\$17.2 M	\$0.0 M	BEB	FHWA / SH
87	<b>TOTAL - BRIDGE ENTERPRISE</b>	<b>\$50.4 M</b>	<b>\$125.3 M</b>	<b>\$0.0 M</b>	<b>\$0.0 M</b>	<b>-\$17.2 M</b>	<b>\$158.6 M</b>		

88 HIGH PERFORMANCE TRANSPORTATION ENTERPRISE									
89	Maintenance and Operations	\$70.9 M	\$9.9 M	\$0.0 M	\$0.0 M	\$0.1 M	\$10.0 M		
90	Express Lanes Operations-HPTE	\$70.9 M	\$9.9 M	\$0.0 M	\$0.0 M	\$0.1 M	\$10.0 M	HPTEB	Tolls / Managed Lanes Revenue
91	Administration & Agency Operations	\$4.1 M	\$4.1 M	\$0.0 M	\$0.0 M	\$0.3 M	\$4.4 M		
92	Agency Operations-HPTE	\$4.1 M	\$4.1 M	\$0.0 M	\$0.0 M	\$0.3 M	\$4.4 M	HPTEB	Fee for Service
93	Debt Service	\$0.0 M	\$8.7 M	\$0.0 M	\$0.0 M	\$0.0 M	\$8.7 M		
94	Debt Service-HPTE	\$0.0 M	\$8.7 M	\$0.0 M	\$0.0 M	\$0.0 M	\$8.7 M	HPTEB	Fee for Service
95	<b>TOTAL - HIGH PERFORMANCE TRANSPORTATION ENTERPRISE</b>	<b>\$75.0 M</b>	<b>\$22.7 M</b>	<b>\$0.0 M</b>	<b>\$0.0 M</b>	<b>\$0.4 M</b>	<b>\$98.0 M</b>		
96	<b>TOTAL - CDOT AND ENTERPRISES</b>	<b>\$1,165.1 M</b>	<b>\$1,899.2 M</b>	<b>\$603.0 M</b>	<b>\$0.0 M</b>	<b>\$147.0 M</b>	<b>\$3,814.3 M</b>		

\*Roll forward budget is budget from a prior year that hasn't been committed to a project or expended from a cost center prior to the close of the fiscal year. Estimated Roll forward budget will be incorporated prior to finalizing the FY 2021-22 budget, and updated after the close of FY 2020-21

\*\*SB 17-267 directed the State Treasurer to execute lease-purchase agreements on existing state facilities to generate revenue for priority transportation projects. At least 10 percent of these proceeds must be used for transit projects. Of the \$50 million in estimated revenue for transit projects, the department anticipates spending \$2.4 million on Administration, \$27.6 million on the construction of bus and pedestrian facilities, and \$20.0 million on rolling stock.

\*\*\*SB 18-001 created the Multimodal Transportation Options Fund, and allocated \$71.75 million to the fund in FY 2018-19 and \$22.5 million to the fund in FY 2019-20. This funding is annually appropriated by the General Assembly. The FY 2018-19 appropriation is available until the close of FY 2022-23 pursuant to SB 19-125, and the FY 2019-20 appropriation is available until the close of FY 2023-24 pursuant to SB 19-207. Of the total funding, the department will spend approximately \$6 million on administration and operating costs, approximately \$14 million for CDOT bus purchase and facility construction, and approximately \$74 million will be passed through to local agencies for rolling stock purchases.



# COLORADO

## Department of Transportation

Division of Maintenance & Operations  
2829 W. Howard Place, 4<sup>th</sup> Floor  
Denver, CO 80204-2305

**TO:** TRANSPORTATION COMMISSION

**FROM:** John Lorme, Director of Maintenance and Operations

**CC:** Herman Stockinger, Deputy Executive Director  
Jeff Sudmeier, Chief Financial Officer

**DATE:** AUGUST 18, 2021

**SUBJECT:** Transfer from TC Program Reserve to DMO (MLOS)

### PURPOSE:

Increase MLOS Operating Budget and fund Snowplow Operator, Winter Operations Bonus Program.

### ACTION:

Transfer \$6 Million from TC Contingency to DMO for the following; \$4M into MLOS Operating Budgets and \$2M to the snowplow operator bonus initiative. These funds will be converted into highway maintenance section budgets and the winter operations bonus program.

### DETAILS:

The Division of Maintenance and Operations (DMO) is seeking \$4M in operating funds to increase the FY21/22 Maintenance Level of Service (MLOS).

Over the last three years, the overall MLOS budget, which includes both Personnel Services Budgets (PERS) and Operating Budgets (OPER) has continued to decline through FY22-23. The MLOS budget is established through the Transportation Asset Management (TAM) budget setting process, which for a variety of reasons resulted in lower levels of MLOS funding than prior recent years In FY 2020-21 and FY 2021-22. Recent MLOS budgets established through the TAM budget setting process have totaled:

- FY 2018-19: \$272.8 M
- FY 2019-20: \$265.7 M
- FY 2020-21: \$260.7 M
- FY 2021-22: \$263.5 M

Recognizing challenges, including budget shortfalls during the course of the fiscal year, with these lower levels of funding, last year the Transportation Commission allocated supplemental funds to MLOS to bring the FY 2020-21 budget up from \$260.7 M to \$265.2 M. In order to maintain a similar level of funding in FY 2021-22, DMO is requesting a \$4 million increase in funding from the currently planned \$263.5 M to \$267.5 M.

Although there is a forecasted increase in future years, MLOS's Operating Budget has continued to decline as Personnel Services costs continue to climb, which has impacted our ability to complete maintenance projects. Of note, in 2018 CDOT implemented a housing stipend program that costs approx. \$3.5M per year which pulled funding from MLOS OPS to cover the increase in MLOS PERS. In addition, the 2021 PERS Services 3% salary increase further reduced our Operating budget by \$2.9M. The MLOS OPER/PERS budget percentage split prior to the 3% increase was 41/59. After the 3% increase the OPER/PERS split was 40/60, a 1.2% shift in the percentage split. An increase of \$4 million would help to mitigate some of the effects of continued growth in personnel service costs, and improve the split between OPER/PERS.

Additionally, DMO is seeking a further \$2 M increase in order to fund a new program focused on employee retention during the winter season. In order to retain snowplow operators, DMO is seeking \$2M to fund the FY21/22 Winter Operations Bonus program. This new program provides an end-of-winter season \$2K bonus per snowplow operator. Winter Operations is a very important and difficult job, our operators are on call 24/7 from November through May each season, they are required to work 12.5-hour shifts daily, during winter weather events, and respond to avalanche mitigation operations, all while managing traditional highway maintenance needs. This new program is an effort to retain these highly trained operators by acknowledging their contribution to keeping the highways open and safe for the traveling public. In order to qualify for this program, snowplow operators must be available for work 90% of the season, remain in good standings (performance evaluations), and have all safety training completed.





**COLORADO**

Department of Transportation

# August 2021 Budget Workshop FY 2021-22 Budget Amendment & Supplement





# Budget Amendment & Supplement Summary

## Budget Amendment:

- Transfer \$6.0 million from TC Contingency to Maintenance Program Areas (MPAs) for the following:
  - \$4.0 million to MLOS Operating Budgets
  - \$2.0 million to the Winter Operations Bonus Program

## Supplement:

- \$10.0 million from TC Contingency for I-70 Glenwood Canyon emergency response and repair
- \$1.0 million from TC Program Reserve for R1 Homeless Camp Clean Up Pilot Program







**COLORADO**

Department of Transportation

# TC Contingency & Program Reserve Fund Balance

<b>TC Contingency Fund</b> balance before August Budget Amendment	\$55.6 million
TC Contingency Fund balance after reductions due to MLOS budget amendment & Glenwood Canyon supplement (- \$16.0 million)*	\$39.6 million
<b>TC Program Reserve</b> balance before August Supplement	\$17.2 million
TC Program Reserve balance after reductions due to supplement request (- \$1.0 million)	\$16.2 million
TC Program Reserve balance with anticipated reimbursement from R4 US 85 settlement loan (+ \$18.06 million)	\$34.3 million

\* Proposed supplements are not reflected on the one sheet.



**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CHIEF FINANCIAL OFFICER  
BETHANY NICHOLAS, BUDGET DIRECTOR  
**DATE:** AUGUST 18, 2021  
**SUBJECT:** ANNUAL REVIEW OF POLICY DIRECTIVE 703.0

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**Purpose**

To provide an annual review of Policy Directive (PD) 703.0 and request Transportation Commission (TC) consideration of updates to the PD.

**Action**

TC approval of the updated PD 703.0.

**Background and Overview**

PD 703.0 is a critical Department policy that instructs staff how to enact and execute various budget and project transactions, which ultimately arise from statutory mandates. Statute outlines several duties for both the Commission and the Department which can be executed in different ways. PD 703.0 includes specific instructions on how staff should handle each type of transaction and what levels of review must be completed. The existing thresholds were set so that levels of risk are balanced against mission performance and efficiency.

The Commission reviewed the PD in depth a year ago and adopted a fully revised and updated PD. At that time staff indicated that in order to maintain the PD, an informational review would be provided to the Commission annually. Overall, staff has found that the PD provides clear guidance on how staff must handle all types of transactions. Staff is recommending a few minor updates to ensure the PD is current based on the most recent legislation and programmatic changes.

**Recommended Updates**

Over the course of FY 2020-21 the Office of Financial Management and Budget (OFMB) has been using the revised PD 703, adopted in August 2020, when determining what level of review is required for transactions. This new version has addressed the majority of inconsistencies that were present prior to the update and provided staff with a clear understanding of what level of review is required for the various transactions OFMB reviews throughout the year. Established review threshold amounts seem to provide the appropriate balance between levels of risk and mission performance and efficiency. At this time, staff is not recommending any changes to current threshold amounts.

While no changes are recommended with respect to existing thresholds, staff is proposing several more technical changes to clarify requirements, and to address new programs, the discontinuation of other programs, and changes resulting from Senate Bill 260, including the creation of new Enterprises. These changes primarily affect the Project Transaction Tables in the appendices to PD 703.0. Additionally, staff is proposing two changes to the Budget Transactions Table- one related to streamlining an approval process related to the Strategic Safety Program, and one related to addressing an inconsistency in approval processes between Capital Construction Indirect costs and Capital Construction Engineering (CE) costs.



The narrative portion of PD 703.0 will not be impacted by these changes and will remain in its current state.

Key substantive changes recommended within the Project Transactions Table in Appendix B and Budget Transactions Table in Appendix C, include:

#### Project Transactions Table

- Multimodal Services: Remove RoadX from the Project Type column as the program was discontinued.
- Multimodal Services: Add the language “Innovative or” and “Revitalizing/Safer Mainstreets” to the Project Type column. These changes add detail to account for newly created transit programs and for the creation of the Revitalizing/Safer Mainstreets program.
- Enterprises: Change Bridge Enterprise to Bridge and Tunnel Enterprise. Also, add two new lines for Clean Transit Enterprise and Nonattainment Area Air Pollution Mitigation Enterprise. These are new enterprises created by Senate Bill 260.

#### Budget Transactions Table

- Budget Amendments and Other Changes: Add the language “or transfers to and from Strategic Safety for approved program initiatives and projects.” In some instances, Regional requests to or from Strategic Safety crossed one sheet budget lines requiring TC or EMT review and approval. The projects or cost centers these funds are being transferred to are all associated with the Strategic Safety Program but may be executed under different areas of CDOT. This language allows transferring of Strategic Safety funding to manage strategic safety projects without requiring TC or EMT review and approval.
- Other Budget Transfers: Add “Construction Engineering” to the Transaction Type column. Construction Engineering should be scrutinized under the same principles as increases to indirect costs.



<b>COLORADO DEPARTMENT OF TRANSPORTATION</b>		<input checked="" type="checkbox"/> <b>POLICY DIRECTIVE</b> <input type="checkbox"/> <b>PROCEDURAL DIRECTIVE</b>
Subject <b>Annual Budget, Project Budgeting, and Cash Management Principles</b>		<b>703.0</b>
Effective	Supersedes <b>08/20/2020</b> <b>06/16/2016</b> <b>08/21/2014</b>	Originating Office <b>Office of Finance Management and Budget (“OFMB”)</b>

## I. PURPOSE

To establish the policy by which the Colorado Department of Transportation will determine and submit the annual budget and project budgets to the Colorado Transportation Commission. The Commission will focus on substantive budget matters, i.e. those budget matters that involve material change or significant risk, and will exercise oversight on routine budget matters.

## II. AUTHORITY

Colorado Transportation Commission pursuant to § 43-1-106(8)(h), C.R.S.

## III. APPLICABILITY

This Policy Directive applies to all divisions, regions and offices of the Colorado Department of Transportation.

## IV. DEFINITIONS

See Appendix A “Definitions”

## V. POLICY

**A. Scope.** This Policy Directive applies to all funds and accounts administered by the Department. The scope includes the formation and execution of the Department’s budget and the approval of the Department’s programs.

**B. Objective.** The objective of this Policy Directive is to document annual budget and project budgeting policies followed by the Department with the Commission’s approval to maximize the flow of funds to the Department’s construction and maintenance projects applying effective and efficient cash management strategies.

1. The Commission will evaluate the Department’s ability to apply effective and efficient cash management strategies using the following criteria:
  - a. Available revenues in the Statewide Transportation Improvement Program (STIP) are as high as can be justified within relevant state

and federal laws;

- b. Those revenues are fully allocated to programs or groups of projects within the STIP;
- c. Appropriations for construction and maintenance projects are as high as can be justified in conformance with state and federal laws;
- d. Taking into account the Department's mission to deliver projects in a timely manner, review and evaluate the monthly Fund 400 cash balance against the approved target cash balance. An exception exists in the case of the receipt of large General Fund transfers or receipt of other large proceeds, in which case, effort should be made to effectively and efficiently deliver projects and manage cash until cash balances return to target levels.

### **C. Principles.**

1. Financial risk is a necessary element in maximizing the flow of funds to projects. The Department may take necessary financial risks in order to accelerate projects while implementing the necessary controls in order to stay in compliance within overall risk management measures.
2. Transportation Commission approval will be required only when a transaction represents a high or substantial risk. Moderate or low risk items may be approved by the Executive Management Team or Staff level authority respectively. High risk transactions are those transactions which by either amount or substance represent elevated (non-routine) risk from a compliance and internal controls perspective, represent a significant decision of policy, or represent a decision which public or stakeholder engagement is required, expected, or desired. Examples of actions for which risk is evaluated include:
  - a. Changes to the funds allocated to a budgetary program or region
  - b. Changes to the funds apportioned to a project or cost center
  - c. Deviations in program applicability or eligibility
3. Level of Department and Commission governance is aligned to level of risk.  
Reference
  - a. Appendix B "Project Related Transactions"; In the cases of project level adjustments high risk is identified as an increase greater than or equal to 15% and greater than or equal to \$500,000, or greater than or equal to \$5,000,000. Moderate risk is identified an increase between

10% to 15% or \$250,000 to \$500,000.

- b. Appendix C “Budget Related Transactions”; Budget level adjustments identified as high risk are greater than or equal to \$1 Million. Moderate risk is identified as any adjustment less than \$1 Million.
- c. Appendix D “Other Transactions”; Transaction specific risk types are assigned within the appendix.

#### **D. Annual Budget.**

1. The Department shall produce a long-range revenue forecast (produced every five years), including annual revenues and extending over at least 20 years, and a short-range revenue forecast, by month extending over at least 48 months, for use in all of the Department’s programs and budgets.
2. Pursuant to § 43-1-113(2), C.R.S., annually, on or before December 15, the Commission shall adopt and the Department shall submit a proposed budget allocation plan for the fiscal year beginning on July 1 of the succeeding year. No later than April 15 of each year, the Commission shall adopt and submit a final budget allocation plan to the Office of State Planning and Budget.
3. The level of Department and Commission risk regarding the annual budget shall be defined as outlined in Appendix C.

#### **E. Statewide Transportation Improvement Program (STIP).**

1. Pursuant to 23 C.F.R. 450.216, the Department is required to develop a STIP.
2. The Department shall use the STIP as the principal expression of its programs and projects for the execution of all federal dollars assigned to transportation projects that have been adopted by the TC. For purposes of this PD, this will include highway construction and any federalized transit projects funded with specific state funding, such as FASTER transit.
3. Any project that requires federal authorization or obligation must be included in the STIP prior to any budget actions. Guidelines for developing the STIP may be found here: [STIP Development Guidelines \(4P\)](#). Guidance for amending or modifying the STIP may be found here: [STIP Amendment Guidelines](#).
4. The STIP will be amended at least once a year for major changes. Upon the conclusion of a fiscal year, a new fiscal year will be amended into the STIP as the fourth federally recognized year.

**F. Project Budgets.**

1. Projects typically will be managed and selected within a four-year program or programs of projects based on defined criteria, and in alignment with Transportation Commission performance objectives established in PD 14.
2. The Department shall approve the budget of each project through development and construction, and shall determine the level of approval for subsequent substantive changes to the cost of each project as outlined in Appendix B.

**G. Cash Balance Policy**

1. The Department shall prepare and maintain a Fund 400 Forecast model for the purpose of managing the Department's cash balance.
2. This model will incorporate SAP expenditures and analytical forecasts with vendor construction project drawdown schedules and budget revenues.
3. The resulting cash balance forecast will be charted against the Transportation Commission approved cash balance threshold to identify future cash balance risk points.
4. Risk will be identified and managed monthly through a Fund 400 Management process.
5. The cash balance threshold will be reviewed as necessary. Any recommended changes for levels of risk or annual average monthly balance will be approved by the Commission.
6. Level of Department risks approved by the Commission and the Fund 400 Management process principles are identified and maintained within the Appendix E - Cash Balance Management.

**VI. DOCUMENTS REFERENCED IN THIS POLICY DIRECTIVE**

1. Appendix A – “Definitions”
2. Appendix B – “Project Related Transactions”
3. Appendix C – “Budget Related Transactions”
4. Appendix D – “Other Transactions”



Subject <b>Annual and Project Budgets and Cash Management Principles</b>	Number <b>703.0</b>
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5. Appendix E– “Cash Balance”

**VII. IMPLEMENTATION PLAN**

1. The OFMB shall establish procedures to implement this Policy Directive.
2. The OFMB shall train all CDOT employees who are impacted by or involved with this Policy Directive.
3. This Policy Directive shall be effective upon signature.

**VIII. REVIEW DATE**

This directive shall be reviewed on or before August 2022.

\_\_\_\_\_  
 Secretary, Transportation Commission

\_\_\_\_\_  
 Date of Approval

## **Appendix A- Definitions**

“Allotment Advice” shall mean project or program level budget actions, initiated by Department staff, that is approved by OFMB staff without EMT or Commission approval.

“Amendment” shall mean a change to the Budget allocation either through an increase, decrease or transfer between Budget lines.

“Approval” shall mean administrative permission to proceed with a project, program, or other anticipated expenditure that will require one or more officials to exercise their expenditure authorities in order to enter into one or more commitments to pay for goods or services that are needed to accomplish the project or program objectives. For purposes of this Policy Directive Approval authority will be determined based on risk outlined in each Appendix. There are 3 possible risk levels needing varying Approval: Staff, Executive Management Team and Transportation Commission.

“Budget” shall mean a financial plan that shows intended authorizations, appropriations, and allotments of funds into and out of an accounting entity. When all inflows and outflows of funds of the accounting entity are shown in the budget, the budget becomes a prospective statement of revenues and expenditures for that entity. CDOT maintains several budgets including those for Colorado Bridge Enterprise, High Performance Transportation Enterprise, the Aeronautics Division, and the core budget of CDOT, all of which are included in the State’s annual budget – the Long Bill.

“Cash Management” shall refer to the balancing of expected cash outflows with expected cash inflows.

“Confirmation Item” shall mean approval of an action undertaken prior to the scheduled TC meeting, but included on formal Budget Supplement document as an informational item.

“Department” shall mean the Colorado Department of Transportation pursuant to § 43-1-103, C.R.S.

“Decision Item” shall mean any requested change to the base budget for a pool or a cost center.

"Fund 400" shall mean the State Highway Fund (SHF) which is the primary operating fund administered by CDOT to manage state transportation projects. This fund receives the state's share of HUTF distributions and federal funds. The fund also generates its own revenue, primarily from interest earnings on the fund balance and local government matching funds to federal transportation funding programs.

“Programs” shall mean a logical grouping of similar projects in scope; or small and miscellaneous in nature, typically identified and funded via the Department Budget.

Subject <b>Annual and Project Budgets and Cash Management Principles</b>	Number 703.0
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“Project” shall mean highway or other transportation related improvement activities contained under a single account number in CDOT’s SAP financial management information system.

“STIP” shall mean Statewide Transportation Improvement Program – A federally required, fiscally constrained, program that depicts transportation projects for a minimum of four (4) fiscal years.

“STIP Administrative Modification” shall mean minor changes to project costs, funding sources, or initiation dates. “Substantive” shall be used to mean exceeding the approved amount over a scope, schedule or budget threshold set by the Department’s Executive Director or designee.

“STIP Amendment” shall mean any major change to a project, including addition or deletion, major change to cost, initiation dates, or scope including amending a year into the STIP.

“Supplement” shall mean any change requiring Transportation Commission approval within a program or Budget line, including a decision to fund a project or increase the funding of a project per the Policy Directive guidance.

“TC Approval Required” shall mean project level budget actions, initiated by Department staff requiring Commission approval as part of a budget supplement packet.

"Transaction" shall mean any change or action conducted in the management of the budget, such as any increase, decrease, or movement of funds. Every transaction type is listed and described in each tab of the appendix.

“Transportation Commission” or “Commission” shall mean the Colorado Transportation Commission pursuant to § 43-1-406, C.R.S.

“EMT-Approved List” shall mean a list of projects approved by the EMT for an Annual Program per established processes.

Project Related Transactions

Project Type	Original Construction Budget	Pre-Award Adjustment and Contract Modification Orders			Project Closure Adjustments
		1) Greater than or equal to 15% and greater than or equal to \$500,000; or 2) greater than or equal to \$5,000,000 above the original approved amount	3) 10% or greater and between \$250,000-\$500,000 above the original approved amount; or 2) Less than 15% and between \$500,000 and \$4,999,999 above the original approved amount	1) Less than \$250,000 above the original approved amount; or 2) less than 10% and between \$250,000-\$499,999 above the original approved amount	
<b>Capital Construction</b>					
Asset Management: Surface Treatment, Structures (Bridge On-System, Culverts, Walls, Tunnels, High Mast Lighting), System Operations (ITS Maintenance, Traffic Signals), Geohazard Mitigation	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on EMT-Approved List or Based Upon Program Metrics				
Emergency Relief	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice	
Highway Safety Improvement Program, FASTER Safety Program	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on EMT-Approved List or Based Upon Program Metrics				
Strategic Projects (i.e. SB 17-267, SB 18-001, Pandemic Relief)	TC Approval Required	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on EMT-Approved List				
National Highway Freight Program	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on EMT-Approved List or Based Upon Program Metrics				
Other Capital Construction Programs - Permanent Water Quality Mitigation, Railway-Highway Crossings Program, Hot Spots, ADA Compliance, RPP, Vulnerable Populations	Allotment Advice				
<b>Maintenance and Operations</b>					
Maintenance Program Areas	For all MLOS transactions, including Maintenance Projects, see "Other Transactions"				
Maintenance Reserve	TC Approval Required (Pre-approval of Chair if confirmation item in advance of monthly Commission meeting)				
ITS Investments	TC Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
Other Maintenance and Operations Programs - Property, Road Equipment, Rest Areas, Strategic Safety Program, Real-Time Traffic Operations	Allotment Advice				
<b>Multimodal Services</b>					
Innovative Mobility Program (including RoadX) (Strategic Transit, Multimodal Options)	TC Approval Required	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
Other Innovative or Multimodal Services Programs - Rail Commission, Bustang, Revitalizing/Safer Mainstreets	Allotment Advice				
<b>Suballocated Programs</b>					
Safe Routes to School (Advisory Committee to make Recommendations to the Transportation Commission)	TC Approval Required	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
Transit Grant Programs	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on EMT-Approved List or Based Upon Program Metrics				
Other Suballocated Programs: Aviation	Allotment Advice				
<b>Other Programs</b>					
Other Programs: Safety Education, SPR	Allotment Advice				
Federal Discretionary Grants - State Match	Submittal of Grant does not require Commission Approval. Refer to respective line item of Appendix B for rules governing the state match.				
Federal Discretionary Grants - No State	Allotment Advice				
Local contributions to state projects	Allotment Advice				
<b>Enterprises</b>					
Bridge and Tunnel Enterprise	Enterprise Board Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
High Performance Transportation Enterprise	HPTE Board Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO as well as the Director of HPTE	Allotment Advice	
Clean Transit Enterprise	Enterprise Board Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
Nonattainment Area Air Pollution Mitigation Enterprise	Enterprise Board Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO as well as the Director	Allotment Advice	

## Budget Transactions

Transaction Type	High Risk: TC Review and Approve	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO as well as the Director of HPTE if applicable Report To and Inform TC or Enterprise Board	Low Risk: Staff Manage
<b>Development of Annual Budget</b>			
Annual Budget Allocation Plan	Annual Budget Adoption: November - adopt Proposed Budget March - adopt Final Budget		Allocations based on TC approved Asset Management Planning Budget Allocations based on dedicated revenue sources Allocations based on predetermined schedule or previously approved plan (i.e. debt service, ADA Compliance) Allocations continuing a previously approved prior year level of funding (i.e. RPP, Hot Spots, PWQ, etc.)
Annual Budget Setting Common Policy Changes	Presented as informational	Reviewed annually	
Annual Budget Setting Decision Items	Greater than or equal \$1 million per annum	Less than \$1 million per annum, notable new program costs over \$500k at staff discretion should be provided to the TC as an Information Item	
<b>Year End Roll Forwards</b>			
Year End Cost Center Roll Forwards	Greater than or equal \$1 million per annum	Less than \$1 million per annum	Pre Approved Automatic Rollforward Per Maintained List as Required by Statute, TC Resolution or EMT Approval
Project Debudgets and Year End Pool Balances		Approval of Exemption Requests	Execution of Rollforwards or Retirements per Year End and Project Debudget Policy
Year End Budget Pool Roll Forwards	Reallocation of Funds Between Budget Lines	Review	Execution of Rollforwards or Retirements per Year End and Project Debudget Policy
<b>Budget Amendments and Other Changes</b>			
	<b>Formal Budget Amendments</b>	<b>EMT or Staff Authorized Changes</b>	
Transportation Commission Program Reserve	Individual transactions		
Transportation Commission Contingency Reserve	Individual transactions greater than or equal to \$1 million (Commission Chairperson approval for emergency requests for Confirmation Items) or any transaction not related to emergency repairs or response caused by natural or manmade disasters.	Individual transactions less than \$1 million related to emergency repairs or response caused by natural or man made disasters.	
Maintenance Reserve	Individual transactions greater than or equal to \$1 million for items other than Snow and Ice and Wildfire Reimbursements	Snow and Ice and Wildfire Reimbursements require EMT approval. Report monthly to Transportation Commission	
New Revenue Sources, Previous Year Revenue Reconciliation, Change in Revenue Estimates Impacting Current Year Budget, and Federal Redistribution	N/A	New transfers of General Fund resulting from legislation that are allocated to the Strategic Projects line.	Dedicated/Inflexible Fund Types Allocated to Associated Programs Flexible Fund Types Allocated to TC Reserve for Future Distribution or Reduction
Allocation of Federal Discretionary Grants	N/A	N/A	Project Specific Allocations to Associated Regions
Additional Local Contributions	N/A	N/A	Allocated to Regional Local Overmatch Program
Transfers to/from Other States or Federal Agencies	N/A	N/A	Dedicated/Inflexible Fund Types Allocated to Associated Programs
Transfers between Budget Line Items	Individual Transfers >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000 or any transfer to and from the Property Management Pool for controlled maintenance or approved building improvements, <b>or transfers to and from Strategic Safety for approved program initiatives and projects.</b>
<b>Other Budget Transfers</b>			
MLOS Cost Centers Transfers	Transfers of MLOS funds to cost centers outside of MLOS >= \$1,000,000	Budget transfers across regions and requires additional DMO approval  Individual transfers of MLOS funds to cost centers outside of MLOS >=\$250,000 require additional DMO approval	Individual transfers across sections within the same region <\$250,000 Staff Only  Individual transfers across sections within the same region >=\$250,000 require additional DMO approval  Individual transfers of MLOS funds to cost centers outside of MLOS <\$250,000 require additional DMO approval
Increases to Indirect Costs <b>or Construction Engineering (CE)</b>	Increases or new requests > \$1,000,000	Increases or new requests >= \$250,000	Increases or new requests < \$250,000



## Other Transactions

<b>Transaction Type</b>	<b>High Risk: TC Review and Approve</b>	<b>Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO as well as the Director of HPTE if applicable Report To and Inform TC or Enterprise Board</b>	<b>Low Risk: Staff Manage</b>
Capital Development Committee		Any requests made to the CDC	
Cash Balances and Revenue Forecasts	Periodic Risk Assessment cash balance threshold	Monthly Cash Memo	Evaluate construction lettings each month
Commercial Loans	Change that will trigger a loan and require Legislative Authority		Payment schedule included in quarterly and annual reports
Federal Funds Transfers		Transfers between fund types per 23 U.S. Code § 126	Transfers to/from other states for research projects or federal agencies such as FTA.
Full Time Employee Requests	Increasing the total # of CDOT FTE's		Filling existing vacancies or Reclassifying to best meet business needs
Maintenance Projects (M Projects)	State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing in excess of \$50,000 up to \$150,000	Emergency projects within Maintenance budget	State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing less than \$50,000
Use of Toll Credits		Review Annual Statement of Toll Credit Earnings and Use Provide strategic/programmatic direction	Execution of actions per strategic/programmatic direction
		Individual Use >=\$250,000 beyond preapproved strategy	Individual Use < \$250,000 beyond preapproved strategy
STIP	STIP Amendments no less than annually	Quarterly analysis of fiscal constrained project schedule	Administrative Modifications

Cash Management

Cash Balance Thresholds																																										
<b>Confidence Level</b>	0.1% = 1/1,000																																									
<b>Cash Balance Values</b>	Low = \$160M Nov-Dec-Jan	Average = \$205M Aug	High = \$300M Jun																																							
<b>Calendar Year Distribution 2016-2019</b>	<p>Cash balance threshold values to be incorporated into the Fund 400 Forecast Model to identify risk points.</p> <table border="1"> <caption>Cash Balance Thresholds Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Minimum (\$ Millions)</th> <th>Annual Average (\$ Millions)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>160</td><td>205</td></tr> <tr><td>Feb</td><td>170</td><td>205</td></tr> <tr><td>Mar</td><td>180</td><td>205</td></tr> <tr><td>Apr</td><td>230</td><td>205</td></tr> <tr><td>May</td><td>280</td><td>205</td></tr> <tr><td>Jun</td><td>300</td><td>205</td></tr> <tr><td>Jul</td><td>250</td><td>205</td></tr> <tr><td>Aug</td><td>210</td><td>205</td></tr> <tr><td>Sep</td><td>190</td><td>205</td></tr> <tr><td>Oct</td><td>170</td><td>205</td></tr> <tr><td>Nov</td><td>160</td><td>205</td></tr> <tr><td>Dec</td><td>160</td><td>205</td></tr> </tbody> </table>			Month	Monthly Minimum (\$ Millions)	Annual Average (\$ Millions)	Jan	160	205	Feb	170	205	Mar	180	205	Apr	230	205	May	280	205	Jun	300	205	Jul	250	205	Aug	210	205	Sep	190	205	Oct	170	205	Nov	160	205	Dec	160	205
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Jan	160	205																																								
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Apr	230	205																																								
May	280	205																																								
Jun	300	205																																								
Jul	250	205																																								
Aug	210	205																																								
Sep	190	205																																								
Oct	170	205																																								
Nov	160	205																																								
Dec	160	205																																								
Management Process																																										
	Deliverables	Reporting																																								
Fund 400 Forecast Model data management. Input of current month expenditure, drawdown and revenue data.	Final and closed forecast model each month  Completed variance analysis	Monthly - 48 month forecast chart of cash balance projection to cash balance thresholds. Identification of risks, if any.																																								
Identification of risk points in the 48 month forecast chart; and analysis and variance reconciliation.	Risk identification	Annually/As Needed - Report on the effectiveness of management process and practices, any recommendations for process changes, or changes to thresholds.																																								





**COLORADO**

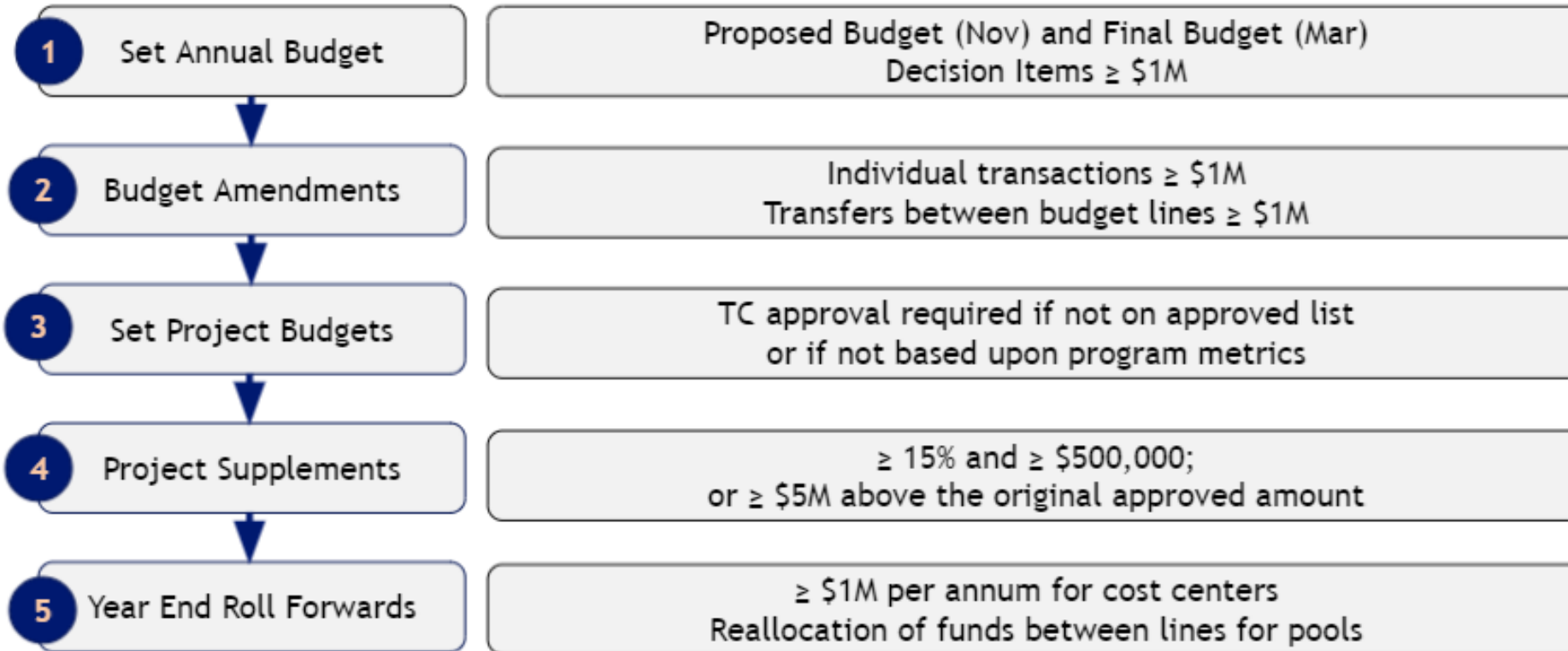
Department of Transportation

# July 2021 Proposed Changes to Policy Directive 703.0



# Policy Directive 703.0 Purpose

- “The Commission will focus on substantive budget matters, i.e. those budget matters that involve material change or significant risk and will exercise oversight on routine budget matters.”



• “Transportation Commission Approval will be required only when a transaction represents a high or substantial risk. Moderate or low risk items may be approved by the Executive Management Team or Staff level authority, respectively.”





# PD 703.0 Appendix Structure

Project Transactions	Annual Budget Transactions	Other Transactions	Cash Management
Capital Construction	Development of Annual Budget	Capital Development Committee	Fund 400 Forecast model, deliverables, and reporting
Maintenance and Operations	Year End Roll Forwards	Cash Balances and Revenue Forecasts	
Multimodal Services	Budget Amendments and Other Changes	Commercial Loans	
Sub-allocated Programs	Other Budget Transfers	Federal Funds Transfers	
Other Programs		FTE Requests	
Enterprises		Maintenance Projects	
		Use of Toll Credits	
		STIP	



# Enter the Matrix

3 of the 4 Appendices are formatted into easy to use matrices that assist staff to determine the level of approval for a given action:

## Annual Budget Project Budget Other Transactions

Event Type	High Risk: TC Review and Approve	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO Report To and Inform TC	Low Risk: Staff Manage		
STIP	STIP Amendments no less than annually	Quarterly analysis of fiscal constrained project schedule	Administrative Modifications		
Capital Development Committee		Requests made to the CDC using quantitative metrics			
4-year Program of Projects and Corresponding Budget (see Project Related Transact.)	Acceptance of Asset Management Program, Integrated Safety Plan and Programs of Project Lists	Quarterly report of allotments to projects	Locally and Regionally administered programs;		
Cash Balances and Revenue Forecasts	Project Type	Pre-Award Adjustment and Contract Modification Orders (to the currently approved project budget)			Project Closure
Revenue-Based Budget		Initial Project Funding	Greater than or equal to 15% and greater than or equal to \$500,000 or greater than or equal to \$5,000,000 above the original approved amount	Between 10%-15% or between \$250,000-\$500,000 above the original approved amount	
Common Policies	2013 Emergency Relief and Permanent Repairs				
Decision Items	Emergency Requests (from the Transportation Commission Contingency Relief Fund or other programs)				
Cost Center Roll Forwards	Non-emergency Transportation Commission Contingency Reserve Fund Requests				
Budget Pool Roll Forwards	Asset Management Programs: Geohazard, Tunnels, Walls, Bridge On-System, Culverts, Surface Treatment, Property Management, Road Equipment, ITS-Replacement, Signals Replacement (including RAMP.)	TC Approval Required if Approved List or if not Based Program Metrics			
Project Budgets (see Project Related Transactions)	Maintenance Levels of Service	Allotment Advice if Transportation Comm Approved List or Based Program Metrics			
Cash-Based Expenditures	Transportation Systems Management & Operations - New Capital				
Transaction Type	High Risk: TC Review and Approve	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO as well as the Director of HPTE if applicable Report To and Inform TC or Enterprise Board	Low Risk: Staff Manage		
FTE Requests	Increasing the total # of CDOT FTE's	Salary cap relief	Filling existing vacancies or Re-classifying to best meet business needs		
Commercial Loans	Change that will trigger a loan and require Legislative Authority		Payment schedule included in quarterly and annual reports		
Transportation Commission Loans	TC Approval Required for any loan from the Commission				
Transfers between budget lines	TC Approval Required for current year funds	Reclassifications of previous FY funds to RAMP			
Budget Pool Level Transfers between Regions and/or HQ	Regional Priorities Program and 7th Pot	See Project 4 Year Budget for Quarterly report of allotments to projects to include Statewide administered programs (e.g. Asset Management programs, TSM&O, Safety)	Local administered programs (e.g. CMAQ, TAP, Metro)		
Transfers between cost centers and program pools	Total Year to Date >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000		
Transfers between Capital and Operating Budget or Personal Services	Total Year to Date >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000		
Transfers between Personal Services and Operating Budget		Individual Transfers >= \$250,000	Individual Transfers < \$250,000		
Increases to Indirect Costs		Increases >= \$250,000; Division of Accounting and Finance required to evaluate increase in costs impact to overall Indirect Cost Rate prior to approval	Increases < \$250,000		
Aeronautics	Allocations for administrative costs				
MLOS	Annual Budget including Maintenance Program Areas	Budget transfers across regions	Budget transfers across sections or program areas within a region		
Maintenance Projects (M Projects)	State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing in excess of \$50,000 up to \$150,000	Emergency projects within Maintenance budget; Year end roll forwards	State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing less than \$50,000		
Earmarks and Federal discretionary funds	Application requiring state match not available from current program	State match is available, though project requires additional funds for completion, reference guidelines for other funds	Application requiring no state match		
Other Programs (Administration & Operations)	To be reviewed on a biennial basis beginning in FY16 (FY 2015 total budget allocation of \$276,507,411)				
Transportation Commission Transition Fund	>= \$1,000,000	< \$1,000,000			
Contingency Funds	Any use of Transportation Commission Contingency Reserve Fund and Snow and Ice Contingency Reserve	Project contingencies allotted in projects but managed collectively (eg: program contingency) (requires dual signature)	Project contingency as part of approved project budget		



# Cash Management

Cash Balance Thresholds																																										
Confidence Level	0.1% = 1/1,000																																									
Cash Balance Values	Low = \$160M Nov-Dec-Jan	Average = \$205M Aug	High = \$300M Jun																																							
Calendar Year Distribution	2016-2019																																									
Cash balance threshold values to be incorporated into the Fund 400 Forecast model to identify risk points.	<table border="1"> <caption>Cash Balance Thresholds Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Minimum (\$ Millions)</th> <th>Annual Average (\$ Millions)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>160</td><td>205</td></tr> <tr><td>Feb</td><td>170</td><td>205</td></tr> <tr><td>Mar</td><td>180</td><td>205</td></tr> <tr><td>Apr</td><td>230</td><td>205</td></tr> <tr><td>May</td><td>280</td><td>205</td></tr> <tr><td>Jun</td><td>300</td><td>205</td></tr> <tr><td>Jul</td><td>250</td><td>205</td></tr> <tr><td>Aug</td><td>210</td><td>205</td></tr> <tr><td>Sep</td><td>190</td><td>205</td></tr> <tr><td>Oct</td><td>170</td><td>205</td></tr> <tr><td>Nov</td><td>160</td><td>205</td></tr> <tr><td>Dec</td><td>160</td><td>205</td></tr> </tbody> </table>			Month	Monthly Minimum (\$ Millions)	Annual Average (\$ Millions)	Jan	160	205	Feb	170	205	Mar	180	205	Apr	230	205	May	280	205	Jun	300	205	Jul	250	205	Aug	210	205	Sep	190	205	Oct	170	205	Nov	160	205	Dec	160	205
Month	Monthly Minimum (\$ Millions)	Annual Average (\$ Millions)																																								
Jan	160	205																																								
Feb	170	205																																								
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May	280	205																																								
Jun	300	205																																								
Jul	250	205																																								
Aug	210	205																																								
Sep	190	205																																								
Oct	170	205																																								
Nov	160	205																																								
Dec	160	205																																								
Management Process																																										
	Deliverables	Reporting																																								
Model Team																																										
Responsible for the Fund 400 Forecast Model data management. Input of current month expenditure, drawdown and revenue data.	Final and closed forecast model each month.	<b>Monthly</b> - For CDOT internal review - 36 month forecast chart of cash balance projection to cash balance thresholds. <b>Annually</b> - For TC review - Assessment report on any recommended Management process changes. <b>Annually</b> - For TC review - Assessment report on the effectiveness of management process and practices.																																								
Cash Balance Team																																										
Responsible for identification of risk points in the 36 month forecast chart; and analysis and variance reconciliation.	Action recommendation to manage risk points and analysis.	<b>Monthly</b> - For CDOT internal review - Recommendation report that outlines risk and high level analysis findings. <b>Annually</b> - For TC review - Assessment report on any recommended Management process changes.																																								
Action Team																																										
Responsible for evaluating the action recommendation. Identification of possible actions to projects, asset programs or regions that address the action recommendation.	Issuance of direction to execute appropriate actions from team evaluation.	<b>Monthly</b> - For CDOT internal review - Report of evaluation and actions taken to manage forecast model risk points.																																								

The 4th Appendix details Cash Management items.

- Deliverables include:
  - Final and closed forecast model each month
  - Action recommendation to manage risk points and analysis
  - Issuance of direction to execute appropriate actions from team evaluation



# What is NOT Changing

August 2021

This month the Division of Accounting and Finance recommends various updates to the document. These changes can be considered relatively minor “housekeeping”. A REDLINE version of the PD is in the packet to reference these proposed changes.

First, what is not changing:

- Written narrative
- Types of transactions the document covers
- Project transaction thresholds, such as:
  - **High Risk** - Greater than \$500k approved by TC (via the monthly Amendment or Supplement)
  - **Moderate Risk** - Between \$250k-\$500k approved by EMT (via electronic signature)
  - **Low Risk** - Less than \$250k approved by Staff (via SAP when applicable)



# What IS Changing

## What is changing:

- Updating some of the programs listed in the document, for example:
  - Remove reference to discontinued RoadX program
  - Add reference to Pandemic Relief, Vulnerable Populations, Revitalizing/Safer Mainstreets (and grouping them with similar programs)
- Reflect new and changing Enterprises:
  - Rename Bridge Enterprise to Bridge and Tunnel Enterprise
  - Add Clean Transit Enterprise and Nonattainment Area Air Pollution Mitigation Enterprise
  - Respective new Enterprise Boards are responsible for High Risk approvals consistent with other Enterprises
- Allow for transfers between programs as Staff approval if those activities are still part of the program's original goals or responsibilities, for example:
  - Transfers between the Strategic Safety program and Maintenance lines of the Budget when the execution of activities such as striping are handled via the Maintenance Cost Centers
- Apply the same decision thresholds for “Construction Engineering” changes as was previously approved for Indirect Cost changes.





# COLORADO

## Department of Transportation

Office of Policy and Government Relations

2829 W. Howard Place  
Denver, CO 80204-2305

**DATE:** August 18, 2021  
**TO:** Transportation Commission  
**FROM:** Mike Goolsby, Glenwood Canyon Incident Commander  
**SUBJECT:** Glenwood Canyon Update

---

### Purpose

Provide the Transportation Commission with an update on the status of Glenwood Canyon due to mudslides in the Grizzly Creek burn scar area.

### Action

No action.

### Background

Due to the Grizzly Creek fire last summer, Glenwood Canyon has been vulnerable to mudslides during rain events. This year's monsoon season has repeatedly resulted in significant rainfall throughout the month of July, resulting in catastrophic mudslides and debris flow. Throughout the month of July, CDOT has worked with the National Weather Service and local agencies to monitor weather conditions and preemptively close the canyon when rain was likely. CDOT's number one concern has been safety, keeping both the traveling public and CDOT crews safe from harm should a slide occur.

The week of July 26<sup>th</sup>, rainfall increased, causing major slides, flooding and debris flows that have made opening the canyon to travelers impossible. Despite best efforts to anticipate rain and clear I-70 before the storms occur, over 100 people were stranded in the canyon overnight on Thursday, July 29<sup>th</sup>. All staff and motorists were evacuated safely on Friday. Unfortunately, on top of the rain and major slides on Thursday, four more inches of rain fell over the weekend, resulting in significantly more damage to the roadway and depositing mud and rocks that are 10 to 15 feet deep in some areas. Typically, Glenwood Canyon receives 2.4 inches of rain in July.

### Current Status

Glenwood Canyon has remained closed since July 29<sup>th</sup> while crews continue to remove debris and assess damage. Assuming the weather holds, one lane each direction will open to motorists on Saturday, August 14<sup>th</sup>. Three areas of the roadway have structural damage, most significantly the cantilevered section west of the Hanging Lake Tunnel, which has been sheared off. Removing debris is also challenging. On Tuesday, August 3<sup>rd</sup> alone, 500 truckloads were removed, but this is only a small dent in the overall task. Daily removal of debris has continued, with daily loads now in the 100 to 200 truckload range. Some of the boulders that covered the roadway were too large to be removed intact. Explosives were used to demolish the boulders into smaller pieces and then removed. Crews are hauling the debris to either end of the Canyon. The governor has declared a state of emergency and on August 8, 2021, Governor Polis requested \$116 million in emergency aid from the Federal Highway Administration (FHWA). Just one business day later, the FHWA announced it will release \$11.6 million, or 10% of the total request, through its quick-release process.



The impacts of the mudslides go far beyond those to the roadway. The amount of debris in the Colorado River is overwhelming water treatment capabilities for Glenwood Springs. Additional travel time the alternate routes impose has significant impacts on businesses on the Western Slope and tourism-based communities. Impacts are also being experienced by communities along the detour routes that typically have much lower traffic volumes and road usage. CDOT has resumed Bustang service, utilizing a detour route (I-70 to Highway 131 (Wolcott) north to Steamboat Springs, west on US 40 to Craig, south on Highway 13 to Rifle to rejoin I-70). The detour increases the travel time approximately four hours.

#### Glenwood Canyon Incident Command (IC)

On August 5, 2021, Director Lew formed the Glenwood Canyon Incident Command in order to focus the department on recovering from the devastation as quickly as possible. Region 3 Director Mike Goolsby will lead this charge as the Incident Commander, assisted by Deputy Chief Engineer Keith Stefanik. While Mr. Goolsby serves as the incident commander, Jason Smith will serve as acting Region 3 RTD until the IC is disbanded. With the creation of the IC, all CDOT employees and consultants working on the recovery in any way will work through the IC, including:

- Visiting areas of the Glenwood Canyon site that are closed to the public and conducting tours of the site;
- Developing public materials including press releases, social media posts, or other content related to the event, as well as conducting outreach to key stakeholders. This includes interagency coordination;
- Requesting resources on behalf CDOT;
- Incurring expenses related to response and recovery. This includes but is not limited to procurement decisions, purchase orders, and expenses incurred by P-Card; and
- Offering design, delivery, or operational recommendations related to any aspect of the project.







# CDOT I-70 Glenwood Canyon Update

## Transportation Commission

August 18, 2021







# Background

Due to the Grizzly Creek fire last summer, Glenwood Canyon has been vulnerable to mudslides during rain events.

This year's monsoon season resulted in significant rainfall throughout the month of July, resulting in catastrophic mudslides and debris flow.

CDOT's number one concern has been safety, keeping both the traveling public and CDOT crews safe from harm should a slide occur.





# Impact of the 2021 Monsoon



Glenwood Canyon typically receives an average 2.4 inches of rain in July.

Over the course of five days, more than 4 inches of precipitation fell on the burn scar area.





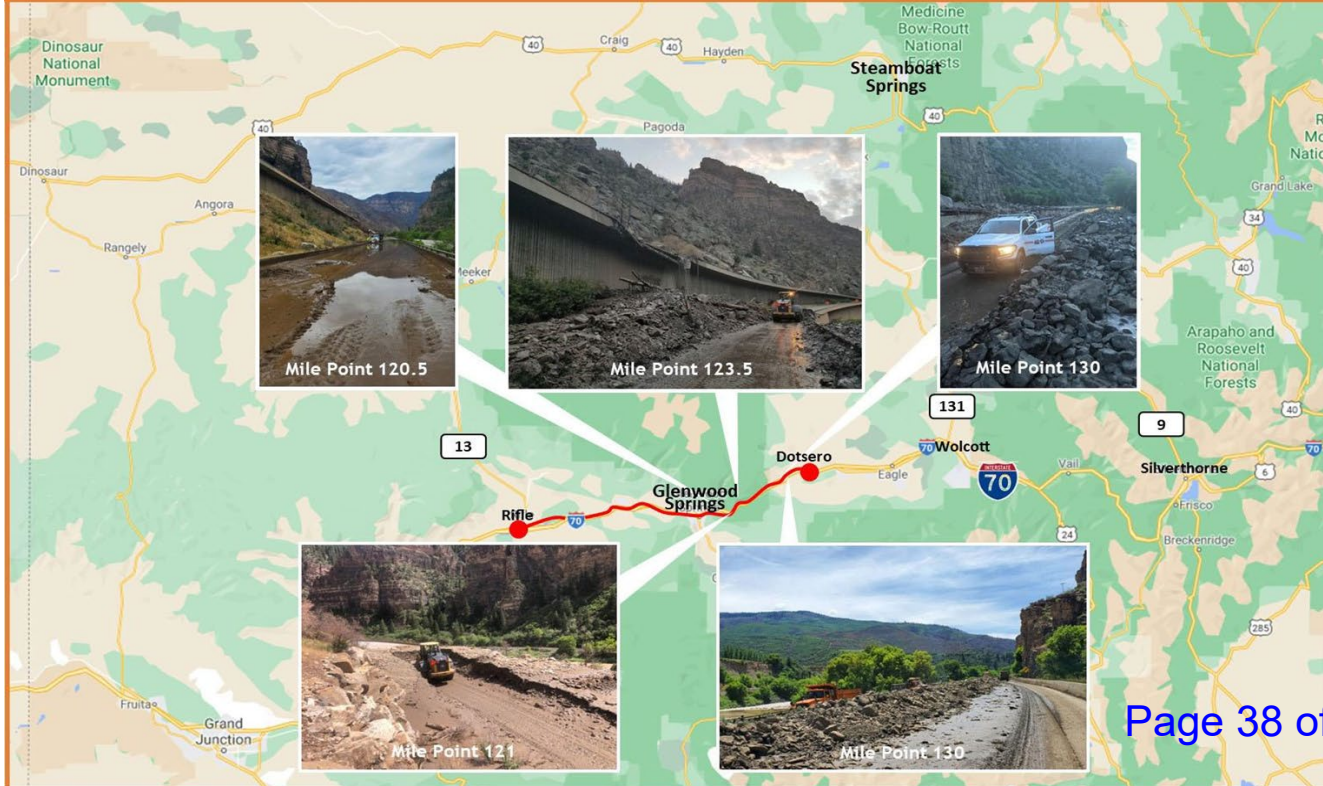


# Significant Slide Locations

## I-70 Glenwood Canyon Closure: Heavy Damage between Rifle and Dotsero



COLORADO  
Department of Transportation



# Damage to Viaduct



Portions of the westbound viaduct sustained infrastructure damage from debris flows and boulders. Debris has also caused flooding in lower eastbound lanes.









# Roadway Damage





# Mudflow on the Surfaces



Large swaths of highway have been buried in mud and debris.





# Debris Removal Efforts

Thousands of truckloads of debris have been removed from the canyon. Maintenance and technical staff from the entire state are supporting this effort.





# Debris Removal Efforts



Explosives were used to demolish the boulders in order to remove from the canyon







# Glenwood Canyon Incident Command (IC)



On August 5, 2021, Director Lew formed the Glenwood Canyon Incident Command in order to focus the department on recovering from the devastation as quickly as possible.

Region 3 Director Mike Goolsby named Incident Commander, assisted by Deputy Chief Engineer Keith Stefanik.

Jason Smith was named acting Region 3 RTD and will continue in that role until the IC is disbanded.





# State of Emergency



Governor Polis declared a state of emergency. \$116 million in federal emergency funding was requested, FHWA approved \$11.6 million almost immediately through their quick-release process.

The state Unified Command has been activated allowing other state agencies to help support recovery efforts, traffic control on detour routes and the clean up of the Colorado River.

The state is preparing a request to President Biden for FEMA support under the Stafford Act to help fund various recovery efforts that are not highway related.



# Focus on Reopening to Motorists

Material removal and culvert cleaning continues. Super sacks are being filled with material from the slides and placed to help protect infrastructure against future debris flows.

Hundreds of truck loads of material are being hauled out of the canyon a day.

An emergency contractor has been secured and begun working to repair damage sites and prepare them for traffic.

Significant partner coordination is ongoing with Xcel, Union Pacific, Forest Service, Army Corp of Engineers, and others.

Governor Polis observed the recovery progress on August 11 and was able to announce an expected Saturday afternoon (Aug 14) re-opening of one lane each direction barring any additional weather delays.





**DATE:** August 18, 2021  
**TO:** Transportation Commission  
**FROM:** Rebecca White, Director, Division of Transportation Development  
**SUBJECT:** Senate Bill 110 Revitalizing Main Streets Opp 1 Grant Awards

Purpose

In March 2021, staff provided an update on how Senate Bill 21-110 (SB 110) - \$30 million stimulus funding for Safe Revitalization of Main Streets - would be advertised and awarded. This funding is used for two grant opportunities, larger safety infrastructure grants (\$22M) and smaller economic resiliency grants (\$8M).

This memorandum outlines the projects that have been selected for award for the larger safety infrastructure grants.

**Commented [1]:** Needs to add information about SB 260 funding... I'm not sure on those details.

Action

No action is required. Information only.

**Commented [2]:** If we roll the NOFO into this, I think this will change...

Background

In March 2021, Governor Polis signed Senate Bill 21-110 providing \$30 million additional stimulus funding for Safe Revitalization of Main Streets. \$8 million was used to continue the small dollar Revitalizing Main Streets grant program CDOT launched in June 2020 and \$22 million was used to launch the statewide larger safety infrastructure grant program.

Applications for the larger grant opportunity opened on April 4, 2021 after two statewide, virtual pre-application workshops and closed on May 14, 2021. Seventy-two applications were submitted from large and small communities all across the state, exceeding staff expectations for the anticipated interest in this funding opportunity.

Details

A CDOT committee scored the applications and recommended 16 projects for award, totaling \$20.68 million. These projects scored well based on the evaluation criteria of safety, promotion of active transportation, readiness of implementation, funding need, diversity of funding, economic revitalization benefits, public support, and local match. Regional equity was considered when recommending a final list of awards.

The committee was impressed with the level of interest, number of submitted applications, and overall quality of applications that were received.

### Timeline and Next Steps

#### August:

- Issues Award Letters for Round 1 Funding
- Receive Approval of NOFO for Round 2 Grant Awards
- Issue NOFO for an additional round of funding

#### September:

- Applications due; new applications or resubmittals

#### November:

- Award Round 2 Projects

### Attachments

RMS Opportunity 1 Recommended Grant Awards





**COLORADO**

Department of Transportation

# Revitalizing Main Streets August 2021





# The Revitalizing Main Streets Re-Launch

CDOT is using SB 110 funds to relaunch these grant programs under the single banner of **Revitalizing Main Streets**.

**~\$8M allocated via small grants (\$150k or under)** to projects that help communities implement COVID mitigation measures and make temporary and permanent infrastructure improvements.

- The current program has approximately \$900,000 remaining meaning the total available is closer to \$9M.
- Overall emphasis and rolling application process would remain the same.

**~\$22M distributed via large grants (up to \$2M)** for projects that improve safety and increase active transportation options.

- Takes basic concept of original Safer Main Streets and expands it statewide while incorporating lessons learned from metro-area program.





# Opp 1 Grant Overview

## Larger Safety Infrastructure Grants:

- Capital Projects up to \$2M
- \$22 million available funding
- 2 Pre-Application Workshops
- Applications opened on April 4, 2021 and were due by May 14, 2021
- 72 Applications were submitted
- Applications reviewed by a committee of CDOT Regional and HQ staff.

## Eval Criteria:

- Safety Improvement (30%)
- Active Transportation (10%)
- Readiness (10%)
- Funding Need (10%)
- Diversity of Funding (10%)
- Economic Impacts (10%)
- Public Support (10%)
- Local Match (10%)



# Awarded Projects

- **16 Projects will be awarded in Round 1**
  - **Include list?**



# Funding Recommendation

- 72 Applications were submitted; totaling \$95M in requested funding
  - Applicants represent large and small communities across Colorado
- SB 260 has allocated additional funding for the RMS program. Using some of those funds now, CDOT would deliver much-needed projects across Colorado without burdening local jurisdictions with an additional call for projects.
  - Front-load \$\$\$\$\$ RMS funding from SB 260
  - Release an updated NOFO in August 2021
  - Allow jurisdictions to resubmit their old application after reviewing the new NOFO (One application allowed per jurisdiction)
  - New applications will be accepted





# Proposed Revision to Evaluation Criteria

## Eval Criteria:

- Safety Improvement (%)
- Active Transportation (%)
- Readiness (%)
- Funding Need (%)
- Diversity of Funding (%)
- Economic Impacts (%)
- Public Support (%)
- Local Match (%)



**DATE:** August 18, 2021  
**TO:** Transportation Commission (TC)  
**FROM:** Nathan Lindquist, Land Use Planner/Analyst, DTD  
Rebecca White, DTD Director  
**SUBJECT:** Revitalizing Main Streets Listening Tour

**Purpose**

This memo explains the purpose and lessons learned from the Revitalizing Main Streets Listening Tour.

**Action**

N/A

**Background**

The Revitalizing Main Streets Program began in Fall 2020 in response to the COVID19 pandemic. Through this program, CDOT was able to support downtown businesses and active transportation through small grants that were quickly awarded. The program expanded in March 2021 with \$30M in stimulus funding. Grant applications are being reviewed now for these dollars.

With the permanent establishment of this program under SB260 (\$85M in funding over 10 years), Executive Director Lew saw the importance of visiting communities and learning what worked, what didn't, and how the program can support safety and downtown revitalization more broadly in the coming years. The CDOT team initiated the "Walking Down Main Street" Listening Tour in May and June 2021 to hear the challenges and opportunities of cities and towns across the state.

What we found is that the work being done by cities and towns throughout Colorado is impressive. This will not come as a surprise to TC members. In this time of significant housing challenges, many are working to add housing to downtowns. Other communities have an economic revitalization focus. For everyone we spoke with, transportation infrastructure is an important component to making downtowns work.

With the Revitalizing Main Streets program, CDOT has an opportunity to coordinate multimodal investments with the downtown visions of local jurisdictions. Downtown success can in turn increase multimodal options for residents, reducing VMT, and improving air quality. The attached Framing Paper discusses several ways CDOT can help communities, especially smaller and rural communities, with identifying and funding downtown projects that meet their vision for success. These visions are diverse, and we hope to meet each community where they are. We look forward to hearing TC members' feedback on this.

**Next Steps**

CDOT staff will provide updates and seek feedback as the Revitalizing Main Street Program progresses and throughout the land use stakeholder process.

**Attachments**

Revitalizing Main Streets Tour Presentation  
Framing Paper for Revitalizing Main Streets





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Department of Transportation

# Revitalizing Main Streets Program

## "Walking Down Main Street" Listening Tour

August 18, 2021



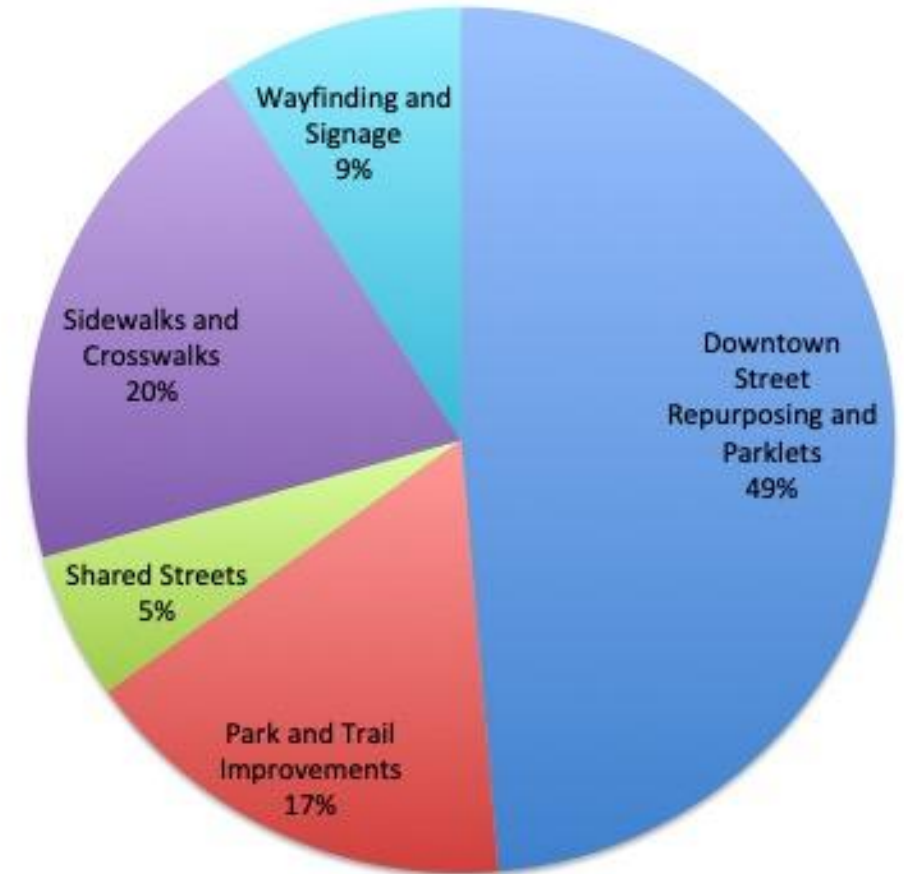


## Since Fall 2020 the RMS Program has:

- Awarded 109 "Opportunity 2 small grants" to 76 communities
- Received 72 applications for larger Safer Main Streets grants (total \$96M requested)
  - \$22M in awards announced in August
- Received future allocations from SB 260 of \$85M

How should CDOT structure the program in the future?

Small Grant Project Types





# "Walking Down Main Street" Listening Tour

**Director Lew and staff visited 20 communities in May and June of 2021.**

**Purpose:**

- Hear about downtown opportunities and challenges
- Discuss collaboration: How can the RMS program integrate CDOT multimodal investments with local downtown visions?

**Why is CDOT focused on downtown partnerships?**

- Successful downtowns can help the functioning of the transportation system by locating housing and jobs near multimodal options
- This can reduce congestion and air pollution.
- Initial costs of downtown infrastructure to support downtown housing/jobs can be high, but long-term benefits are attractive





# What We Heard

## Enthusiasm for the Revitalizing Main Streets Program is high.

- Downtown revitalization continues to be a major focus for communities
- Each community is different
- Overall, the work being done by locals is impressive

## Specific areas where RMS can assist with downtown visions:

- a. Help identify in what circumstances temporary pedestrian and outdoor dining spaces become permanent
- b. Basic bike/ped improvements on Main Streets
- c. Multimodal infrastructure is needed in several situations:
  - new housing in downtowns
  - suburban communities building new downtowns
  - aging commercial development converting to residential uses
  - providing safety for all modes of travel







# Case Study: Pueblo

- Pueblo's goal is to connect its downtown assets with streetscaping and multimodal infrastructure
  - Arkansas Riverwalk
  - Union Ave/Main Street
  - River trails
  - Historic Train Depot
- Spur new downtown housing through brownfields study
- Leads to economic revitalization





# Case Study: Broomfield

- Broomfield has identified three areas in the community where new downtowns or Transit Oriented Developments (TODs) can be developed
- As these areas develop, need to connect to transit and multimodal infrastructure



Rendering of Broomfield Town Square development





# Case Study: Wellington

- Downtown Wellington has a critical need for basic sidewalk and ADA improvements
- Bedroom community for Fort Collins
- Lack sales tax revenue to fund improvements locally







# What We Heard

## State highways that serve as "Main Streets" are a rising focus area

- State highways historic purpose is freight and through-traffic
- More downtown housing and pedestrian-oriented businesses = desire for walkable urban environment.
- Balancing these needs is key





# Case Study: Alamosa

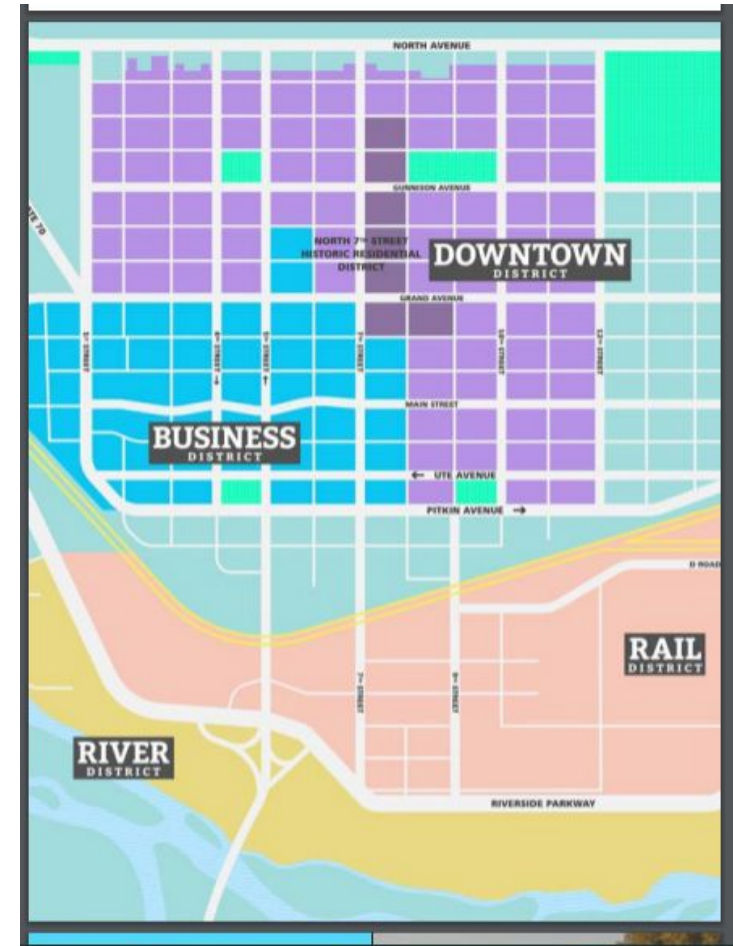
- Won Governor's Award for Downtown Plan
- Impressive community outreach and support
- First step is restriping US 50
- Next step is design and construction of permanent improvements
- Local funding is constrained





# Case Study: Grand Junction

- Recently completed a Downtown Master Plan update
- Vision is to extend downtown from Main Street to Colorado River
- City is investing in downtown assets
- CDOT is partnering with Mobility Hub grant and I-70B design to accommodate peds/bikes







# Case Study: Centennial

- The developer of Southglenn in Centennial is seeking to transition from defunct commercial to new residential
- Opportunity to connect new residents to transit and multimodal along University Blvd and Arapahoe (both state highways)





## **Growth pressures and housing shortages are a major factor across the state.**

- Citizens wary of speed of change
- Downtowns can be a part of the solution with public support
- Many cities have adapted zoning codes to encourage denser development in specific areas
- Goal of limiting impacts on most established neighborhoods.



# Case Study: Colorado Springs

## Colorado Springs has encouraged new downtown housing development through a market-friendly approach

- Downtown zoning code that encourage density and reduce parking minimums
- Public investment in amenities
- Partnerships with the downtown business community



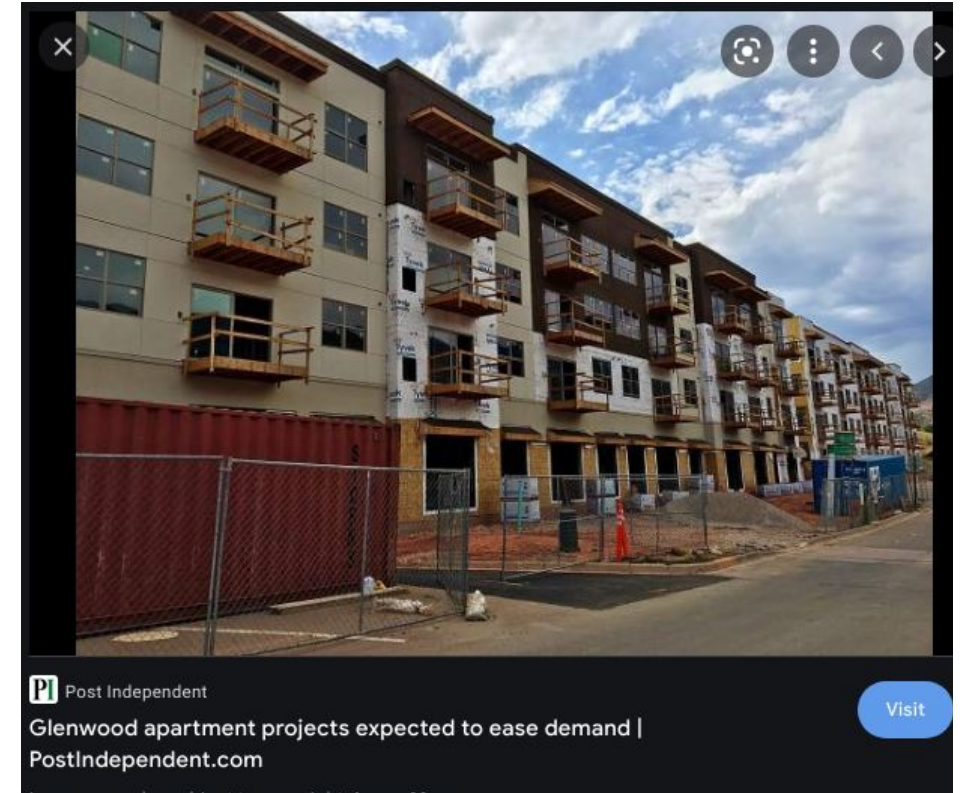




# Case Study: Glenwood Springs

## Glenwood Springs has high demand for new housing and limited areas to provide supply

- Geographic constraints
- Congestion on Hwy 82 from commuting workers
- Workforce housing in-town is needed
- Multi-family housing often controversial
- City has been proactive in addressing problem and working with community to find a balance





# Possibilities Moving Forward

## **1. Learn to institutionalize innovations that work.**

- Set aside future RMS funding for technical assistance in addition to small grants and large grants
- Use forthcoming Main Streets RFP to collaborate with communities
- Identify projects on state highways through collaborative processes
- Continue to test temporary street configurations in the field

## **2. Convene partners to collaboratively develop the next round of large grant criteria.**

- How does the project spark downtown revitalization and economic vitality
- What local policies support downtown revitalization
- Housing strategies
- Transportation strategies



# Recommendations Moving Forward

- 3. Work with DOLA and CEO to align grant criteria for transportation, housing, and infrastructure programs.** American Rescue Plan funding offers a significant opportunity to work with communities that seek to build new housing near transit and multimodal infrastructure
  
- 4. Convene conversations where locals are interested in regional collaboration**
  
- 5. Investigate the link between the transportation system's fiscal sustainability and downtown success**





## CDOT Revitalizing Main Streets Program

# Revitalizing Main Streets



Activating Colorado's downtowns, partnering with towns and cities, and looking toward the future





# EXECUTIVE SUMMARY

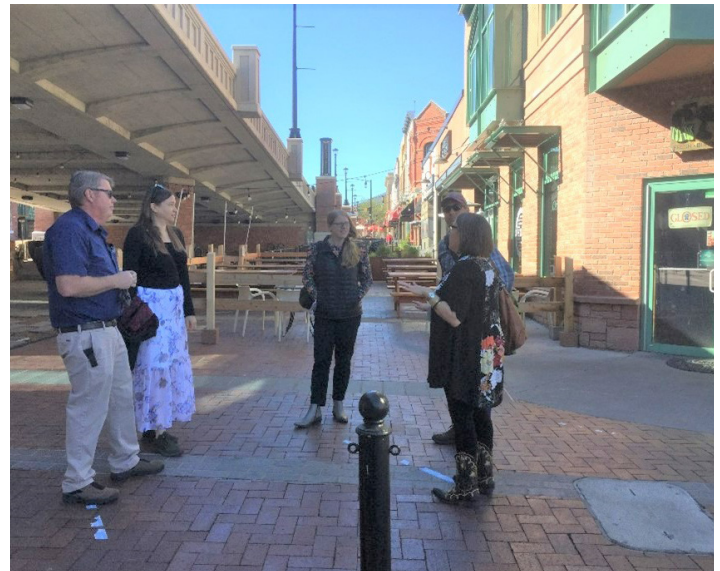


In June 2020, the Colorado Department of Transportation launched the Revitalizing Main Streets Program to support vibrant neighborhoods, active transportation, and downtown businesses during the pandemic. The program has provided more than 100 grants to 76 communities across Colorado, distributing \$6,870,380 as of summer 2021. Local jurisdictions submitted applications on a rolling basis and received notification of award within a few weeks. From outdoor dining patios, to sidewalk rehabilitation, pedestrian wayfinding signage, and bicycle infrastructure, the creativity by cities and towns was impressive and crucial to ensuring downtowns thrived during the last year.

In May 2021, the program expanded to incorporate the Safer Main Streets grant program, with larger grant awards of up to \$2 million. Local jurisdictions submitted 72 grant applications. These grants are currently being reviewed by the selection committee, with awards expected in late summer 2021.

## MOVING FORWARD:

CDOT hopes to build on the problem-solving partnerships created by the Revitalizing Main Streets Program. Cities and towns across Colorado have inspiring downtown visions that can help address Colorado's housing and economic challenges. Transportation's role is critical. State highways function as main streets; multimodal infrastructure links neighborhoods; and transit connects communities. Successful downtowns can help the functioning of the transportation system by locating housing and jobs near multimodal options, reducing congestion and air pollution. Future funding for the Revitalizing Main Streets Program was included in SB-260.



To think about the future of the program, CDOT launched the "Walking Down Main Street Listening Tour" in May and June of 2021. The listening tour was an informal conversation with representatives of 20 cities and towns of all sizes- at least one in every Transportation Planning Region (TPR). CDOT Executive Director Shoshana Lew and CDOT staff heard a multitude of fantastic ideas from communities that speak to how downtowns and transportation can work together. The following section summarizes the key themes we heard from communities as part of a retrospective review of initial projects, and setting the stage for the growth of the program in the coming years.



## 2020-2021 RMS GRANTS OVERVIEW

Revitalizing Main Streets mini-grants were scored on the following criteria:

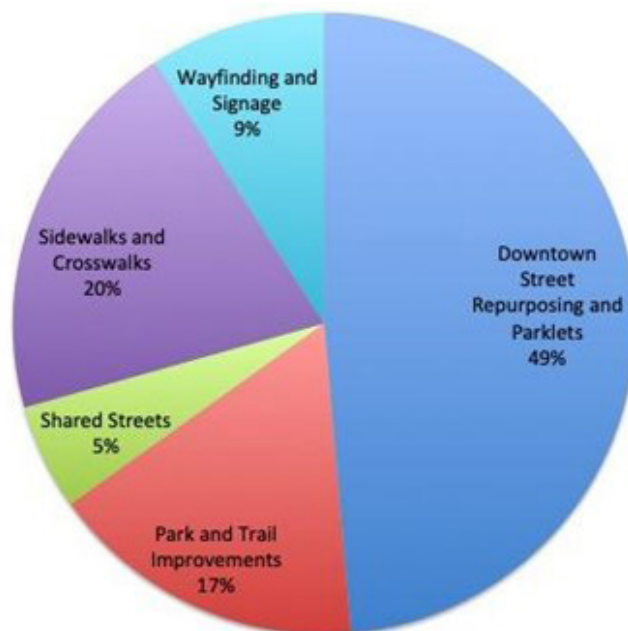
- Public Health
- Active Transportation Safety
- Readiness of Implementation
- Equity and Access for Low-Income and Disadvantaged Users;
- Public Support
- Local Match
- Other Considerations (Innovation, Scalability, Cost-Benefit, Regional Equity)

The grant selection committee is composed of an interagency group including staff from CDOT, the Department of Local Affairs (DOLA), the Colorado Energy Office (CEO), and the Colorado Department of Public Health and Environment (CDPHE)

Communities were surveyed to determine the program's effectiveness, with the following results:

- 81% of projects will be maintained long-term or repeatedly seasonal.
- The program inspired 87% of the recipients to make other improvements to their main streets.
- 67% of projects would not have been implemented without the grant.

**Small Grant Project Types**





# LISTENING TOUR THEMES AND LESSONS LEARNED



## 1. Across Colorado, communities are enthusiastic about the Revitalizing Main Streets grants as a way to reach downtown goals.

Downtown revitalization continues to be a focus area. Localities seek community gathering spaces, economic development, and new housing opportunities. Cities are utilizing Revitalizing Main Streets in a variety of ways:

- Experimenting with temporary street configurations to share space with pedestrians and businesses, and investigating making the changes permanent.
- With increased housing in downtowns, cities are adding multimodal infrastructure to improve safety for residents.
- Suburban communities without a historic downtown seek to create them. Aging strip malls are being converted into mixed-use centers, and multimodal infrastructure is needed.
- Downtowns with great "bones" but a lack of investment need basics like sidewalks and crosswalks. Some rural downtown sidewalks have not been fixed for 50-100 years.

## CASE STUDIES:

### City and County of Broomfield

Broomfield has identified three areas where the City/County can encourage the development of higher-density housing and mixed-use. As a suburban community without a historic downtown, one site would become "downtown Broomfield", and two sites would become Transit-Oriented Development (TOD) sites where new housing can easily access transit.

### Lamar

The City of Lamar has been proactive in downtown revitalization: replacing sidewalks, developing a Main Street pocket park, and purchasing a historic main street building to rehab into restaurant space. The City is also looking into ways to increase housing supply, as inventories run tight and prices increase. Lamar's efforts continue to improve its main street and are a great example of a community that comes together to preserve its downtown heritage.

### Pueblo

The City of Pueblo's downtown strategy is to tie together various downtown amenities (Arkansas Riverwalk; trails; historic train depot, etc) through renewed downtown streetscapes that add outdoor dining space, additional housing, and refurbished historic buildings. Streetscape designs have been completed and a downtown housing assessment is underway. Local leaders and developers have a unified vision and the City receives high marks for a developer-friendly permitting process.

### Trinidad/Canon City

Trinidad and Canon City share the characteristics of having incredible downtown historic buildings, growing momentum for revitalization, and a need for historic building structural grants as well as additional streetscape improvements that will allow pedestrians to add to the economic vitality of their downtowns.

## Severance

The Town of Severance is growing rapidly due to its proximity to Fort Collins. One of the large developments planned would create a new mixed-use town center with "main street" characteristics. This model of development is possible due to the vision of the developer and the town, who have worked together to identify infrastructure improvements necessary to create a neighborhood that is different than the standard suburban model.

## Boulder

During the pandemic, the City of Boulder implemented a model of "shared streets" in the University Hill neighborhood that allowed increased bicycle and pedestrian use. The City is interested in thinking through how the short-term, quick wins implemented during COVID can be made more permanent through integration into long-range planning.



Concrete barriers are a part of the infrastructure upgrades to better serve the need for expanded outdoor dining and walkability areas along Pearl Street in Boulder

# LISTENING TOUR THEMES AND LESSONS LEARNED



## 2. State highways that serve as “Main Streets” are a rising focus area.

Cities are more frequently seeking to add pedestrian features, calm traffic, and enhance safety on state highways. The traditional role of state highways is as corridors for freight and commuter traffic. But, as more housing and new businesses are being added in downtowns, residents seek a walkable urban environment. CDOT is working with communities to balance these needs. The trend in downtown housing may ultimately reduce commuting distances and congestion, benefiting the transportation system and air quality as a whole.

### CASE STUDIES:

#### Grand Junction

The Grand Junction Downtown Master Plan calls for new housing and businesses in a walkable environment, a goal that is key to the City's vision of becoming a premier destination on the Western Slope. Downtown investment from the City and housing developers is especially focusing on the area between Main Street and the Colorado River, where major park and trail amenities have been created. The I-70 Business corridor traverses this focus area, and the proposed CDOT Mobility Hub is also located here. The City desires that the design of transportation improvements align with the multimodal, walkable vision that will attract residents and economic vitality to the downtown area.

#### Montrose

SH90 also serves as "West Main Street" that links Montrose's downtown to the Uncompahgre River and several underserved populations and neighborhoods. As multiple restaurants and distilleries have located on this street, pedestrian traffic has increased. The City seeks to create a more pedestrian and business friendly streetscape that would calm traffic and activate the streets, improving business opportunities and linking the community to the river.

#### Centennial

The City of Centennial is completing a comprehensive evaluation of development patterns in the University Boulevard (SH177) Corridor--from County Line Rd (C470) to Arapahoe Rd. The study began as an evaluation of the future viability of retail shopping. A land use application is currently pending that would result in new multi-family housing replacing a former Sears and Macy's at the Streets at SouthGlenn. The City is now considering how to overcome the negative impacts of conventional 1970s/80s suburban design by making SH177 (University Blvd) a more pedestrian friendly roadway; getting safe access to a comprehensive trail network east of University, and; introducing mixed-use (housing) and pedestrian friendly design. There is an opportunity to add different housing types and density to the corridor as well as connect to transit via light rail and planned BRT routes.



## Alamosa

The City of Alamosa is very enthusiastic about their Downtown Master Plan, which won a Governor's Award for Planning. The community is in support of a road diet of US160/Main Street. The project is underway in coordination with CDOT. In 2021 Alamosa will restripe the highway and utilize temporary outdoor space before designing more permanent improvements. Design funding from RMS in future rounds would be extremely helpful given the City's budget constraints.

## Denver

CDOT is working with the West Colfax Business Improvement District and a coalition of community partners to revitalize the area underneath the Colfax Viaduct between Clay Street and Mile High Stadium W Circle, behind the Latino Cultural Arts Center. The project includes a wide spectrum of participants from representatives of Meow Wolf to residents of Sun Valley. The goal is to create a community gathering place and spot for artistic expression that represents the variety of cultures around this neighborhood.



West Colfax BID Sun Valley Cultural Marketplace Rendering

# LISTENING TOUR THEMES AND LESSONS LEARNED

**3. Growth pressures and housing shortages are a major factor across the state. Downtowns can be a part of the solution, but only with strategic thinking and public support.**

Cities large and small, urban and rural, are dealing with housing shortages and growth pressures. Citizens are often wary of the speed of change, and the level of public support for new downtown housing varies. Many cities have crafted downtown visions that link transportation and land use best practices. They have adapted zoning codes to encourage denser development in specific areas of focus with the goal of limiting impacts on most established neighborhoods.

## CASE STUDIES:

### Colorado Springs

The City of Colorado Springs has implemented an excellent market-based downtown zoning code that has been successful in attracting development with community support. Much of the downtown form-based code has no height limits or parking minimums, and review processes are efficient and timely. This proactive attitude of the City has resulted in a boom in new downtown housing and business activity. Transportation investments including a new Transit Center and trail connections that provide multimodal options for downtown residents and visitors. Downtown Colorado Springs is a model of successful downtown revitalization that other cities can emulate.



Director Lew visiting Colorado Springs June 2021



## Glenwood Springs

The City of Glenwood Springs has been proactive in working to provide workforce housing. The City has approved new apartment projects and instated inclusionary zoning standards. However, the community is challenged by the topography of the valley and a lack of buildable land, leading to housing projects that frequently impact existing neighborhoods and produce controversial approval processes. The City has identified several areas where redevelopment projects could provide affordable housing and has invested in moving them forward, but each requires large infrastructure and multimodal investments that are difficult to fund locally.

## Durango

A key focus area for the City of Durango is "Midtown", an area largely composed of aging low-density commercial development just north and west of Main Street, including part of the US 550 corridor. Through extensive community outreach, Durango has identified this area for redevelopment and denser housing. In 2021, the City adopted the plan for an Urban Renewal Authority in cooperation with community partners, calling it the "Durango Renewal Partnership." While the City is investing much in the area, assistance with multimodal improvements and housing is needed.

## Frisco

The Town of Frisco is working on several methods of dealing with its housing shortage. The Town has entered into a partnership with CDOT to construct workforce housing on a piece of CDOT-owned land. They are also looking at purchasing deed restrictions that require full-time residents on a property. Given Frisco's location, its commuting region is especially diverse, with workers coming from all directions. This makes transit a more difficult proposition as a solution to its traffic congestion and workforce issues.



Main Streets in Durango (Above) and Frisco (Right)



# LISTENING TOUR THEMES AND LESSONS LEARNED



## 4. Broader challenges facing communities.

There were several challenges facing communities that came up during the listening tour as frequent themes:

### A. Disparities between commercial centers and bedroom communities.

Municipal revenue is dependent on commercial sales tax. This leads to disparities between cities that are commercial centers, often with a large tax base and constrained housing supply, and the bedroom communities that provide the workforce yet lack the tax base to provide quality services. For many cities this makes basic investments in bike/ped safety and economic development difficult, leading to a widening gap between communities.

### B. Cohesion between local, regional, and state partners on growth issues.

While “local control” of decision-making remains paramount, some attendees expressed that enhanced partnerships among regional, state, and local agencies would be beneficial. Several are leading regional coordination efforts and would welcome state support. Aspects of this conversation could include improvements to state agency processes and funding criteria, identifying permanent state funding streams to incentivize best practices, and incentivizing collaborative regional planning among local entities.

### C. The infrastructure lifecycle and the challenge of long-term infrastructure obligations.

As the post-war generation of infrastructure reaches the end of its lifecycle, the “strong towns” approach is gaining influence. Cities are more closely tracking infrastructure revenues and maintenance obligations, and factoring this into their Comprehensive Plans, Transportation Plans, and Capital Improvement Plans. Cities are prioritizing new development on already existing infrastructure, which is more fiscally efficient than development on new infrastructure. In many cases, downtowns are a place where this growth can be accommodated on already existing infrastructure. Upfront costs to upgrade downtown infrastructure can be higher, however, and assistance is needed to realize long-term benefits.

## CASE STUDIES:

### Wellington

The Town of Wellington is a community of approximately 10,000 people located just north of Fort Collins. It has strong housing growth yet lacks the commercial tax base to fund the needs this growth creates. The historic main street, located on Highway 1, needs new sidewalks and ADA improvements, and utility infrastructure is in need of upgrades. Without outside support these improvements are difficult to fund locally.

## Steamboat Springs

The City of Steamboat Springs provides a successful example of regional coordination. They are leading the development of a fiscal study for the potential creation of a Regional Transit Authority. The City is coordinating with Craig, Hayden, and Routt County on the process. As a city that is the commercial center for its region yet lacks housing capacity, Steamboat is a good example of leadership to solve regional issues through the TPR and other venues.

## Elizabeth

The Town of Elizabeth is experiencing rapid growth and the challenges associated with it. Located on the border of Douglas and Elbert County, Elizabeth is receiving housing pressures from the Denver Metro region. They have adopted a forward-thinking Comprehensive Plan and Transportation Plan that accommodates growth and outlines future needs. The town seeks to increase traffic capacity on SH86 and provide amenities/facilities such as a hospital, with the goal of expanding beyond a bedroom community into a full-service community. However, a lack of tax base makes it difficult to fund critical needs. Outside entities such as CDOT, the TPR, and the County are often challenging for a small town to interface with. This is a common issue around the state. Many small towns are growing quickly into cities, but they lack influence and capacity to guide growth in accordance with their vision. Thus growth occurs haphazardly, resulting in poor service levels for transportation, health care, jobs/housing balance, and other community needs that are critical to long-term quality of life and community cohesion.

## Rifle

The City of Rifle has adopted plans and policies that encourage future growth to locate on existing infrastructure, with the goal of keeping infrastructure maintenance costs, and the resulting tax burden, lower in the longer term. This was kicked off by a Smart Growth America study that showed the City could save 31% in future infrastructure costs by encouraging infill development over fringe development. This principle translated into a Comprehensive Plan update, a Streets Capital and Maintenance Plan, and continued investment in the Downtown Master Plan. The City has many acres of vacant land in the downtown where housing can be located close to transit and services. However, the upfront costs of upgrading downtown infrastructure are high.



What we heard on the Listening Tour pointed towards several strategies that will help the Revitalizing Main Streets Program utilize SB260 funds effectively moving forward.

## 1

### Learn to institutionalize innovations that work.

Communities tested a wide range of strategies over the past year and a half. Taking the time to evaluate what worked, what didn't, and what has the potential to be institutionalized will be an important aspect of the next iteration of the program. Components include:

**a. Evaluate RMS projects. Use the forthcoming RFP to bring together a CDOT interdisciplinary team (highways, transit, bike/ped, TDM, land use) to collaborate with communities.**

Working with the CDOT team and local communities, consultants will measure benefits of representative RMS projects. The team will identify best practices that will help inform future grant criteria for the small grants, and help identify CDOT policy in areas such as outdoor dining on state highways.

**b. Identify projects on state highways through collaborative processes.** Similar to the forthcoming Safer Main Streets Study in the Denver Metro Area, proactive assessments of state highways can occur statewide. This would be helpful to small towns who have great ideas but lack capacity. Collaborative processes like design charrettes can be incorporated, especially in downtown areas, to create "corridor vision plans".

**c. Continue to test transportation ideas in the field.** Testing temporary street configurations in the field is a low-cost innovation. The effects of new ideas on street functionality can be tested through temporary changes before permanent changes are studied.

**d. Set aside future RMS funding for technical assistance.** Future RMS funding can go towards technical analysis and design of projects to help communities institutionalize projects that worked.



# 2

## Convene partners to collaboratively develop the next round of grant criteria.

These criteria would apply to the larger Safer Main Streets. The focus is to reward cities with strong downtown revitalization strategies. The criteria should consider the following as a starting point:

**a. What is the strategic aim of the project- how does it spark downtown revitalization?**

Example: new sidewalks are needed in a part of the downtown that is underutilized with a mix of warehouses and historic buildings. The new sidewalks will encourage rehab of historic buildings and new housing on vacant lots.

**b. Do local entities have policies that support downtown revitalization?** This can be demonstrated through: local investment in projects and programs; appropriate downtown zoning; efficient review processes; Master Plans/Strategic Plans that get public input and focus resources on top priorities.

**c. Downtown housing strategies.** Incentives and fee reductions; identification of priority sites and projects; partnership with housing non-profits and developers; affordable housing component.

**d. Transportation strategies.** Complete streets policies; tactical urbanism ideas (temporary outdoor patios; temporary realignment of streets to test ped/bike improvements); transit improvements.

# 3

## Work with other state agencies (DOLA, CEO, etc) to align grant criteria for transportation, housing, and infrastructure programs.

With the American Rescue Plan funding, there is an opportunity to build new housing near transit and help steer growth in a sustainable way. Grant criteria should:

a. Reward cities with the best downtown visions, Comprehensive Plans, Transportation Plans, regional partnerships, etc.

b. Give communities the ability to fulfill their visions over the long-term. The criteria should remain attainable for their context. The goal should be to bring as many communities into the program as possible.

## 4

**Where local entities are interested in regional collaboration, help convene conversations to help them find success.**

TPRs may be a venue where CDOT can support local agencies who wish to more proactively connect transportation, housing, and jobs. Identify TPRs who are interested in exploring this idea.

## 5

**Investigate the link between the transportation system's fiscal sustainability and downtown success.**

Similar to the “strong towns” approach of cities, it is important for CDOT to align future maintenance obligations with realistic revenue projections. CDOT’s scenario modeling capabilities can quantify the return on investment to the transportation system from assisting cities with their vision to add downtown housing and jobs. This can be paired with the asset management work CDOT is doing to understand future maintenance obligations. It can also incorporate data about the economic benefits of strong downtowns.

**Transportation Commission of Colorado  
Small Business & Diversity Committee Agenda  
Wednesday, August 18, 2021**

**KATHY HALL  
Chairwoman**

**COMMISSIONER ADAMS  
COMMISSIONER BEEDY  
COMMISSIONER STANTON  
COMMISSIONER VASQUEZ  
COMMISSIONER HICKEY  
Committee Members**

**STEVE HARELSON  
Chief Engineer**

**GREG DIEHL  
Director, Civil Rights & Business Resource Center**

**The Chairwoman may change the item sequence or timing**

- 1. Call to order**
- 2. Approve minutes from May 2021 SBD Committee Meeting**
- 3. USDOT Disadvantaged Business Enterprise (DBE) Program**
- 4. CDOT's FFY22-24 Overall DBE Goal**
- 5. Adjourn**



## **Small Business and Diversity Committee Meeting Minutes - May 19, 2021**

Meeting called to order by meeting chair Commissioner Kathy Hall

### **Members present:**

Chair Commissioner Kathy Hall  
Commissioner Gary Beedy  
Commissioner Barbara Vasquez  
Commissioner Eula Adams  
Commissioner Don Stanton  
Commissioner Lisa Hickey  
Steve Harleson - CDOT Chief Engineer  
Greg Diehl - CRBRC  
Emily Crespin - CRBRC

September 2020 committee minutes approved. Committee voted to move forward with the meeting

### **Agenda - Greg Diehl**

- Brief overview of CRBRC for new members
- ESB Program (Colorado State Statute - Oversight by Transportation Commission)
  - SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) recap
  - Rulemaking Recap
  - Resolution & What's to Come
- DBE Program (Federal)
  - FHWA leads this program
  - DBE Goal vs DBE Prime Participation
- Goal is to better align ESB & DBE programs
- Questions, Comments, and Next Steps

### **ESB Program - Greg Diehl**

- Based off of SWOT Analysis
  - What's working?
    - Mostly on professional services side of the house
  - Weaknesses
    - On the construction side
    - Little participation, which led to consideration for additional size standard
  - Small business program - predominantly used for subcontracting opportunities, but that should not be the entire purpose
- Overview of rulemaking process (pg 227 in packet)
  - Opened up in September 2020

- Stakeholder engagement includes CCA, HCC, COMTO
- Opened up rules in March 2021
- Resolution May 20, 2021
- Prior to the change
  - ESB size standards included Level 1 & Level 2
    - No Level 3 (referred to as SBE Level)
      - Proposed SBE Level would directly match the size standard of FHWA's DBE program to better align the two programs in a parallel manner
      - Can target larger small businesses to catch DBEs in the prime capacity net
- ESB Program was established to drive additional competition and more competitive prices at the bid table, which benefits CO taxpayers
- What's to come?
  - Discussed bid incentive for construction firms (still ongoing conversation) but looking to get the SBE size standard in the program and then work with stakeholders to establish the best way to benefit industry
  - Small business PD with Transportation Commission
    - Working with small businesses and prioritizing capacity
    - Allows for more medium sized Alternative Delivery projects
    - Improved data collection (CRBRC)
- Recommending one additional size standard (SBE) - this is the resolution request for 5/20/21
- Questions/Comments
  - N/A

### **Federal DBE Program - Greg Diehl**

- Identified aspirational goal at national level, but in order to have a narrowly tailored program, you must narrowly tailor the program to your state
  - Prescribed methodology by USDOT is used to create triennial DBE goal methodology
    - Found via availability of DBEs vs all other companies doing the same type of work
  - Hit overall DBE goal all years other than 2017
    - Majority of DBE goal is met via contract goals vs. DBE priming
      - Contract goals are meant to serve as supplemental goal
      - Want as much participation as organically as possible
        - DBE Primes, DBEs being used without use of goal
- What are we doing programmatically to drive small business prime participation?
  - Most people think of DBE contract goals vs. the actual program (tip of the iceberg).

- Trying to get as much participation without using contract goals as possible.
- DBE participation on contracts has historically been a good balance, but since 2013 you can see that prime participation has become almost nonexistent
  - We are meeting our DBE goal, but almost 100% subcontract participation
    - This is what the DBE program and CDOT are good at, but it is out of balance for a healthy program
    - There should be 1 - 3 modestly sized DBE prime contracts a year to lessen your reliance on contract goals
    - This is where we leverage the three ESB sizes
      - Can restrict contracts, etc. to build DBE prime capacity
- Goal is 11.55% on Federal Highway Funding
- Questions/Comments
  - Commissioner Adams: With CO growth, I would love to see the absolute numbers on DBE goal vs percentages. 10% or 12% of what was there in 2013 vs 10% - 12% of what was given in 2020 due to economic growth. Would it be more?
    - Greg Diehl: I am happy to bring the detailed request. These numbers are based off of Federally Funded projects, so it may be a bit different than overall CDOT spending. Part of our stewardship is providing that type of information to FHWA
      - Stimulus money may have a big impact, depending on how much CDOT gets
    - *Please see Appendix B in the August 2021 Transportation Commission packet materials for relevant data for FFYs 2017-2020. In summary, because the DBE goal is always framed as a percentage, economic growth alone will not typically impact the overall DBE goal, but the total dollar value of DBE awards is higher in years with higher federal-aid construction expenditures.*
    - Steve Harleson: CDOT spends about 800 - 900 million dollars per year due to RAMP and flood recovery since 2013
  - Commissioner Vasquez: It would be interesting to see the number of contracts and subcontracts vs. the actual dollars so we can see how vast the program is.
    - Greg Diehl: I have those reports that I can share with you
    - *Please see Appendix B for this data as well.*
- Commissioner Hall: It is good to see that subcontracting goals are going well, but is part of the barrier to entry the inability to get loans and bonding, as we have discussed before?
  - Greg Diehl: Absolutely Barriers to entry for prime contracting is a different ballgame. There are also only so many subcontractors. The lion's share of our subcontractor participation is in trucking and traffic control. Those areas should



still be represented, but other areas should be looked at for building prime capacity

- Commissioner Adams: What is the total that CDOT spends vs. Federal Funding only? I don't need a report today, but I am curious. I'm not really okay with wordsmithing things so it sounds like we are doing well. If we are all putting money in the same pot, we should all have the reasonable right to work on CDOT projects. It's about equity. What is the actual pot we are looking at for people (DBEs)? That's my dilemma. What's the reasonable response if I am asked ?
  - Greg Diehl: To that point... part of the purpose of setting this goal is to be as transparent as possible. We'll be presenting in July more about the DBE goal in July, which will go into effect the next Federal Fiscal Year. The reports mentioned earlier are what we submit to FHWA and that is what we are held against.

#### **Next Steps - Greg Diehl**

- Request to move forward with resolution to adopt new ESB rules 5/20/21
  - Request to add a third ESB level (SBE) to match the DBE program size standards. That way DBEs can participate in the ESB program without being sized out and without hurting the smaller ESB firms (Level 1 and Level 2), which is what the resolution tomorrow will allow us to start doing.
- A suggested DBE participation goal and all associated data will be available 6/9 and open for public comment until 7/2.
- Questions/comments
  - Steve Harleson: Commissioner Adams, you may be aware of this, but the vast majority of our projects (including state) if there is a single dollar of Federal Funding we have to include a DBE goal. The DBE goal is on any project with Federal funding, not just the Federal amount.
    - Commissioner Adams: That makes absolute sense to me
  - Commissioner Adams: I care about Coloradans and I love the focus on small businesses so that people of all backgrounds are having an equal opportunity within our state and we are building capacity so that people will become more able to compete as primes down the road, which is why I am okay with the ESB changes. It's important to see people win contracts no matter what their ethnicity and gender. It doesn't matter to me, as long as we see more people winning contracts who live in our state and we all collectively win. That's ultimately where my heart is... with the small businesses.
    - Steve Harleson: If we have a completely state funded project we can use strictly CO companies, but if it has Federal dollars it has to be a national thing. We can't do CO bid preferences on Federal projects but can on state funded projects. We have a few nationally recognized firms that work throughout at least the West.

- Commissioner Hall: That's part of the reason we have this committee and this program for quite some time. It's not a very successful program to take contracts from just Coloradians, which may not be the most economically feasible. It's tough.
  - Greg: Commissioner Adams, as you pointed out, it's important to have a pipeline of small businesses that can prime. Your comments are particularly on-point with what we are trying to do with our ESB program.
  - Commissioner Adams: Thank you Greg and Emily for all that you are doing. This isn't easy...If someone doesn't stand up for the people who can't, then they will always be in the subcontractor category.
- Commissioner Vasquez: Can you quantify how many contracts would not have federal funding so we can restrict for ESBs?
  - Greg Diehl: Steve is right about in-state vs. out-of-state preference, but a healthy percentage of our ESB directory is CO firms. We can restrict contracts to ESB size standards, even with Federal dollars, we just can't restrict geographically.
- Greg Diehl: Good programs don't happen in a vacuum, and we appreciate the good dialog.
- Commissioner Hall: It's really good to have more attention on small businesses. I appreciate all the comments from anyone.
- Steve Harleson: Good conversation. I can try to put someone on finding the projects that are state funded, but we may not have the bandwidth.
  - Commissioner Vasquez: We understand that your folks have a lot on their plate. If it's feasible that would be great, but if not we understand.

Meeting adjourned



## MEMORANDUM

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**TO: TRANSPORTATION COMMISSION**  
**FROM: GREG DIEHL, DIRECTOR, CIVIL RIGHTS & BUSINESS RESOURCE CENTER**  
**DATE: AUGUST 6, 2021**  
**RE: August 2021 CO Transportation Commission Small Business & Diversity Committee Meeting**

### Purpose

The purpose of this memorandum and workshop is to provide an introduction to the USDOT Disadvantaged Business Enterprise (DBE) Program and introduce tomorrow's Resolution to Adopt CDOT's FFY22-24 Overall DBE Goal

### Action

TC is asked to adopt a resolution that supports the staff's recommendation to set the FFY22-24 overall DBE goal at 11.89%.

### Background

USDOT requires federal funds recipients to implement and administer a DBE program, and a core element of that program is setting the three-year overall goal, which is a projection of the percentage of design and construction contract funds that could reasonably be expected to be awarded to disadvantaged businesses in the absence of discrimination. By following the prescribed USDOT goal setting methodology, CDOT staff arrived at the proposed figure for federal fiscal years 2022, 2023, and 2024 of 11.89%.

To ensure Departmental cohesion and support of the proposed overall goal, CDOT staff ask Transportation Commission to approve a resolution that adopts the proposed goal for the next three years, and then the adopted goal is submitted to FHWA for federal approval. Recognizing that the overall DBE goal methodology is complex and has very real implications for DBE firms, a deep-dive on the program, how the overall goal is set, and what that means for DBEs is necessary.

### Next Steps

The new goal will then be effective October 1, 2021 through September 30, 2024, and CDOT will provide reporting of actual DBE participation attained to FHWA biannually (semi-annual report covers 10/1-3/31; annual report covers 4/1-9/30).

### Attachments

- A) FFY22-24 Draft Overall DBE Goal Methodology
- B) FFY17-20 Historical DBE Participation Data (in response to a request from May 2021 SBD Committee members)
- C) Resolution #9: Adoption of FFY22-24 Overall DBE Goal





**COLORADO**

Department of Transportation

# DBE & ESB: CDOT Small Business Programs Wednesday, August 18, 2021

Page 94 of 217





# Small Business Certifications Landscape

See Appendix C: Small Business Certifications Key for Additional Detail

## Federal



### DOT

- (AC)DBE
  - size + disadvantaged ownership

### SBA

- 8(a)
  - size
- HUBZone
  - size + geog.
- (ED)WOSB
  - size + women
- SDVOSB
  - size + veterans

## State



- SDVOSB

## CDOT



- DBE
- ESB
  - size

## Denver



- (AC)DBE
- EBE
- M/WBE
- SBEC

## FHWA Local Agency Subrecipients



- CO UCP DBE Directory

## Private Sector



- MBE
  - minority suppliers
  - MPMSDC (organization)
- WBENC
  - Woman ownership
  - WBENC (organization)
- LGBT+
  - LGBT+ ownership
  - LGBT+ (organization)



# Small Business Certifications at CDOT

	DBE	ESB
<b>Stands For</b>	Disadvantaged Business Enterprise	Emerging Small Business
<b>Regulatory Basis</b>	Code of Federal Regulations	Colorado Code of Regulations
<b>Governing Body</b>	USDOT	Transportation Commission
<b>CDOT Role</b>	Administrator	Owner
<b>Size Standard Determined By</b>	NAICS Codes	Primary NAICS Code
<b>Key Certification Consideration</b>	Disadvantaged owner status	Business size
<b>Program Purpose</b>	Level the playing field for historically underutilized businesses	Increase competition for CDOT contracts





# USDOT DBE Program: An Overview

- Requirement of receiving USDOT funds
  - Administered by CDOT CRBRC (HQ Civil Rights)
  - Federal Regulation - 49 CFR Part 26
  - Applies to all USDOT-assisted transportation contracts (FHWA, FTA, FAA)
- Certification Eligibility
  - SBA Size Standards (by NAICS, overall cap of \$26.29M)
  - Majority ownership is socially and economically disadvantaged
    - Minority and women presumed to be socially disadvantaged
  - PNW < \$1.32M



# USDOT DBE Program: Key Objectives

- Ensure **non-discrimination** in USDOT assisted contracts (FHWA, FTA, FAA)
- Create a **level playing field** on which DBEs can compete fairly for USDOT assisted contracts
- Ensure that the DBE program is **narrowly tailored**
- Ensure only firms meeting **eligibility standards** can participate as DBEs
- Help **remove barriers** to DBE participation in USDOT funded contracts
- Assist in the **development of firms** so they can successfully compete outside the program



# USDOT DBE Program: Certification & NAICS Codes

- DBEs are certified according to the types of work they provide (by NAICS)
- High-Density CDOT DBE NAICS codes (>10% availability)
  - 237310 Highway/Street/Bridge Const. (\$26.29M)
  - 238120 Structural Steel and Precast (\$16.5M)
  - 484220 Trucking (\$26.29M)
  - 541910 Public Information (\$16.5M)
  - 561990 Traffic Control/Utilities (\$12M)
- DBE participation only counts toward subcontract goals for the NAICS codes in which the firm is DBE certified



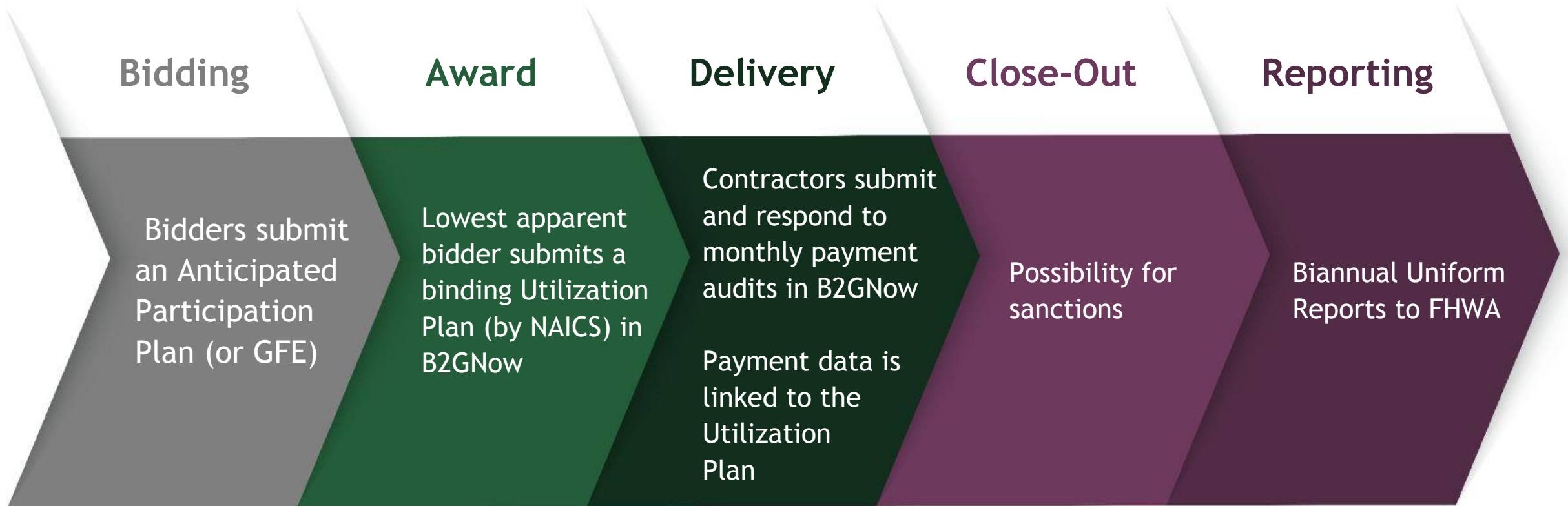


# USDOT DBE Program: Subcontract Goal Setting

- Every federal-aid project is evaluated for a DBE goal
  - 0% goals are possible
  - Only set goals on FHWA-funded projects
- Region Civil Rights Offices consider:
  - Subcontracting Opportunities
  - Project Location
  - Availability of DBEs
  - Progress to date toward the Overall Goal

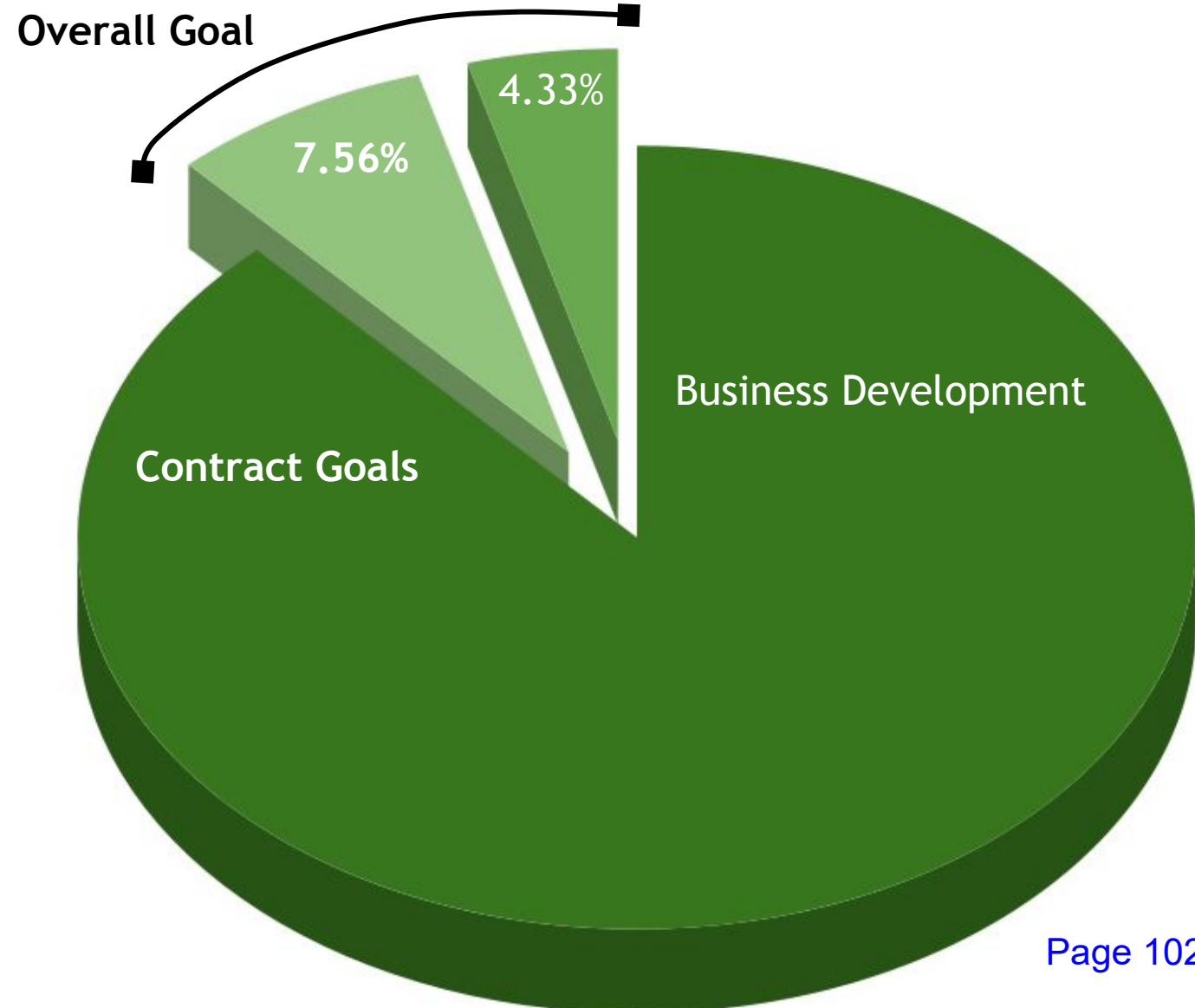
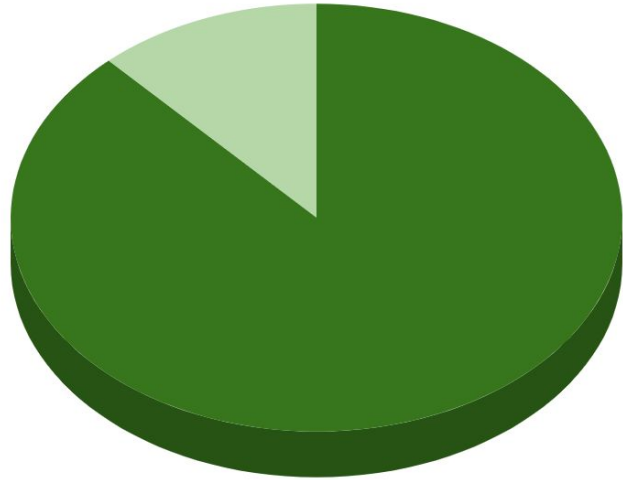


# USDOT DBE Program: Subcontract Goal Compliance





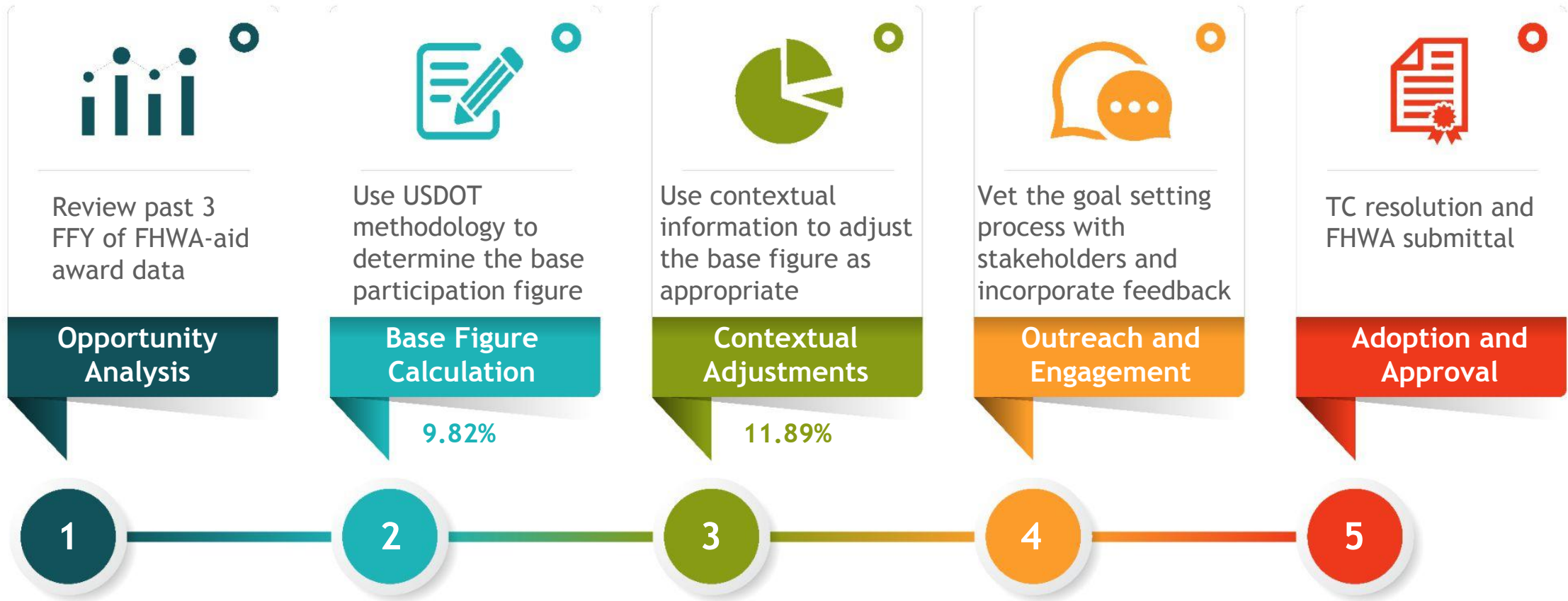
# USDOT DBE Program: Contract Goals & the Overall Goal





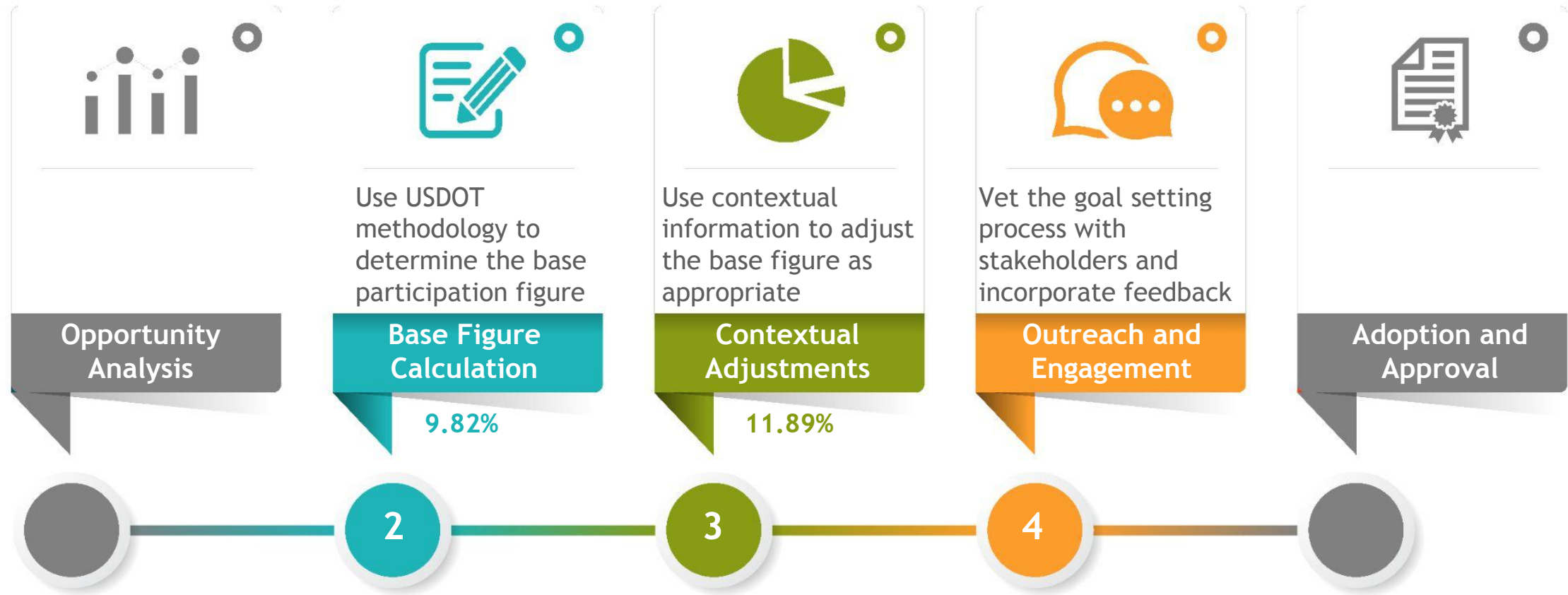


# USDOT DBE Program: CDOT Statewide Overall Goal Approach





# USDOT DBE Program: Prescribed Overall Goal Methodology





# USDOT DBE Program: Overall Goal Base Figure Calculation

## Determine Projected Opportunities

Analyze past 3 FFYs of federal-aid awards to determine relevant NAICS codes and weight



## Determine Relative DBE Availability

Compare CO UCP DBE Directory to the CO Census data for the identified relevant NAICS codes



## Multiply Opportunities by Availability

Aggregate relative DBE availability by NAICS codes into a summary percentage

**Projected \$\$**

**x**

**(DBEs / All Firms)**

**=**

**Overall DBE Goal**





# USDOT DBE Program: Overall Goal Contextual Factors

## Resulted in Base Figure Adjustment

- CDOT consultant availability vs. past award data

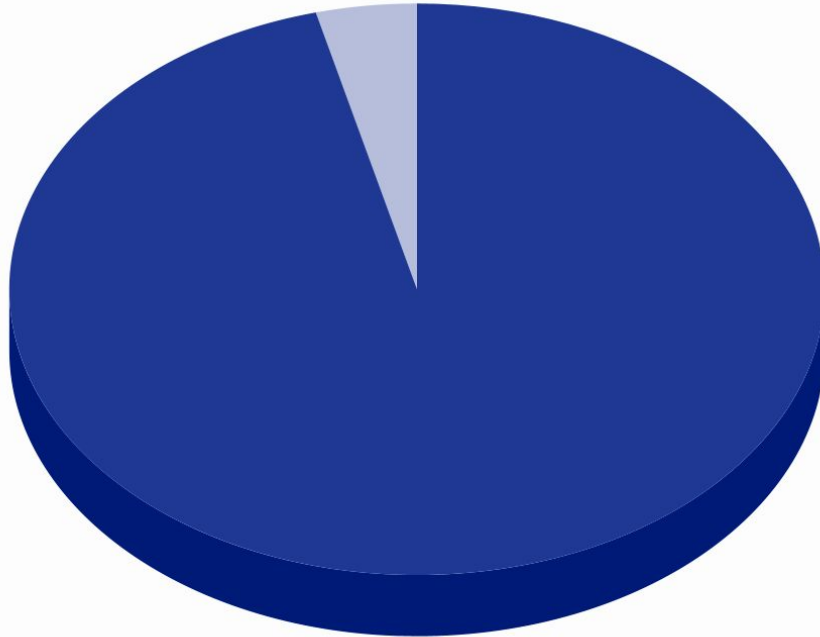
## Did Not Result in Base Figure Adjustment

- *Past CDOT DBE participation (FFY13-20)*
- *2020 State Disparity Study*
  - *Solely considered state funded contracts (not eligible for DBE goals)*
  - *Different method of data aggregation*
- *Future Opportunities Outlook*
  - *Pandemic Impacts & Essential Workers*
  - *CO State Transportation Bills*

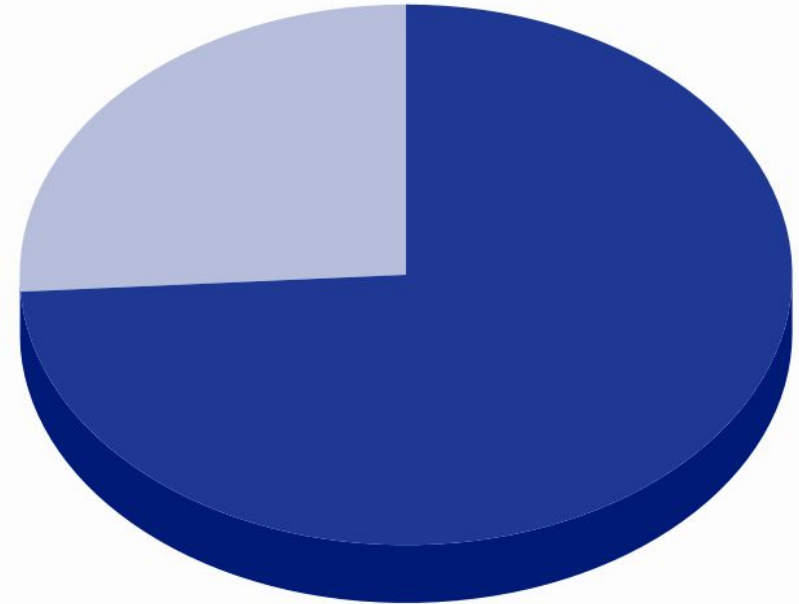


# USDOT DBE Program: Base Figure Adjustment, Consultant Availability

Consultant DBE Opportunities (Past Awards in \$M)



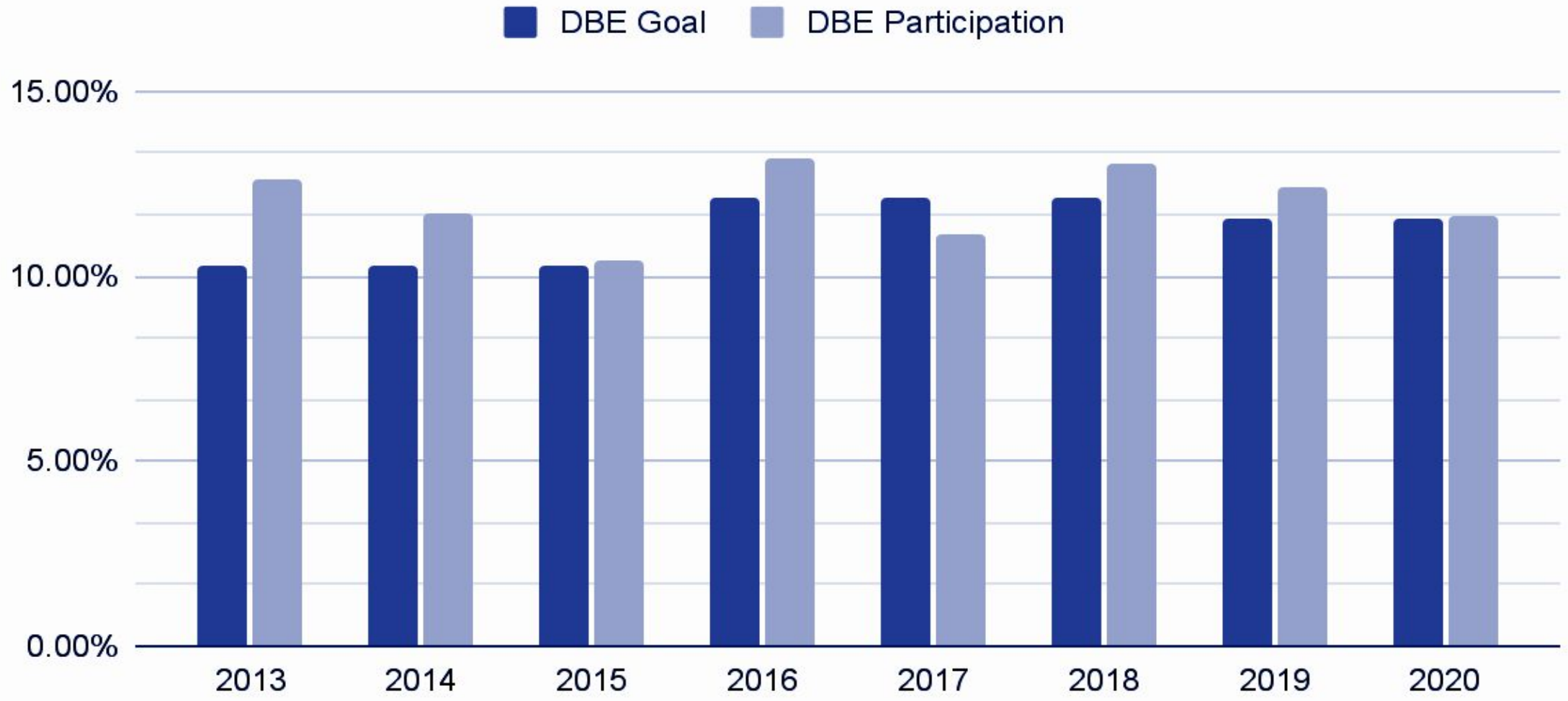
Consultant DBE Availability (CDOT MPAs)



$$4.18\% + 25.39\% = 30.11\%$$
$$30.11\% / 2 = \mathbf{15.06\%}$$



# USDOT DBE Program: No Adjustment, Past DBE Participation



FFY





# USDOT DBE Program: Overall Goal Outreach & Engagement

## In Person Communications

- CDOT Small Business Forums (March/April/June/July)
- CCA Transportation Policy Committee (April/June)
- ACEC Transportation Committee (June)
- COMTO Monthly Members Meeting (June)
- HCC Infrastructure Committee (May/June), Legislative Committee (June)

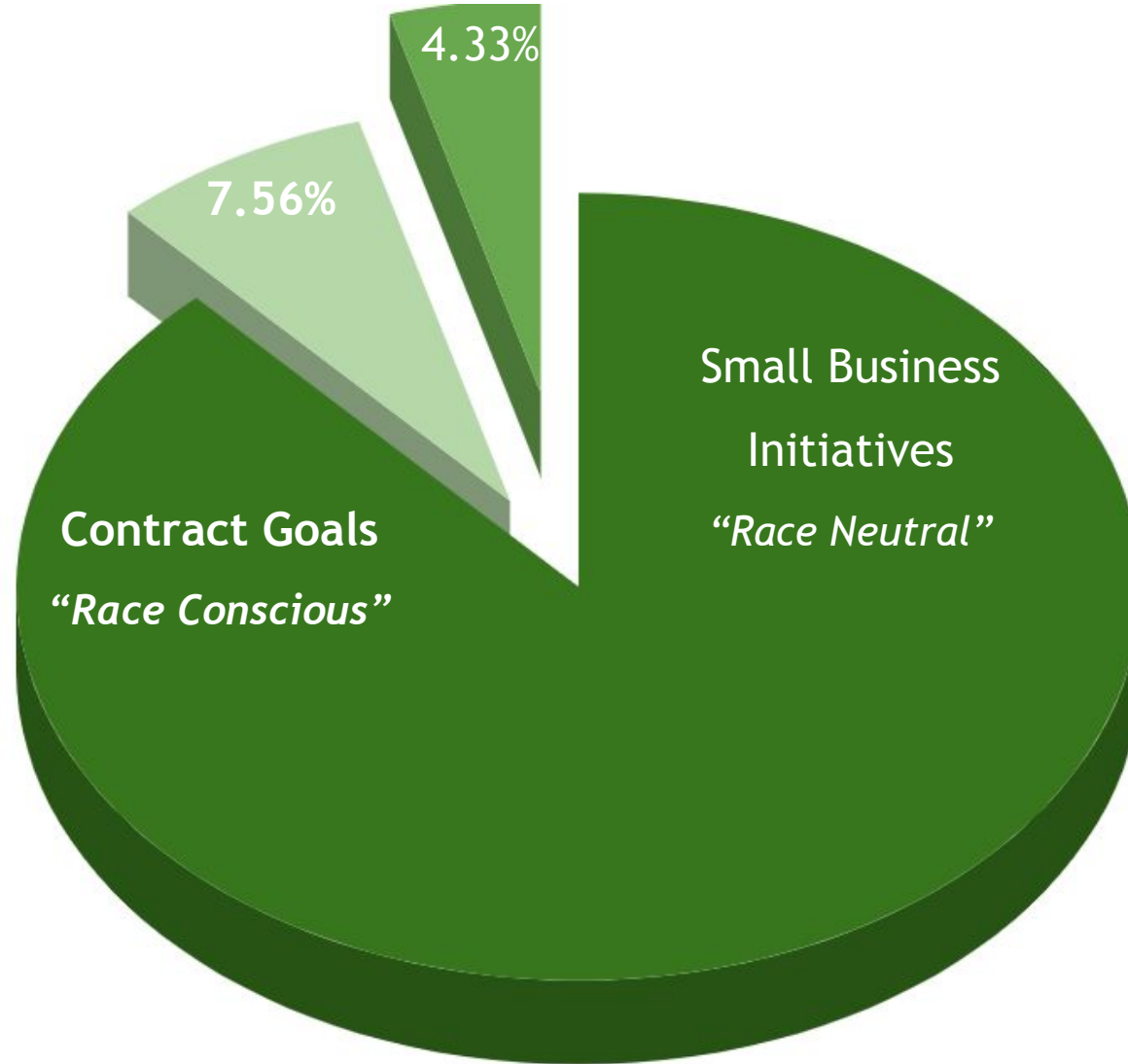
## Digital Communications

- Published on the CDOT website
- Connect2DOT e-blast (~5k)
- B2GNow (~3.5k)
- Direct email to industry associations
- Open for public comment 6/7 - 6/25 (no comments received)





# USDOT DBE Program: Means of Meeting the Overall Goal





# Small Business Development: Access to Opportunities & Support for Success



**Emerging  
Small  
Business**

**connect  
2DOT**





# Resolution #9: Adopt FFY22-24 Overall DBE Goal

- **11.89% Overall Goal**
  - 7.56% Contract Goals
  - 4.33% Small Business Initiatives





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# Questions & Comments



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# Overall Annual DBE Goal for Highway Design and Construction

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Federal Fiscal Years 2022 – 2024

US DOT Federal Highway Administration (FHWA)

CDOT Civil Rights & Business Resource Center

## Table of Contents

EXECUTIVE SUMMARY .....	3
DBE GOAL SETTING METHODOLOGY .....	4
Market Area Determination.....	4
Availability Data .....	5
Relevant Types of Work .....	6
Construction.....	6
Professional Services.....	6
STEP 1: BASE FIGURE CALCULATION.....	7
Construction Base Figure .....	7
Professional Services Base Figure .....	8
Combined Base Figure .....	8
Alternative Delivery Impact on Base Figure.....	9
STEP 2: ADJUSTMENTS TO THE BASE FIGURE .....	10
Professional Services Prequalification List.....	11
Adjusted Base Figure.....	11
Historical DBE Participation .....	12
Other Disparity Studies .....	12
2020 State of Colorado Disparity Study .....	12
City and County of Denver 2018 Disparity Study.....	13
Future Contracting Opportunities.....	14
Impact of Pandemic .....	14
Funding Outlook.....	14
BREAKOUT OF RACE NEUTRAL / RACE CONSCIOUS PARTICIPATION.....	15
Race-Neutral and Race-Conscious DBE Goals.....	17
Race-Neutral Methods.....	18
Marketing and Outreach.....	18
Emerging Small Business Program .....	19
Emerging Small Business Program Enhancements .....	20
DBE Supportive Services: Connect2DOT .....	20
PUBLIC PARTICIPATION & FEEDBACK .....	22

## EXECUTIVE SUMMARY

This document explains the methodology used by the Colorado Department of Transportation (CDOT) to establish its three-year (FFY 2022-2024) overall annual Disadvantaged Business Enterprise (DBE) goal for contracts that contain funding assistance from the U.S. Department of Transportation (USDOT) Federal Highway Administration (FHWA). Determination of the goal includes identifying a base figure for the relative availability of DBEs based on demonstrable evidence of the availability of ready, willing, and able DBEs as compared to the availability of all businesses participating on federally-funded DOT-assisted contracts.

In accordance with 49 CFR 26.45, CDOT's goal methodology consists of two steps:

1. Establishing the base figure for the relative availability of DBEs.
2. Adjusting to the base figure as a result of available data.

To establish the base figure and determine the relative availability of DBEs to perform work on CDOT projects, CDOT evaluated the;

- Relevant market area for contractor participation,
- Potential contracting opportunities in construction, professional services, and alternative delivery (design-build, CM/GC),
- Availability and ability of DBE certified firms to participate on those potential contracts,
- Anecdotal evidence gathered from other disparity studies and through association meetings and a public comment period.

This resulted in a base figure of 9.82% of DBE participation annually over the next three fiscal years. CDOT then considered all available evidence to determine whether adjustments should be made to the base figure calculation. Based upon an evaluation of market conditions and the availability of CDOT prequalified professional services firms, CDOT made an adjustment that modified the **overall DBE annual goal to 11.89%**. Additional factors were considered including historical DBE participation, other disparity studies, the impact of the pandemic, projected future funding, and capacity. This analysis did not warrant further adjustments to the goal.

CDOT also considered what percentage of the goal can be obtained through race-neutral means. CDOT has a robust small business support services program called Connect2DOT that has been implemented statewide to assist in developing ready, willing, and able DBE firms. CDOT also has an Emerging Small Business (ESB) Program designed specifically to assist CDOT in increasing race-neutral participation on its contracts. New ESB program enhancements are currently in development which are expected to increase race-neutral DBE participation over the next three fiscal years. By taking into consideration these efforts along with an analysis of historical race-neutral participation, CDOT is proposing a split of **4.33% race-neutral and 7.56% race-conscious participation**.

CDOT is committed to monitoring DBE participation for federal-aid highway design and construction projects to ensure the overall goal is being met. DBE achievements will be evaluated annually to determine whether market conditions warrant adjustments to the overall DBE goal, or individual race-conscious and race-neutral components.



# DBE GOAL SETTING METHODOLOGY

The methodology described in 49 CFR 26.45(c) (1) was used to determine the base figure for the relative availability of DBEs. This is based on demonstrable evidence of the availability of ready, willing, and able DBEs as compared to the availability of all businesses in the relevant market area to participate on federally-funded DOT-assisted contracts.

## Market Area Determination

The first step in establishing the DBE goal is to determine the relevant market area for the analysis. This is the geographic area where the majority of CDOT contractors are located and where a majority of contracting dollars are spent.

Historical contracting data for the past three fiscal years (FFY 2018-2020) shows that a total of 1,349 prime and subcontractors worked on CDOT contracts. Of those, 1,175 (87%) were located in Colorado and 174 (13%) were located out-of-state.

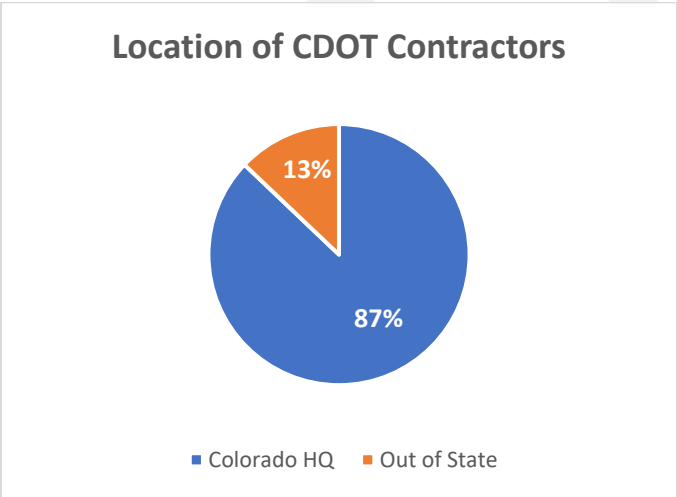


Table 1 below shows that the majority of CDOT dollars and contracts in the past three fiscal years were awarded to firms headquartered in the state of Colorado. Nearly 89% of prime contracts and more than 92% of subcontracts were awarded to Colorado-based firms. Considering the percent of contracts awarded to Colorado firms, CDOT determined the state of Colorado as the market area.

**Table 1: Contracts Awarded to Colorado Firms FFY 2018-2020, Excluding Design-Build**

Prime Contracts		Subcontracts	
	Colorado Firms		Colorado Firms
Total Dollars	\$1,417,286,433	Total Dollars	\$672,893,705
Percent of All Dollars	88.84%	Percent of All Dollars	92.71%
Percent of All Contracts	89.25%	Percent of All Subcontracts	91.57%
Percent of All Firms Utilized	84.69%	Percent of All Firms Utilized	86.21%

## Availability Data

After determining the relevant market area, CDOT analyzed the relative availability of DBEs in Colorado using the process suggested in *49 CFR 26.45(c)(3), Use data from a disparity study*. CDOT first looked at the 2020 State of Colorado Disparity Study<sup>1</sup> conducted by Keen Independent Research. The study analyzed whether there is a level playing field for Historically Underutilized Businesses (HUBs) in the Colorado marketplace. It examined conditions in the construction, A&E, professional services, brokerage and investment, goods and other services industries and encompassed state-funded contracts between July 1, 2014 and June 30, 2018 for each department of state government.

Although CDOT participated, the study cast a wide net across all agencies and all categories of contracting with the State of Colorado. It was not primarily focused on highway construction and construction-related professional services. It also only included CDOT contracts that were fully state-funded which are not necessarily representative of federal-assisted contracts. After a thorough analysis of the study, CDOT determined the data was not granular enough to be used for the availability of DBEs for CDOT contracts. For example, the study determined there were a total of 20 DBEs with a primary NAICS relevant to highway construction and professional services. CDOT's analysis of the UCP DBE Directory found 732 DBEs with these primary NAICS. Although they may not all be "ready, willing, and able," CDOT determined that this represents a more accurate count of DBEs available to participate on CDOT contracts.

As a result, CDOT used the statewide UCP DBE Directory to identify DBE certified firms in highway construction and construction-related professional services in accordance with the process suggested in *49 CFR 26.45(c)(1), Use of DBE Directories and Census Bureau data*. The DBE Directory includes Colorado-based firms, as well as out-of-state firms that are certified as a DBE in Colorado. As suggested by Section E of the *Tips for Goal Setting*, to ensure an "apples to apples" comparison with Census data, only DBE firms with their principal place of business in the state of Colorado were included in the calculation. As of March 24, 2021, there were 1,702 firms listed on the DBE directory and 1,362 with headquarters in Colorado. A total of 732 of those DBE firms have a primary NAICS related to CDOT contracting.

CDOT also used data from the U.S. Census Bureau *2019 County Business Patterns (CPB)* as of April 23, 2021 to identify the total number of Colorado-based firms available in relevant primary NAICS. CPB is an annual data series that provides subnational economic data by industry and contains the most complete, current, and consistent data for business establishments. In order to compare DBE firms with Census data compiled by primary NAICS, CDOT conducted an analysis of the primary type of work performed by Colorado-based DBEs. When making a certification determination, the Colorado UCP does not identify the primary NAICS of the firm. For the availability analysis, CDOT assigned a primary NAICS to each firm using the following information:

- NAICS codes assigned to the firm by the Colorado UCP
- Primary NAICS assigned to the firm for the past DBE methodology
- CDOT Vendor Directory self-registered primary NAICS code
- U.S. Small Business Administration Dynamic Small Business Search
- Knowledge of the firm's products/services and information from the company's website and public online directories

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<sup>1</sup> 2020 State of Colorado Disparity Study: <https://osc.colorado.gov/spco/state-of-colorado-disparity-study>

## Relevant Types of Work

To begin the base figure calculation, CDOT first sought to determine potential contracting opportunities for the next three federal fiscal years. Based upon an evaluation of the CDOT FY 2022-2025 Statewide Transportation Improvement Program (STIP) draft report, CDOT anticipates the type of work over the next three years will be similar in nature to the past three years. CDOT also compared the weighted dollar amounts used for the previous Goal Setting Methodology (FFY 2015-2017) to the contracting data used for this analysis (FFY 2018-2020) and determined that the values were very similar. This adds credence to using past contracting data as an accurate representation of future contracting opportunities.

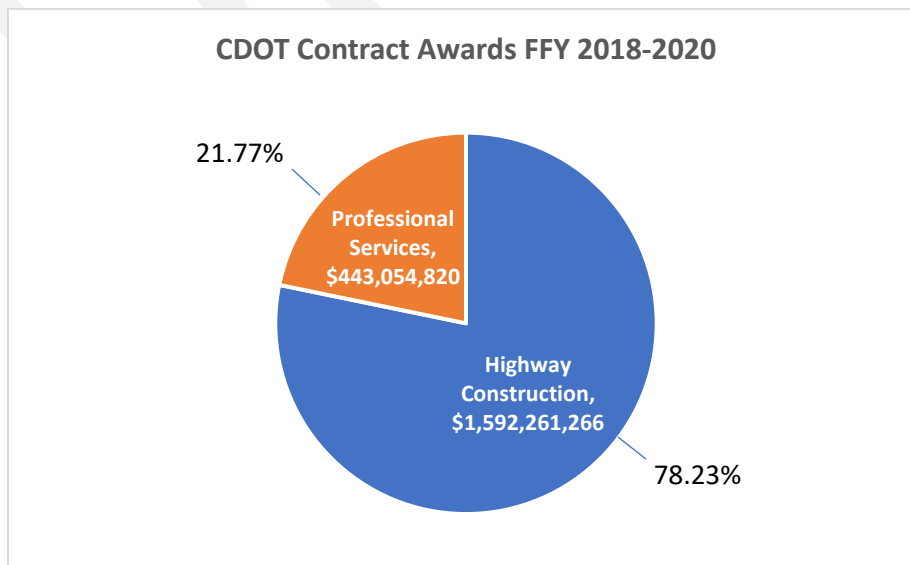
### *Construction*

For construction contracts, CDOT assigned a NAICS code to individual bid items from all contracts awarded over the past three fiscal years, excluding Alternative Delivery projects which are included in the next section. This was done so the types of work contracted by CDOT could be correlated to the primary services provided by firms in the market area. It was also done so bid items could be grouped and weighted based upon how much was contracted in those NAICS as compared to the total contracted amount.

The total amount of construction dollars awarded during FFY 2018-2020 was \$1,595,357,421. However, CDOT identified one contract for \$3,096,156 for polystyrene foam that was used for an emergency bridge repair project. This type of contract is not likely to occur again in the next three fiscal years so it was excluded from the calculation. The remaining total for construction was \$1,592,261,266 which equates to 78.23% of total awarded dollars.

### *Professional Services*

CDOT does not have the ability to track spending at the same level of detail for professional services contracts that it does for construction. Therefore, CDOT reviewed award information and project descriptions for professional services contracts and task orders during FFY 2018-2020 to identify the types of work that are most often utilized. Again, this excluded Alternative Delivery contracts. The total amount awarded was \$443,054,820 or 21.77% of the total.



## STEP 1: BASE FIGURE CALCULATION

In accordance with Section F of the *USDOT Tips for Goal Setting*, CDOT conducted a weighted calculation of the opportunities in construction and professional services. The following formula was used to determine the relative availability of DBE firms and the base figure for DBE participation.

$$\text{DBE Firms} \div \text{All Available Firms} = \text{Relative Availability}$$

$$\text{Relative Availability} \times \text{Weight} = \text{Base Figure}$$

### Construction Base Figure

Using data from the Census, UCP DBE Directory, and construction bid item totals for FFY 2018-2020, CDOT calculated the relative availability of DBE firms to perform work in NAICS relevant to construction contracts. Table 2 shows the base figure for construction contracts weighted by the percent of contracting dollars spent by NAICS.

**Table 2. Construction Weighted Availability Calculation**

NAICS	Description (abbreviated)	All CO Firms	CO DBE Firms	Relative Availability	FFY 2018 - 2020 Total	Weight	Base
212321	Sand and Gravel Mining	49	0	0.00%	\$2,100,970	0.13%	0.00000
236220	Building Construction	800	29	3.63%	\$354,558	0.02%	0.00001
237110	Water and Sewer Line	281	11	3.91%	\$29,427,534	1.85%	0.00072
237310	Highway/Street/Bridge Const.	225	41	18.22%	\$749,019,203	47.04%	0.08572
237990	Other Civil Eng. Const.	71	6	8.45%	\$34,648,844	2.18%	0.00184
238110	Concrete and Structures	577	15	2.60%	\$1,301,673	0.08%	0.00002
238120	Structural Steel and Precast	109	11	10.09%	\$97,188,008	6.10%	0.00616
238140	Masonry Contractors	460	8	1.74%	\$379,863	0.02%	0.00000
238190	Welding Contractors	202	9	4.46%	\$2,542,133	0.16%	0.00007
238210	Electrical Contractors	2006	37	1.84%	\$107,295,258	6.74%	0.00124
238320	Painting and Wall Coverings	1031	12	1.16%	\$2,573,852	0.16%	0.00002
238390	Other Building Finishing	198	3	1.52%	\$4,486,908	0.28%	0.00004
238910	Site Preparation Contractors	955	26	2.72%	\$132,871,260	8.34%	0.00227
238990	Asphalt, concrete, fencing	873	30	3.44%	\$39,137,466	2.46%	0.00084
324121	Asphalt manufacturing	10	0	0.00%	\$2,339,611	0.15%	0.00000
327320	Concrete manufacturing	112	4	3.57%	\$9,658,807	0.61%	0.00022
339950	Signs and signboards	141	5	3.55%	\$42,397	0.00%	0.00000
484220	Trucking	713	173	24.26%	\$3,565,710	0.22%	0.00054
488490	Sweeping	56	3	5.36%	\$3,077,527	0.19%	0.00010
541330	Engineering Services	2380	85	3.57%	\$597,811	0.04%	0.00001
541370	Surveying	269	12	4.46%	\$14,043,265	0.88%	0.00039
541380	Material Testing	177	13	7.34%	\$3,665,278	0.23%	0.00017
541620	Environmental Consulting	498	35	7.03%	\$1,686,431	0.11%	0.00007



541690	Other Scientific Consulting	983	4	0.41%	\$865,286	0.05%	0.00000
541910	Public Information	388	64	16.49%	\$4,634,692	0.29%	0.00048
561320	Temporary Staffing	788	22	2.79%	\$379,361	0.02%	0.00001
561730	Landscaping Services	2261	19	0.84%	\$56,421,329	3.54%	0.00030
561990	Traffic Control/Utilities	255	30	11.76%	\$138,003,757	8.67%	0.01020
562991	Septic Tank Services	74	1	1.35%	\$1,302,196	0.08%	0.00001
Misc.	Miscellaneous	0	0	0	\$148,650,278	9.34%	0.00000
<b>Total</b>		<b>16942</b>	<b>708*</b>	<b>4.18%</b>	<b>\$1,592,261,266</b>	<b>100.00%</b>	<b>11.15%</b>

### Professional Services Base Figure

Table 3 below shows relative availability of DBE firms with a primary NAICS used for professional services contracts. CDOT does not capture line-item details for these types of contracts but does have general descriptions of prime contracts and subcontracts. CDOT evaluated contracts awarded between FFY 2018-2020 and mapped the general descriptions to NAICS, similar to the process used for construction contracts.

**Table 3: Professional Services Availability Calculation**

NAICS	Description (abbreviated)	All CO Firms	CO DBE Firms	Relative Availability	FFY 2018 - 2020 Total	Weight	Base
541320	Landscape Architecture	214	24	11.21%	\$995,304	0.22%	0.00025
541330	Engineering Services	2380	85	3.57%	\$374,868,495	84.61%	0.03022
541370	Surveying	269	12	4.46%	\$14,294,708	3.23%	0.00144
541380	Material Testing	177	13	7.34%	\$23,460,950	5.30%	0.00389
541620	Environmental Consulting	498	35	7.03%	\$19,995,991	4.51%	0.00317
541910	Public Information	388	64	16.49%	\$2,584,034	0.58%	0.00096
541990	Traffic Control/Utilities	255	30	11.76%	\$6,855,339	1.55%	0.00182
		<b>4181</b>	<b>263*</b>	<b>6.29%</b>	<b>\$443,054,820</b>	<b>100.00%</b>	<b>4.18%</b>

**\*Note:** The total number of DBE firms located in Colorado with a primary NAICS relevant to CDOT is 732 (as indicated on page 5). The combined total for Construction and Professional Services shown in Tables 2 and 3 is 971. This total is higher because all categories, with the exception of 541320 Landscape Architecture, are used for both construction and professional services contracts and are included in the weighting for both.

### Combined Base Figure

Tables 2 and 3 are separated into types of work for construction and professional services because they represent two separate data sets. However, the overall DBE goal is not separated according to the contracting method but is rather a calculation of all available DBEs compared to all available firms weighted by the amount of opportunities in each category. As shown in Table 4, combining the base figures and then weighting based upon the percent of dollars in each category compared to total contracted dollars resulted in a **combined base figure of 9.63%**.

**Table 4: Combined Base Figure**

Category	Weighted Availability	Forecasted % of Awards	Weighted Step 1 Base Figure
Highway Construction	11.15%	78.23%	8.72%
Professional Services	4.18%	21.77%	.91%
<b>Combined Step 1 Base Figure</b>			<b>9.63%</b>

### Alternative Delivery Impact on Base Figure

In addition to traditional design-bid-build construction contracts and professional services contracts, CDOT uses Alternative Delivery (AD) project methods that include Design-Build (DB), Construction Manager/General Contractor (CM/GC), and Public Private Partnerships (P3). One such P3 is the \$1.17B Central 70 project which was awarded in fall 2017 and is about 70% complete. An independent DBE availability analysis was conducted for the project and DBE goals were set accordingly. Therefore, Central 70 DBE participation will not be counted toward CDOT’s overall annual DBE goal. No other future P3 projects are anticipated over the next three fiscal years. However, CDOT does anticipate using DB and CM/GC delivery methods for future projects.

To ensure the final weighting of the base figure accurately represents these DB and CM/GC contracting opportunities, CDOT included the professional services and construction portions of the AD project budgets awarded over the past three fiscal years into the goal calculation. Because project selection is not determined until project goals are set, there is not a forecast of AD projects for FFY 2022-2024. However, CDOT believes the quantity and scope will be consistent with the past three fiscal years.

Budget data for AD contracts was obtained from the CDOT Alternative Delivery Program Branch and compared with project projections from the Project Management Office (PMO). Detailed bid items and subcontractor data is not available on alternative delivery contracts so NAICS cannot be assigned for weighting purposes. Therefore, CDOT used a calculation method based upon typical cost allocations for construction and professional services on these types of contracts.

Generally, CDOT allocates 22% of an AD project budget to construction engineering (CE) and indirect costs. Therefore, this amount was removed from the project budget available for DBEs. The remaining budget was divided into construction and professional services opportunities. Based upon historical data, CDOT expects AD contract expenditures to be approximately 90% for construction and 10% for design. A 90-10 percentage split was used to determine potential DBE opportunities on AD contracts. This calculation is shown in Table 5 on the next page.

The resulting funding amounts were then included in the final weighted calculation for the DBE goal. As shown in Table 6, **the combined base figure, including alternative delivery opportunities, is 9.82%.**

**Table 5: Total Contracting Opportunities including Alternative Delivery (AD) Contracts**

<b>AD Total Budget (Excluding Central 70)</b>		
		\$793,361,811
Remove CDOT CE & Indirect Costs	22%	<u>(\$174,539,598)</u>
Total AD Contracting Opportunities		\$618,822,213
<b>AD Weighted Opportunities</b>		
AD Construction	90%	\$556,939,991
AD Professional Services	10%	\$61,882,221
<b>Construction Opportunities</b>		
DBB Opportunities (Table 2)		\$1,592,261,266
AD Opportunities (Above)		<u>\$566,939,991</u>
Total		\$2,149,201,257
<b>Professional Services</b>		
DBB Opportunities (Table 3)		\$443,054,820
AD Opportunities (Above)		<u>\$61,882,221</u>
Total		\$504,937,041
<b>Total Contracting Opportunities (DBB + AD)</b>		<b>\$2,654,138,299</b>

**Table 6: Combined Base Figure including Weighted Alternative Delivery Opportunities**

Goal Dollars Calculation (\$ from Table 5 and % from Table 4)			
Construction Opportunities	\$2,149,201,257	11.15%	\$239,635,940
Professional Services	\$504,937,041	4.18%	\$21,106,368
<b>Total Amount of Goal in Dollars</b>			<b>\$260,742,309</b>
Base Figure Calculation			
<b>Total Goal Dollars ÷ Total Opportunities</b>			<b>9.82%</b>
(\$260,742,309) ÷ (\$2,654,138,299)			

## STEP 2: ADJUSTMENTS TO THE BASE FIGURE

49 CFR Section 26.45 (d) identifies numerous examples of the various types of data that can be examined in order to adjust the Step 1 base figure to narrowly tailor the goals to the local market. Step 2 of the goal setting methodology is intended to adjust the base figure from Step 1 to reflect, as accurately as possible, the DBE participation CDOT would expect in the absence of discrimination. CDOT considered the following factors in order to determine whether an adjustment to the Step 2 base figure is appropriate for the CDOT FY 2022-2024 goal.

### Professional Services Prequalification List

CDOT requires all consulting firms seeking work on CDOT professional services contracts to be prequalified and have a Master Price Agreement. The list of prequalified firms is a much more accurate representation of potential bidders than the Census and UCP Directory and is effectively a complete bidder's list of professional services consultants.

As of May 3, 2021, there were 216 prequalified professional services consultants. Of those, 56 (25.93%) were DBE certified. Given the significant disparity between the base figure for professional services (4.18%) and the prequalified consultant listing, CDOT determined that the two data sets should be treated as equal weights in the calculation and averaged to determine a base figure for availability in professional services contracting, as shown in Table 7.

**Table 7: Adjusted Base Figure for Availability in Professional Services**

<b>Professional Services:</b> $25.93\% + 4.18\% = 30.11\%$
<b>Average:</b> $30.11\% \div 2 = 15.06\%$

In the past, CDOT did not have an accurate method of tracking and summarizing DBE participation on Professional Services contracts. In FFY 2021, CDOT began using B2GNow to automate several contract compliance tasks including tracking DBE participation by Master Contract and Task Order. For the first six months of FFY 2021, CDOT attained 21.26% DBE participation on federal-assisted professional services contracts, as shown in Table 8 below. This provides additional justification for the upward adjustment outlined in Table 7 above.

**Table 8: DBE Participation on Professional Services Contracts in FFY 2021**

FFY	Professional Services Contract Awards (Federal Dollars Only)	Total Awarded to DBEs (Federal Dollars Only)	DBE Participation Percentage
2021	\$4,669,838	\$992,692	21.26%

### Adjusted Base Figure

CDOT then made an adjustment to the base figure by using the resulting 15.06% as the relative availability of professional services firms rather than 4.18% which was used in Step 1. **This adjustment resulted in an overall goal of 11.89%** as shown in Table 9 below.

**Table 9: Adjusted Combined Base Figure**

Goal Calculation (\$ from Table 5 and % from Table 4)			
<b>Construction Opportunities</b>	\$2,149,201,257	11.15%	\$239,635,940
<b>Professional Services</b>	\$504,937,041	<b>15.06%</b>	\$76,043,518
<b>Total Amount of Goal in Dollars</b>			<b>\$315,679,459</b>



Base Figure Calculation	
<b>Total Goal Dollars ÷ Total Opportunities</b> (\$315,679,459) ÷ (\$2,654,138,299)	<b>11.89%</b>

### Historical DBE Participation

The *USDOT Tips for Goal-Setting* suggests evaluating past DBE participation as a factor for Step 2 adjustment. Table 10 represents DBE participation on CDOT construction contracts over the past five years compared to the DBE goal set for each year. The historical median over those years is 12.41%.

**Table 10: DBE Participation on Past Construction Contracts**

FFY	Annual DBE Goal	Actual DBE Achievement (Federal Dollars Only)
2016	12.15%	13.20%
2017	12.15%	11.10%
2018	11.55%	13.01%
2019	11.55%	12.41%
2020	11.55%	11.69%
<b>Historical Median</b>		<b>12.41%</b>

The *Tips* state “if your records suggest levels of past participation very similar to the number you calculated in Step 1, then it is not necessary to make any adjustment for past participation.” The Step 2 adjusted goal of 11.89% and the historical construction median of 12.41% are similar enough to not constitute another Step 2 adjustment.

### Other Disparity Studies

#### *2020 State of Colorado Disparity Study*

As mentioned previously, a disparity study<sup>2</sup> was conducted in 2020 for the State of Colorado by Keen Independent Research. The study indicated that there is not a level playing field for minority- and women- owned businesses in the Colorado construction, construction-related professional services, other professional services, goods, other services, and brokerage and investment industries. The scope of the study was comprehensive and focused on businesses owned by people of color, women, persons with physical or mental disabilities, and members of the LGBT community. It analyzed nearly 22,000 state-funded contracts and subcontracts and 17,000 contractors in the Colorado market area.

Because the study was so comprehensive, it did not include a level of granularity required for the Overall Annual DBE Goal Methodology. The purpose was not primarily focused on highway construction and construction-related professional services. Therefore, the data in several contracting categories were combined such as highway construction and building construction. It also included only state-funded contracts which account for only a small percentage of CDOT construction and professional services contracts and are not representative of contracts eligible for the DBE program.

<sup>2</sup> 2020 State of Colorado Disparity Study: <https://osc.colorado.gov/spco/state-of-colorado-disparity-study>

Additionally, the disparity study data did not include whether a firm was DBE certified. CDOT conducted further review using the *Colorado UCP DBE Directory* and determined there were a total of 20 DBEs with a primary NAICS relevant to highway construction and professional services included in the study. CDOT's analysis of the UCP DBE Directory identified 732 DBEs with these primary NAICS. Therefore, CDOT chose to consider the complete pool of DBEs and the more precise bidder's list of CDOT prequalified professional services firms.

The study did demonstrate that disparities exist in State contracting. It found that minority- and woman-owned businesses experience barriers and unequal opportunities to; enter and advance as employees within certain industries, start and operate businesses, and obtain financing and bonding to start, operate, and expand their business. The study made a recommendation to the State to "establish policy and overall annual aspirational goals for eligible contracts" which supports the use of race-conscious goals by CDOT on federal-assisted contracts.

### *City and County of Denver 2018 Disparity Study*

A disparity study<sup>3</sup> was conducted by BBC Research & Consulting in 2018 pursuant to a city ordinance to evaluate every 5 years the utilization of minority and women-owned contractors in city procurement of construction, professional design, and goods and services. As with the State disparity study, this study showed that minorities, women, and minority- and woman-owned businesses face substantial barriers nationwide and in Denver. It also found disparities in contracting in all contracting categories. This again supports CDOT's use of race-conscious goals and race-neutral measures to level the playing field for DBE firms.

The City and County of Denver does not publish aspirational goals for the DBE program; however, federal regulations state the national aspirational goal for DBE participation is 10%, which DSBO has attained or exceeded. The City and County of Denver does set aspirational goals for Minority/Woman-owned Business Enterprises (M/WBEs). The Division of Small Business Opportunity 2018 Annual Report<sup>4</sup> states the M/WBE aspirational goal for construction is 24% and professional services is 33%. Because these aspirational goals are set based upon availability of contractors in the Denver metro area and not statewide, CDOT concluded it is not an "apples to apples" comparison. The Denver metro area has the highest concentration of M/WBEs in the state which makes it reasonable to assume the availability of M/WBEs would be higher in that area than collectively across the state.

The study also considered the overall annual DBE goal for FAA-funded contracts awarded by Denver International Airport (DEN). The analysis indicated that potential DBEs might be expected to receive 16.2% of the City's FAA-funded prime and subcontract dollars. Because the study was geographically constrained to the Denver Metropolitan Statistical Area (MSA) and FAA-funded contracts and FHWA-funded contracts are substantially different, CDOT did not use this as a comparative factor for a Step 2 adjustment.

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<sup>3</sup> City and County of Denver 2018 Disparity Study:

<https://www.denvergov.org/content/dam/denvergov/Portals/690/DSBO/DS%20FULL%20REPORT%200410.pdf>

<sup>4</sup> City and County of Denver Division of Small Business Opportunity 2018 Annual Report:

[https://www.denvergov.org/content/dam/denvergov/Portals/690/Reports%20and%20Studies/DEDO\\_DSBOAnnualReportFINAL%20PRINT%20READY\\_093019.pdf](https://www.denvergov.org/content/dam/denvergov/Portals/690/Reports%20and%20Studies/DEDO_DSBOAnnualReportFINAL%20PRINT%20READY_093019.pdf)

## Future Contracting Opportunities

As noted earlier, CDOT anticipates that the work contracted over the next three fiscal years (FFY 2022-2024) will be similar in nature to that contracted over the past three years. Historical data shows that the types of work have remained consistent regardless of the project delivery method. However, the availability of funding and the sources of funding may impact the contracting opportunities in the future.

### *Impact of Pandemic*

The arrival of COVID-19 in March 2020 and the subsequent quarantine and shut down of many businesses caused significant uncertainty in the industry. The State disparity study was being conducted during this time and noted that nearly all business owners they interviewed had been impacted by the COVID-19 pandemic. Many business owners reported they had seen contracts canceled or put on hold, supply chain limitations, and other unforeseen challenges. Some business owners reported downsizing or laying off staff to adapt to reductions in workload.

Additionally, CDOT experienced a significant reduction in gas tax revenue, as well as the State's Highway User Tax Fund, which is the primary source of transportation funding in Colorado. There were also delays in state funding allocations due to uncertainties in the state budget and the bond market. These factors caused CDOT to re-prioritize critical projects and delay the advertisement of some projects scheduled to release over the summer.

Despite these market conditions, construction remained "essential" and the end of the fiscal year saw CDOT contract award totals similar to previous fiscal years. Small businesses in the industry contracted and expanded to match the environment. Federal assistance programs such as the SBA Paycheck Protection Program (PPP) helped small businesses survive a year of uncertainty. Only 3 firms contacted for the State disparity study indicated that they were no longer in business due to the pandemic. This indicates that the pandemic did not adversely affect the future availability and ability of contractors in Colorado to deliver services and participate in CDOT contracts.

### *Funding Outlook*

Over the last few years, the Colorado Legislature passed multiple bills (SB228, SB262, SB267) to assist with funding transportation in the state. In particular, SB267 will infuse approximately \$450 million per year toward CDOT project delivery in FY 2021 and FY 2022. According to the FFY 2022 – FFY 2025 STIP<sup>5</sup>, CDOT has currently programmed approximately \$820 million of projects in FY 2022 and FY 2023. This same level of contracting dollars is expected to continue in FFY 2024. In May, 2021, the Colorado Senate approved a \$5.3 billion transportation funding package and as of this writing, it is waiting for approval by the House. This is all in addition to a \$2 trillion proposal at the federal level which is targeting fixes to the nation's aging infrastructure.

Stimulus funds, transportation bills, grants, revenue from new transportation fees, and various local agency partnerships promise to deliver a robust CDOT contracting program over the next three fiscal years. CDOT expects that there will be a steady increase in funding rather than a potential post-pandemic decline which was predicted last year. This has raised concerns from industry that the large volume of work may potentially impact the availability of DBE firms that provide services in high-demand subcontracting categories such as geotechnical, concrete, traffic control, trucking, etc.

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<sup>5</sup> CDOT FFY 2022 – FFY 2025 Statewide Transportation Improvement Program (STIP):  
<https://www.codot.gov/programs/planning/transportation-plans-and-studies/stip>

As evidenced by past fluctuations in CDOT’s contracting program, DBE firms have grown to meet demand and survived periods of slow-downs. **Section H** of the *USDOT Tips for Goal Setting* states; “It is never appropriate to adjust your measurements of relative DBE availability, either in Step One or in Step Two, solely because the size of your contracting program will change in the next fiscal year. For example, if you assume that non-DBEs will be able to expand to compete for large influx of new program dollars, you should make the same assumption about DBEs, absent specific evidence to the contrary.”

A review of past DBE participation showed there is not a direct correlation to the total amount of contract dollars awarded and the percentage of DBE participation. In fact, CDOT experienced greater DBE participation in years when there were more total federal-assisted contract dollars awarded. Table 11 shows that the highest DBE goal attainment was in FFY 2018 when the total federal-assisted contracting dollars was also the highest.

**Table 11: Dollar Value of Past DBE Participation (Federal Dollars Only)**

FFY	Construction Contract Awards (Federal Dollars Only)	DBE Participation (Federal Dollars Only)	DBE Participation Percentage
2018	\$366,647,893.00	\$47,717,947.00	13.01%
2019	\$358,532,618.02	\$44,501,370.00	12.41%
2020	\$307,039,293.70	\$35,908,196.23	11.69%

The resulting conclusion was that although the overall amount of federal contracting dollars may increase with the addition of stimulus funding and other sources, the ratios of the type of work to be performed will remain approximately the same. Rather than making adjustments to the base figure based upon potential scenarios, CDOT will re-evaluate DBE participation for federal-aid projects annually to determine whether market conditions warrant adjustments to the overall DBE goal, or individual race-conscious and race-neutral components.

## BREAKOUT OF RACE NEUTRAL / RACE CONSCIOUS PARTICIPATION

The federal regulations require CDOT to meet the maximum feasible portion of its overall goal by using race and gender-neutral means of facilitating DBE participation (see *CFR 49 Part 26.51(a)* and also *26.45(f)(3)* and *26.51(c)*). Race-neutral participation includes:

- DBEs who win prime contracts through customary competitive procurement procedures;
- DBEs who are awarded subcontracts on prime contracts that do not carry a DBE goal (0% assigned DBE goal); and
- DBEs who are awarded subcontracts in excess of the stated DBE project goal.

CDOT examined the race-neutral attainment for the past five federal fiscal years to determine the maximum feasible race-neutral participation. The median was used instead of the average to exclude outliers – that is, abnormally high or low numbers. Table 12 shows race-neutral achievement through prime contract awards to DBE firms. Table 13 shows race-neutral achievement through subcontract awards to DBE firms in excess of project goals or on projects without a DBE goal. Table 14 shows that **CDOT achieved a median of 3.47% of the goal over the past five years through race-neutral means.**



**Table 12: Past DBE Prime Construction Awards**

FFY	Total Award Amount (Federal Dollars Only)	DBE Prime Award Amount (Race Neutral)	% of Total Award Amount
2016	\$492,941,677	\$4,069,862	.83%
2017	\$347,835,005	\$2,045,779	.59%
2018	\$366,647,893.00	\$0.00	0.00%
2019	\$358,532,618.02	\$0.00	0.00%
2020	\$307,039,293.70	\$260,000.00	0.08%

**Table 13: Past DBE Race Neutral Construction Subcontract Amounts**

FFY	Total Award Amount (Federal Dollars Only)	DBE Sub Award Amount (Race Neutral)	% of Total Award Amount
2016	\$492,941,677	\$21,171,784	4.29%
2017	\$347,835,005	\$10,026,279	2.88%
2018	\$366,647,893.00	\$7,598,638.00	2.07%
2019	\$358,532,618.02	\$9,172,742.00	2.56%
2020	\$307,039,293.70	\$14,757,954.96	4.81%

**Table 14: Combined Past Race Neutral Participation**

FFY	Race Neutral Attainment (Federal Dollars Only)
2016	5.12%
2017	3.47%
2018	2.07%
2019	2.56%
2020	4.89%
<b>Median</b>	<b>3.47%</b>

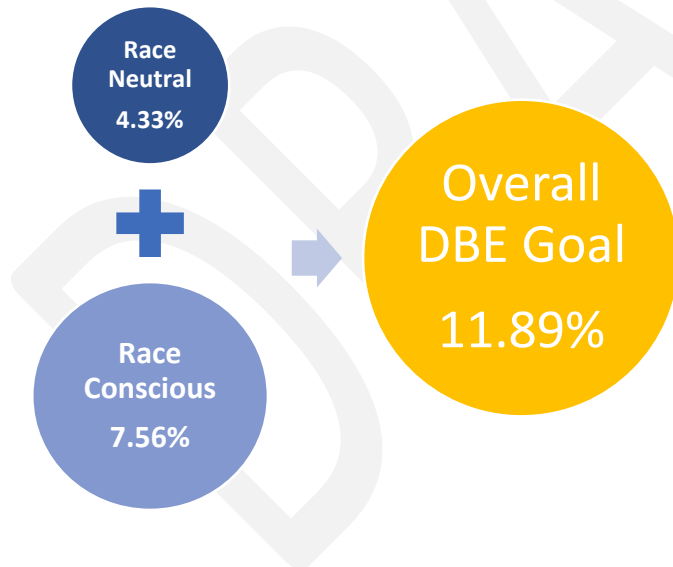
CDOT also considered the amount by which past goals were exceeded, as well as past history of inability to achieve goals in determining the race-neutral and race-conscious proportion consistent with *USDOT Tips for Goal Setting*. Specifically, USDOT recommends increasing the race-conscious portion of the annual goal to account for the proportion of previous years' goals that was not met or increasing the race-neutral portion to account for exceeding goals. Table 15 shows that **CDOT has consistently exceeded the goal and has a median of .86% of participation in excess of the goal.**

**Table 15: Past DBE Goal Attainment**

FFY	Annual DBE Goal	Actual DBE Achievement (Federal Dollars Only)	Difference
2016	12.15%	13.20%	1.05%
2017	12.15%	11.10%	-1.05%
2018	11.55%	13.01%	1.46%
2019	11.55%	12.41%	.86%
2020	11.55%	11.69%	.14%
<b>Historical Median</b>		<b>12.41%</b>	<b>.86%</b>

**Race-Neutral and Race-Conscious DBE Goals**

CDOT is confident that it will be able to achieve a portion of DBE participation through race-neutral means based upon historical trends and the successful implementation of various race-neutral program elements. To calculate the race-neutral portion, CDOT used the median race-neutral goal achieved over the past 5 years (3.47%) and added the median percentage in which the DBE goal was exceeded (.86%). This resulted in a race-neutral goal of 4.33%. The race-conscious goal was then set at 7.56% to total the overall annual goal of 11.89%.



The overall DBE goal is slightly more than in the past three years and the percentage allocated to race-neutral participation has been increased. CDOT aspires to create a balance between race-conscious goals and race-neutral means of achieving DBE participation on federal-assisted contracts. The race-neutral goal is considered a minimum and not the ceiling. CDOT will continue to actively increase the amount of race-neutral DBE participation and reduce the reliance on race-conscious goals to meet the overall goal.

One mechanism is through CDOT’s race-neutral Emerging Small Business (ESB) program. CDOT is currently developing program enhancements that will support, and hopefully increase, DBE prime

contractor participation and reverse the downward trend in race-neutral participation encountered in 2018 and 2019 (see Table 14) primarily due to a lack of DBE prime contracts (see Table 12). Details about the ESB program are provided in the next section.

As new programming is implemented, CDOT will monitor and adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation. On a quarterly basis, CDOT will:

- Separately track and report race-neutral and race conscious participation.
- Maintain data on DBE achievements in those contracts with and without contract goals, respectively.
- Consolidate data for an annual goal review and adjustment, if necessary.

### Race-Neutral Methods

It is the goal of CDOT to meet the maximum feasible portion of its DBE goals by using race-neutral means of facilitating DBE participation. The ongoing initiatives described below seek to reduce discriminatory barriers, increase capacity and level the playing field for the participation of DBEs and other small contractors. They are also designed to assist CDOT in increasing race-neutral participation on its contracts.

### *Marketing and Outreach*

The pandemic created a significant shift in how outreach activities were conducted during 2020. A quick pivot to online events and networking ensured that CDOT continued to regularly engage the small businesses community. The success of many of these activities has encouraged a hybrid approach of both virtual and in-person outreach in the future. CDOT intends to continue providing and participating in the following:

- **Virtual and in-person statewide conferences**, seminars, and community outreach activities for the purpose of informing potential contractors of CDOT contracting procedures, DBE and ESB certifications, and available business opportunities.
- **CDOT major project outreach events** and other “meet-and-greet” events to bring prime contractors together with DBE firms prior to proposals.
- **Monthly member meetings and events** hosted by stakeholder partner associations including; Colorado Contractor’s Association, Associated General Contractors of Colorado, American Council of Engineering Companies, Hispanic Contractors of Colorado, Conference of Minority Transportation Officials, the Women’s Transportation Seminar, USDOT’s Small Business Transportation Resource Center, Rocky Mountain Minority Supplier Diversity Council, Colorado Minority Business Office, Colorado Black Chamber of Commerce, Procurement Technical Assistance Center, Denver Small Business Office, and others who help promote CDOT contracting opportunities and relevant certifications.
- **Quarterly Small Business Collaborative Forums** in separate tracks for construction and professional services to discuss relevant small business topics and address issues raised by the small business community, industry stakeholders, and prime contractors.
- **Quarterly CDOT Transportation Commission Small Business Committee.**

- **Special programs** such as the U.S. DOT Bonding Education Program, HCC Contractor Academy Scaling Program, The Opportunity Council Pitch Competition, and the Denver Metro Chamber of Commerce Transportation Trout Tank.
- **The Unified Certification Program committee** to maintain the accuracy of the DBE directory as the single source for identifying DBEs currently certified in Colorado ([www.coloradodbe.org](http://www.coloradodbe.org)).
- **Monthly email newsletters** and special announcements that include information about upcoming contracting opportunities, industry events, workshops and training, specification changes, and a list of newly certified DBE and ESB firms.
- **Free custom Bid Matching System** that delivers weekly emails to opt-in subscribers with any newly advertised construction projects that have bid items in their relevant NAICS.
- **Active outreach on a regular basis** to ensure a level playing field for DBEs including transparency about CDOT's DBE and ESB Programs and requirements, prompt payment clauses for subcontractors, restricted projects, mentor-protégé programs, and other support services.

### *Emerging Small Business Program*

CDOT's Emerging Small Business Program (ESB) is a race-neutral program designed to aid small businesses in obtaining work on CDOT's highway construction and design projects. Many of the small firms participating in the ESB Program are also certified DBEs. The following program elements have been successfully implemented:

- **Increased Size Standard** – On May 20, 2021, the Colorado Transportation Commission approved several administrative and programmatic changes to the ESB program. The most substantive change was increasing the size standard for eligibility. As of July 15, 2021, the ESB program will include an SBE Level which will allow small businesses with revenues up to the SBA small business size standard to participate in the ESB program. Previously the program size standard that was 50% of the SBA size standard in the firm's primary NAICS. The maximum cap will also be increased to the same dollar threshold as the DBE program cap. This better aligns the ESB program with the DBE program and encourages race-neutral participation. The additional SBE Level will provide opportunities for larger DBE firms to take advantage of various ESB program benefits, including support for prime contracting.
- **ESB Restricted Projects** – Under the ESB Program rules, construction and professional services projects under \$1 million may be restricted for award to an ESB firm. This limits competition to small businesses and facilitates DBE growth into prime contractor and consultant roles. CDOT currently evaluates \$1 million Non-Project Specific (NPS) contract tiers for ESB awards. CDOT also evaluates smaller specialized construction contracts and is considering formalizing a process to evaluate all projects less than \$1 million in construction cost.
- **Incentives for Professional Services Contracts** – In 2015, CDOT revised the bid rules for professional services contracts to provide "point incentives" during proposal evaluation and scoring to encourage prime consultants to utilize DBE and ESB firms and for DBE and ESB firms to propose as prime consultants.
- **Project and Target Participation Goals** – CDOT evaluates alternative delivery contracts and may apply a mandatory ESB goal similar to the DBE goal or set an optional target percentage resulting in a financial reward for meeting or exceeding the project goal.



- **Tracking & Enforcement Mechanisms** – In 2015, CDOT adopted the B2GNow system which has enabled more effective tracking and enforcement of DBE and ESB commitments, as well as prompt payment compliance. Automated DBE tracking was implemented in FFY 2021 for Professional Services Master Contracts and Task Orders.
- **Mentor-Protégé Program** – CDOT successfully relaunched the Mentor-Protégé program in 2018 and 16 teams have participated over the past 3 years. The program has been very successful in helping to grow small and disadvantaged businesses by increasing capacity, capabilities, and contracts with CDOT.
- **Bond Guarantee Program** – CDOT launched a pilot program in 2019 to help small businesses obtain bonding or increase bonding limits to bid as a prime contractor on CDOT construction projects. CDOT is working with Lockton Companies, LLC to assist with qualifying small businesses and connecting with sureties using a CDOT partial guarantee.

### *Emerging Small Business Program Enhancements*

CDOT is currently in the process of updating the ESB program to provide additional benefits to small businesses and increase race-neutral participation. A primary focus of these enhancements is to create more balance between race-conscious and race-neutral means of achieving overall DBE participation on CDOT federal-assisted contracts. Specifically, several program elements are being proposed to address the lack of DBE prime contractor participation over the past three fiscal years.

Below is a list of proposed program changes that are currently being vetted with industry stakeholders and the Transportation Commission Small Business Committee.

- **Bid Preference for ESB Firms** – CDOT is currently considering the use of a 5% bid price preference in low-bid contract evaluation. This method has successfully supported small business participation in other government contracting programs. CDOT has proposed this program incentive to stakeholders and the Transportation Commission. Additional public feedback will be gathered in 2021 to support a potential rollout in 2022.
- **Bonus Points for Alternative Delivery Contracts** – CDOT is also evaluating potential proposal evaluation incentives for ESB prime contractors on design-build and CM/GC contracts. These contracts are awarded using an RFP process and selection matrix that is different from traditional design-bid-build. There may be an opportunity to award “bonus points” to ESB firms who propose on these projects as a prime contractor.

### *DBE Supportive Services: Connect2DOT*

CDOT uses DBE supportive service funds for the Connect2DOT Program which is a cooperative agreement with the Colorado Small Business Development Center (SBDC) Network. The program offers technical assistance to DBEs in accordance with 23 CFR 230.204. There are 12 SBDCs that offer program services across the state and approximately 220 business consultants available throughout the network. A complete description of the program can be found at [www.connect2dot.org](http://www.connect2dot.org).

The program and partnership with the SBDC Network have been extremely successful over the past 9 years. Last fiscal year, the Connect2DOT program:

- Provided one-on-one consulting to 669 small businesses in the construction industry.
- Assisted 40 firms with obtaining DBE certification and 15 firms with ESB certification.
- Enabled small business to access to \$2.3 million in financing.
- Helped clients increase sales by \$20.27 million and create 72 new jobs.

Below is a list of some of the services provided to small businesses through the Connect2DOT program. Due to the pandemic, most of these were quickly converted from in-person to virtual programs.

- **LEADING EDGE™ for Transportation** – One of the premier offerings provided through Connect2DOT is the LEADING EDGE™ for Transportation program. The program is an intensive 9-week business planning course combined with individual consulting designed to develop leadership skills, facilitate key introductions with the business community, generate strategies for growth, and help DBEs perform successfully on CDOT projects. The course covers topics such as finance, marketing, business management, government contracting, bidding, workforce development, and more.
- **One-on-One Technical and Resource Assistance** – There are more than 220 business consultants in the SBDC Network and another 15 virtual Connect2DOT consultants that provide personalized consulting on topics such as business planning, accounting, HR, marketing, project take-offs, bidding/estimating, project management, bonding, equipment leasing, financial capacity, certifications, CDOT systems, and more. Small businesses have free, confidential, and unlimited access to the expertise of these consultants statewide.
- **Workshops and Education** – Connect2DOT hosts an average of 45 training classes each year virtually and at locations across the state. These workshops are free or low cost and provide instruction on a variety of technical topics geared toward construction or professional services contractors. In FFY 2021, CDOT grouped 55 classes into 11 Training Series and offered them live online and on-demand. The SBDC Network also hosts approximately 30 training classes every month on general business topics that are low cost and accessible to DBE and ESB firms.
- **Industry Events** – Typically, Connect2DOT has participated in more than 35 industry events each year targeted to small businesses. The 2020 pandemic scaled back the number of events available to attend and shifted most to a virtual format. Connect2DOT intends to continue participating in industry events, whether virtual or in-person. These outreach efforts help recruit new firms to fulfill project demands, as well as developing the skills of existing DBE firms.
- **Industry Partnerships** – Connect2DOT partners with industry organizations such as local and minority chambers, contracting associations, surety and insurance agents, small business lenders, workforce development centers, and support programs such as the USDOT West Central Small Business Transportation Resource Center (SBTRC), Procurement Technical Assistance Center (PTAC), and Colorado Minority Business Office (MBO). These partnerships ensure comprehensive support to help DBEs increase competitiveness, build capacity, and perform successfully as prime and subcontractors on CDOT projects.

## PUBLIC PARTICIPATION & FEEDBACK

In accordance with *49 CFR 26.45*, CDOT reached out to industry stakeholders and minority group representatives to obtain feedback on the methodology and data being used to calculate the overall goal and evaluate barriers for DBEs.

CDOT published the overall goal on its website at <http://codot.gov/business/civilrights> on June 4, 2021 and directly notified relevant stakeholder groups and DBEs at association meetings and the CDOT Small Business Collaborative Forums. No substantive comments were received during the open comment period. Comments are currently being accepted related to this draft document. This draft will also be presented for review and approval via resolution by CDOT's Transportation Commission on August 19, 2021.

Please contact the CDOT Civil Rights and Business Resource Center with any questions or comments regarding this methodology:

CDOT Civil Rights and Business Resource Center  
2829 W. Howard Place, Suite 139  
Denver, CO 80204  
(303) 757-9234  
[dot\\_civilrights@state.co.us](mailto:dot_civilrights@state.co.us)

**FFY 2017-2020 CDOT DBE Participation Data**

Compiled July 2021 for the CO Transportation Commission  
 In response to a request from Commissioner Adams at the May 2021 SBD Committee Meeting  
 Source Data: [FHWA Annual DBE Uniform Reports](#)

**Commented [1]:** @greg.diehl@state.co.us FYI this is specifically the info that Shoshana wanted to see before it goes into the final packet.

**Commented [2]:** As long as it squares with the uniform reports we've submitted - I'm good. (they don't want %?)

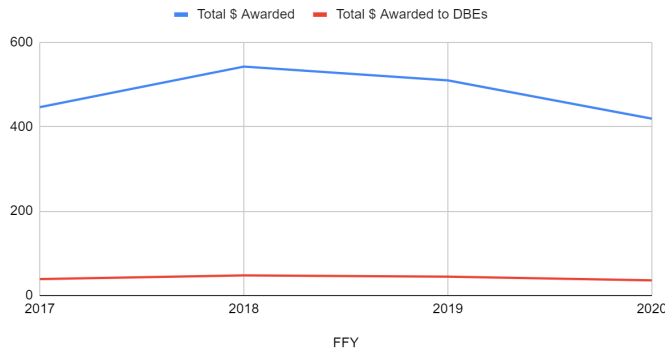
**Commented [3]:** No - the request from Commissioner Adams and Vasquez in May was absolute data - I think they're trying to reconcile the concept of a percentage with that of absolute impact (e.g., what kind of dollar values are we talking when we say 11.89%?)

**Comparisons By Award Dollars**

Total Awards (\$)

FFY	Total Awarded (\$M)	Total Awarded to DBEs (\$M)
2017	\$446.20	\$39
2018	\$542.20	\$47.70
2019	\$509.70	\$44.50
2020	\$419	\$35.80

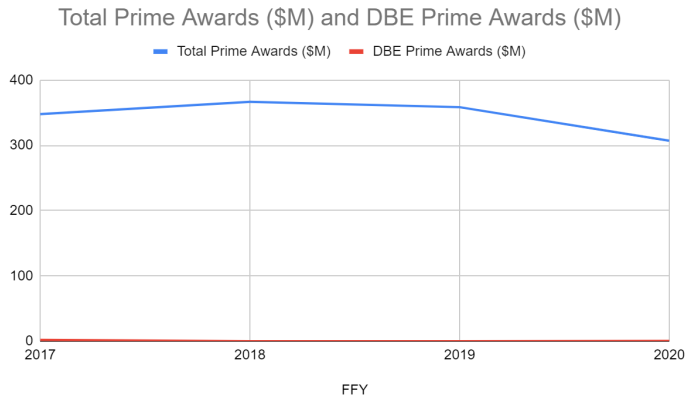
Total \$ Awarded vs. Total \$ Awarded to DBEs (\$M)



Prime Awards (\$)

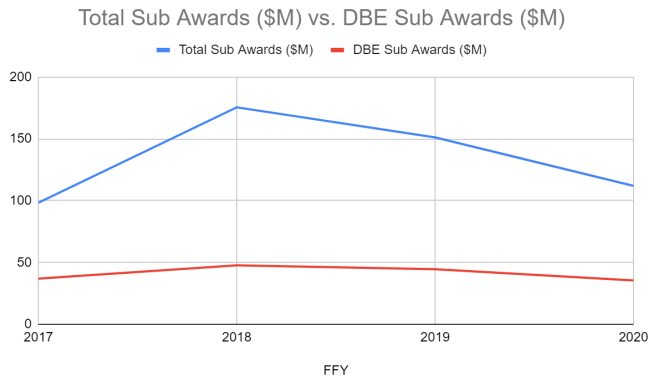
FFY	Total Prime Awards (\$M)	DBE Prime Award (\$M)
2017	\$347.8	\$2
2018	\$366.6	\$0
2019	\$358.5	\$0
2020	\$307	\$0.26





**Sub Awards (\$)**

FFY	Total Sub Awards (\$M)	DBE Sub Awards (\$M)
2017	\$98.3	\$36.9
2018	\$175.5	\$47.7
2019	\$151.2	\$44.5
2020	\$112	\$35.5

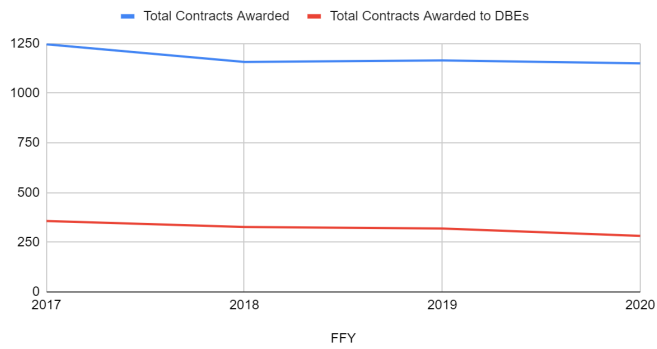


**Comparisons by Contract Count**

Total Contract Count (#)

FFY	Number Contracts Awarded	Total Contracts Awarded to DBEs
2017	1246	357
2018	1157	327
2019	1165	319
2020	1150	282

Total Contracts Awarded vs. Total Contracts Awarded to DBEs



Prime Contracts (#)

Sub Contracts (#)

## Small Business Certifications Key

<b>Federal (US)</b>				
<b>Authority</b>	<b>Certification</b>	<b>Short for</b>	<b>Goal</b>	<b>Preference</b>
SBA	8(a)	Small Business Development	5%	Size
	HUBZone	Historically Underutilized Business Zone	3%	Size & Geography
	WOSB & EDWOSB	Women-Owned Small Business & Economically Disadvantaged Women-Owned Small Business	5%	Size and Female Ownership
	SDVOSB	Service Disabled Veteran-Owned Small Business	3%	Size and Veteran Ownership with a Service-Related Disability
DOT	DBE & ACDBE	Disadvantaged Business Enterprise & Airport Concessions Disadvantaged Business Enterprise	N/A	Size and Social/Economic Disadvantage Ownership
<b>State (CO)</b>				
Procurement Code	SDVOSB	Service Disabled Veteran-Owned Small Business	3%	Size and Veteran Ownership with a Service-Related Disability
<b>CDOT</b>				
Civil Rights & Business Resource Center (CRBRC)	<i>DBE</i>	<i>Disadvantaged Business Enterprise</i>	11.89 %	<i>Size and Social/Economic Disadvantage Ownership</i>
	ESB	Emerging Small Business	N/A	Size

<b>City &amp; County of Denver</b>				
Division of Small Business Opportunity (DSBO)	<i>DBE &amp; ACDBE</i>	<i>Disadvantaged Business Enterprise &amp; Airport Concessions Disadvantaged Business Enterprise</i>		<i>Size and Social/Economic Disadvantage Ownership</i>
	EBE	Emerging Business Enterprise		Microbusinesses
	M/WBE	Minority/Women Business Enterprise		Minority and Women Ownership
	SBEC	Small Business Enterprise Concessionaire		Small Concessions
<b>Local Agencies (FHWA Subrecipients)</b>				
Colorado Unified Certification Program Partners	<i>CO UCP DBE Directory</i>	<i>Colorado Unified Certification Program Disadvantaged Business Enterprise Directory</i>		<i>Size and Social/Economic Disadvantage Ownership</i>
<b>Private Sector</b>				
Mountain Plains Minority Supplier Development Council	MBE	Minority Business Enterprise		Minority Ownership (Suppliers)
Women's Business Enterprise National Council	WBENC	Women's Business Enterprise National Council		Female Ownership
National Gay & Lesbian Chamber of Commerce	LGBTBE	Lesbian Gay Bisexual Transgender Business Enterprise		LGBT Ownership





**DATE:** August 18, 2021  
**TO:** Transportation Commission  
**FROM:** Rebecca White, Director, Division of Transportation Development  
**SUBJECT:** Revitalizing Main Streets Opp 1 Grant Awards

**Purpose**

In March 2021, staff briefed the Commission on plans to use \$30M in new state stimulus funding approved by the legislature in Senate Bill 21-110 (SB 110). Staff proposed allocating this funding via two grant opportunities, larger safety infrastructure grants (\$22M) and smaller economic resiliency grants (\$8M).

This memorandum outlines the projects that have been selected for award for the larger safety infrastructure grants. Because the legislature allocated additional, long term funding support for this program in SB-260, this memo also discusses a request for Commission support on next steps.

**Action**

This agenda item is part informational and part action. The action requested is Commission support (Resolution) for staff to release a notice of funding availability for the first allocation, totaling \$22M, of the Revitalizing Main Streets Program as provided by SB-260.

**Background**

In March 2021, Governor Polis signed SB 110 providing \$30 million in economic stimulus funding for Safe Revitalization of Main Streets. \$8 million was used to continue the small dollar Revitalizing Main Streets grant program CDOT launched in June 2020 (which are issued on a rolling basis) and \$22 million was used to launch the statewide larger safety infrastructure grant program. This total did not include an additional \$1.3M remaining from the Region 1 [Safer Main Streets Program](#). However, given the close synergies between these two programs, this funding was included as part of the awards for the DRCOG area.

Applications for the larger grant opportunity opened on April 4, 2021 after two statewide, virtual pre-application workshops were held and closed on May 14, 2021. Seventy-two applications were submitted from large and small communities all across the state, exceeding staff expectations for the anticipated interest in this funding opportunity.

### Details

A statewide CDOT committee scored the applications and recommended 16 projects for award, totaling \$21.64 million. These projects scored well based on the evaluation criteria of safety, promotion of active transportation, readiness of implementation, funding need, diversity of funding, economic revitalization benefits, public support, and local match. Regional equity was considered when recommending a final list of awards.

The committee was impressed with the level of interest, number of submitted applications, and overall quality of applications that were received. In fact, CDOT believes that many additional projects merit further consideration for future funding and is therefore seeking Commission support to issue a Notice of Funding Availability for the next round. CDOT also is submitting a request for additional state stimulus funding to the legislature, which would allow us to support even more projects in the next round.

### Timeline and Next Steps

August:

- Issues Award Letters for Round 1 Funding
- Receive Approval of NOFO for Round 2 Grant Awards
- Issue NOFO for an additional round of funding

September:

- Applications due; new applications or resubmittals

November:

- Award Round 2 Projects

### Attachments

Powerpoint Presentation: Revitalizing Main Streets August 2021

RMS Opportunity 1 Grant Awards

Proposed Resolution: *Approval for the Department to Release a Notice of Availability for the First Allocation of Funding for the Revitalizing Main Streets Grant Program as Established in SB21-260*





**COLORADO**

Department of Transportation

# Revitalizing Main Streets August 2021





# The Revitalizing Main Streets Background

CDOT used \$30M in one-time stimulus funds (SB-110) to relaunch R1's Safer Main Streets Program and the 2020 Revitalizing Main Streets Program under the single banner of **Revitalizing Main Streets**. Projects were sought in two categories:

- **Opportunity 1: \$22M distributed via large grants (up to \$2M)** for projects that improve safety and increase active transportation options.
  - \$1.3M remaining from Safer Main Streets is rolled into this program (only for the DRCOG region).
- **Opportunity 2: \$8M allocated via small grants (\$150k or under)** to projects that help communities implement COVID mitigation measures and make temporary and permanent infrastructure improvements.







# Opp 1 Grant Overview

## Larger Safety Infrastructure Grants:

- Capital Projects up to \$2M
- \$22 million available funding
- 2 Pre-Application Workshops were held
- Applications opened on April 4, 2021 and were due on May 14, 2021
- 72 Applications were submitted
- Applications reviewed by a committee of CDOT Regional and HQ staff.

## Eval Criteria:

- Safety Improvement (30%)
- Active Transportation (10%)
- Readiness (10%)
- Funding Need (10%)
- Diversity of Funding (10%)
- Economic Impacts (10%)
- Public Support (10%)
- Local Match (10%)



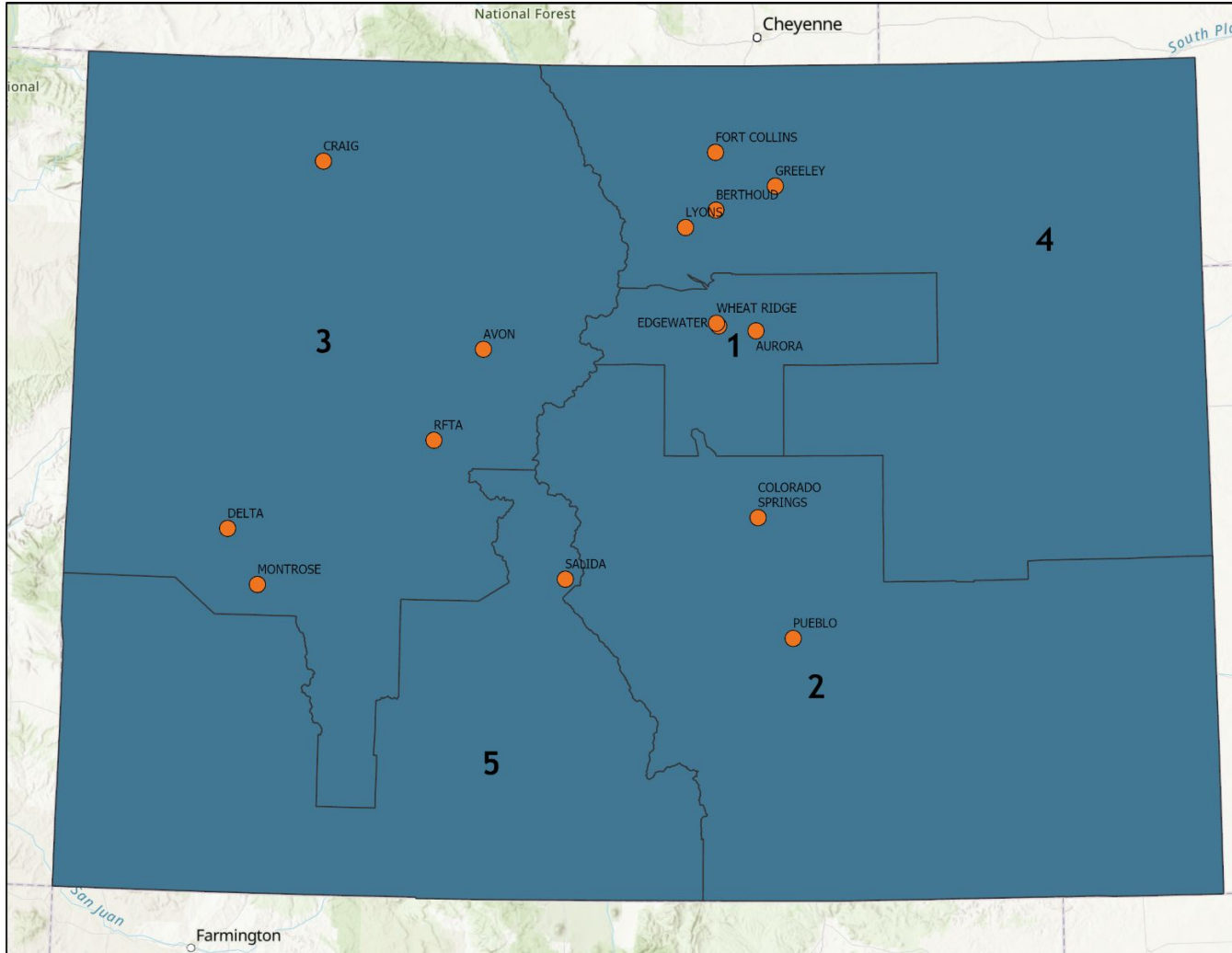
# Awarded Projects

- **16 Projects will be awarded in Round 1:**

- **City of Aurora:** Northwest Aurora Intersection Pedestrian Safety Enhancement (\$1,600,000)
- **Town of Avon:** US6 Multimodal Safety and Mobility Improvements (\$2,000,000)
- **Town of Berthoud:** North Berthoud Parkway Trail Gap Closure (\$500,000)
- **City of Colorado Springs:** Tejon Street Improvements - Phase 1 (\$1,600,000)
- **Colorado State University:** Center Bikeway/Mountain Loop Trail Separation and Safety Enhancement (\$581,735.64)
- **City of Craig:** Yampa Street Pedestrian Enhancements (\$480,000)
- **City of Delta:** Hillside Street Rebuild Adding Multimodal Corridor (\$2,000,000)
- **City of Edgewater:** 25th Ave Streetscape Project (\$841,000)
- **City of Fort Collins:** Laporte Ave Improvements (\$1,437,500)
- **City of Greeley:** 16th Street Corridor Enhancement (\$2,000,000)
- **Town of Lyons:** US 36 Broadway and Multimodal Improvements in Lyons (\$243,000)
- **City of Montrose:** West Main Complete Streets (\$2,000,000)
- **City of Pueblo:** Pueblo Downtown Multimodal Safety Improvements Project (\$2,000,000)
- **Roaring Fork Transportation Authority:** 27th & SH82 Pedestrian Underpass (\$1,000,000)
- **City of Salida:** Oak Street Corridor, Gateway to Downtown Salida (\$2,000,000)
- **City of Wheat Ridge:** Wadsworth Pedestrian and Streetscape: Phase 1 - Options #2 and #3 (\$1,360,000)



# Awarded Projects



Large RMS Grants -  
Opp 1  
Recommended  
Awards  
by CDOT  
Engineering  
Region





# Next Steps

- 72 Applications were submitted; totaling \$95M in requested funding
  - Represented large and small communities across Colorado.
  - The committee was impressed with the level of interest, number of submitted applications, and overall quality of applications that were received.
  - Staff believes that many additional projects merit further consideration for future funding.
- SB 260 allocates additional funding for the RMS program. Using some of those funds now, CDOT can deliver much-needed projects across Colorado without burdening local jurisdictions with an additional call for projects.
  - Release a NOFO in August 2021 for additional round of funding.
  - Applications due in September 2021; allow resubmittal of Round 1 application after reviewing the new NOFO and new applications will also be accepted.



<b>Applicant</b>	<b>Project</b>	<b>Funding Award</b>
Aurora, City of	Northwest Aurora Intersection Pedestrian Safety Enhancement	\$1,600,000.00
Avon, Town of	US6 Multimodal Safety and Mobility Improvements	\$2,000,000.00
Berthoud, Town of	North Berthoud Parkway Trail Gap Closure	\$500,000.00
Colorado Springs, City of	Tejon Street Improvements - Phase 1	\$1,600,000.00
Colorado State University	Center Bikeway/Mountain Loop Trail Separation and Safety Enhancement	\$581,735.64
Craig, City of	Yampa Street Pedestrian Enhancements	\$480,000.00
Delta, City of	Hillside Street Rebuild Adding Multimodal Corridor	\$2,000,000.00
Edgewater, City of	25th Ave Streetscape Project	\$841,000.00
Fort Collins, City of	Laporte Ave Improvements	\$1,437,500.00
Greeley, City of	16th Street Corridor Enhancement	\$2,000,000.00
Lyons, Town of	US 36 Broadway and Multimodal Improvements in Lyons	\$243,000.00
Montrose, City of	West Main Complete Streets	\$2,000,000.00
Pueblo, City of	Pueblo Downtown Multimodal Safety Improvements Project	\$2,000,000.00
Roaring Fork Transportation Authority	27th & SH82 Pedestrian Underpass	\$1,000,000.00
Salida, City of	Oak Street Corridor, Gateway to Downtown Salida	\$2,000,000.00
Wheat Ridge, City of	Wadsworth Pedestrian and Streetscape Facilities: Phase 1 Options #2 & #3	\$1,360,000.00
<b>Total Funds Awarded</b>		<b>\$21,643,235.64</b>



**The Transportation Commission (TC) Workshops were held on Wednesday, July 14, 2021, and the Regular Meeting was held on Thursday, July 15, 2021. These meetings were held in a hybrid format with TC and CDOT staff meeting participants invited to participate both in-person and remotely, with members of the public**

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**invited to participate via streaming, in an abundance of caution due to the COVID-19 pandemic.**

Documents are posted at <https://www.codot.gov/about/transportation-commission/meeting-agenda.html> no less than 24 hours prior to the meeting. The documents are considered to be in draft form and for information only until final action is taken by the Transportation Commission.

## **Transportation Commission Workshop**

**Wednesday, July 14, 2021, 12:15 pm – 5:00 pm**

### **Call to Order, Roll Call:**

All existing seated Commissioners were present: Commissioners Kathy Hall (TC Chair), Donald Stanton (TC Vice Chair), Terry Hart, Gary Beedy, Kathleen Bracke, Karen Stuart, Mark Garcia, Eula Adams, Barbara Vasquez, and Lisa Hickey. District 1 - Yessica Holguin excused, will start next meeting.

### **Budget Workshop (Jeff Sudmeier and Bethany Nichols)**

#### ***FY 2022 Budget Amendment***

**Purpose:** The Division of Accounting and Finance (DAF) is requesting TC review and approval of the first amendment to the FY 2021-22 Annual Budget. The first amendment allocates \$639.5 million in new funding from recent legislation to the Department's Annual Budget, reallocates \$395,361 from Agency Operations to Administration to reconcile the Department's Annual Budget to the final legislative budget, reallocates \$5.5 million from the Strategic Safety Program to the Maintenance Program Areas for 6-inch striping, and reallocates \$1.0 million from the Strategic Safety Program to Safety Education for impaired driving programs.

#### **Discussion:**

- Commissioners sought clarification on the debt service for the SB267 Certificates of Participation (COP) which, when all four years of COPs have been issued, will be approximately \$141 million annually. Senate Bill 21-260 cancels existing General Fund transfers to CDOT for that debt service and reinstates a larger transfer that won't begin until FY2025. SB 260 also transfers stimulus funds to CDOT to cover debt service until those transfers begin, which CDOT is proposing as an economic defeasance, which allows CDOT to prepay some of that debt service until the transfers begin.

#### **SB 267/ SB 260 Funding Allocation (Rebecca White, Marissa Gaughan, Kay Kelly)**

**Purpose:** The purpose of this workshop is to brief the TC on available funding for the first tranche of SB 260 funds plus remaining premium from the Year 3 SB 267 proceeds, present project proposals for this available funding, what the projects would accomplish for the state, provide an update on the regional equity, and discuss next steps.

#### **Discussion:**

- Commissioners commented on the efficacy of making the capital investments in the I-25 mobility hubs while also investing in other intermodal enhancements and the Bustang services that will use those facilities. Beyond the funds proposed for these transit investments, CDOT will continue to receive 15% of the approximate \$10 million of SB 260 funding that will come annually to the Multimodal Transportation and Mitigation Options (MMOF) program in future fiscal years.
- The question was raised as to whether CDOT's transit services can be electrified. Bustang services will continue to be served by clean diesel buses, as there is not currently the technology in electric buses to sustain the ranges that this service provides. The places CDOT will most likely be able to electrify the

fleet would be in future replacement of vehicles used in the urban areas, and not likely for the rural routes.

- Included in the proposed projects is a Denver Area study that will provide guidance on how and where to utilize future Revitalizing Main Streets (RMS) funding to make permanent some of the temporary traffic calming, pedestrian and bicycle safety modifications made on roadways in previous RMS projects. Commissioners stressed the importance of ensuring permanent modifications are only made where former sidewalk and parking spaces would be utilized long-term, beyond the time of the pandemic, to prioritize safety, to guard against unreasonable freight vehicle impedances, and to ensure the study provides guidance to future rural RMS investments and not just those in the Denver Area.
- Commissioners acknowledged the feedback from STAC, noting that the main reason they recommended TC postpone this week's adoption of the project list was because of a lack of stakeholder engagement in the process and less so the actual projects recommended. Staff was urged to present project lists in context to the whole 10-Year Plan and to continually keep stakeholders engaged to continue the positive momentum of the Plan's development process.
- Staff emphasized that stakeholders and the TC will soon need to begin updating the 10-Year Plan since there are few Years 1-4 projects remaining unfunded in the Plan. That will require an update to revenue forecasts in order to add years to the current Plan.

### **CDOT Connected Vehicle (CV) Program Overview (Ashley Nysten and Kay Kelly)**

**Purpose:** Informational briefing to the TC on the Connected Vehicles (CV) Program. Staff will provide an overview and update on the CV Program, present on the current Phase 2 progress, and provide the roadmap for Phase 3 and future work.

#### **Discussion:**

- Commissioners were interested to know how likely and when CDOT might expect to see enough vehicles on the road that possess the ability to both transmit and use active roadway condition data. Some manufacturers such as Cadillac and General Motors already included these abilities in vehicle models as early as 2016 and the numbers are expected to increase. Meanwhile, CDOT is seeing significant amounts of data being captured by neighboring local and state governments.
- There are significant security protocols in place to protect consumers by removing personally identifiable information from all connected vehicle data. Drivers also have complete control over whether to allow their vehicles to transmit data.
- CDOT's connected vehicle systems engineering analysis document, which portrays the goals, principles, and approach to deploying a CV system, is available publicly should anyone wish to obtain it.
- The Society of Automotive Engineers holds the standards template to guide how agencies and vehicle manufacturers continue to collaboratively develop and implement CV capabilities. CDOT remains directly involved with this, and similar organizations as the technologies evolve and progress.

### **GHG Pollution Reduction Planning Update and Next Steps (Rebecca White and Theresa Takushi)**

**Purpose:** To provide a status of the GHG Transportation Pollution Reduction Planning Rule and seek approval of the final changes to the GHG Policy Memo.

#### **Discussion:**

- While the formal rulemaking process has not yet commenced, CDOT has been engaged with stakeholders and working on it since the GHG Roadmap was published in January 2021.
- The proposed timeline would include a draft Rule being made public July 30 and following requisite public hearings and outreach, may be finalized, and adopted in September and become effective in November. This would support CDOT and MPOs having approximately a year to complete the required Plan updates by October 2022.
- The draft Rule will be reviewed and approved by the Commission's ad hoc committee. Therefore, the formal rulemaking process won't commence until that's released. The language in the Rule will be amended and refined based on ongoing public input. CDOT staff ensured the Commission to support



broad participation in the formal public hearing by holding multiple events in different regions of the state and providing both in-person and virtual accessibility.

- The date of release of the final draft Rule will largely depend on the response and material discourse on its content, but staff urged the TC not to delay the start of the process merely for the sake of slowing it down, but to focus on conducting a solid process of its development. Commissioners expressed that a quality review and input process will occur once a draft document is available, and therefore the process would not benefit from a delayed start.
- The Commission urged CDOT to ensure the Rulemaking website makes it easy for stakeholders to obtain necessary information and that it provides clear information on progress made and the expected events and process ahead. Staff will make available the relevant materials provided in the TC packet today, including the staff summary memo and the memos sent by the Colorado Communities for Climate Action (CCCA).
- Staff will provide the Commission a workshop in August outlining the full details of the proposed process to occur. The Commission will ultimately have the discretion to extend the public hearing period if needed based on the progress and input received in that time.
- Staff provided clarification on the Land Use planning requirements imparted by SB 260, emphasizing that it does not imply or intimate that CDOT would control any local land use decision. Rather, it assumes that entities who are subject to the Rule would consider land use decisions among other strategies that improve GHG reduction outcomes but does not direct them nor the State to do so.

### **Freight Committee: Truck Parking Public Private Partnerships (Rebecca White, Michelle Scheuerman, & Craig Hurst)**

**Purpose:** The purpose of this workshop is to provide an overview of the Truck Parking Public Private Partnership Project that CDOT's Freight Office/DTD has just initiated.

#### **Discussion:**

- Commissioners discussed how CDOT plays a role in addressing truck parking needs, without outright paying for it with public funds, by incentivizing and supporting private and local government solutions. CDOT efforts and work to study and understand the issues and needs seek to provide local governments, freight companies and other stakeholders the technical support to enter into similar public-private initiatives.
- The Commission expressed the need for improvements to our rest areas and their importance to tourism, and their general importance in the state's safety and economy.

### **Transportation Commission Regular Meeting Thursday, July 15, 2021, 9:00 am to 11:00 am**

#### **Call to Order, Roll Call:**

Ten of the Commissioners were present: Commissioners Kathy Hall (TC Chair), Don Stanton (TC Vice Chair), Gary Beedy, Kathleen Bracke, Eula Adams, Karen Stuart and Lisa Tormoen Hickey, Barbara Vasquez, Mark Garcia, and Terry Hart. Commissioner Yessica Holguin was excused.

#### **Swearing In of New Commissioners (Herman Stockinger)**

- Mark Garcia and Terry Hart were sworn in to represent District 8 and District 10 respectively.

#### **Public Comments (provided to Commissioners in writing before meeting)**

- Jenny Wilford, Clean Energy Advocate and Mayor Pro Tem of Northglenn, commented on the impact of climate change. She supports the general direction that the Department is taking, stressed the importance of moving forward with greenhouse gas (GHG) rulemaking process quickly with a focus on equity with achievable targets aimed at real results.
- Erica Sparhawk, Director of Programs and Services at Clean Energy Economy from Carbondale Colorado, commented on the importance of moving forward with GHG rulemaking. She brought attention to the

devastating wildfires, and another closure of I-70 in Glenwood Canyon. Erica believes Colorado is taking it seriously with electrification, but not doing enough, and is generally enthusiastic with the direction of the rulemaking. The focus on 2030 targets vs. 2025 targets is the main concern. Erica echoed Jenny's request that this rulemaking be pursued as soon as possible.

- Marie Venner noted that it is estimated that 20-40% of all community populations are nondrivers, and that she, representing the Small Business Alliance, supports the comments of previous speaker. She echoed the previous comments raised. Severe air quality is impacting the climate. Separated and protected lanes for bikes and scooters are needed. Good results are directly linked to good land use projects, and vehicle miles traveled (VMT) reduction strategies, that also address safety, public health, and equity issues.
- Matt Frommer, Clean Transportation Policy Analyst with Southwest Energy Efficiency Project (SWEET), commented that electric vehicle (EV) technology, even with optimistic assumptions will only lower GHG emissions to a fraction of what is needed to reach the 2050 air quality goals, so he urged that the Department to focus on policies that direct more investment to TDM, multimodal benefits, and requested that they move ahead quickly with the rulemaking process. He commended the Department for focusing the 3B project list on complete streets as a good first step.
- Ean Thomas Tafoya, a community organizer and environmental justice advocate in the Globeville and Elyria Swansea neighborhoods, asked that the Department do a better job going forward with transparency and engagement, especially with respect to disproportionately impacted communities such as the Globeville and the Elyria Swansea neighborhoods. He pointed out how difficult it has been to get accurate information and pointed out that the website still does not have contact information for the incoming Transportation Commissioners. Despite his previous disappointment with the Department, he is hopeful that the Commission will do better going forward given the new mandates within the SB 260 legislation. Ean indicated that he will continue to stay engaged and will be contacting the Transportation Commission as they work towards implementing the SB 260 legislation.
- Duncan Gilchrist, Climate Policy advocate with 350 Colorado welcomed the new TC members and commented on the importance of moving forward with the GHG rulemaking process pointing out that in Pueblo they are already experiencing the impacts of climate change with an average of 3.2 degrees Celsius of warming and record-breaking draught. He pointed out that Colorado is far behind on meeting climate targets and commented on the implementation of the legislation as an opportunity to establish Colorado as a climate champion. He expressed hope that the Commission will adopt rules that align with the greenhouse roadmap and HB19-1261, and hopes to see that they also prioritize communities of color, and use this process as an opportunity to invest in justice.
- Jamie Valdez, Pueblo Community Organizer for Green Latinos commented on looking forward to working collaboratively with the Department and TC to make sure the investment and new rulemaking process benefits disproportionately impacted communities. He commented on how noticeable the brown cloud over Pueblo has become, and that vehicle emissions are a major contributor. Pueblo is already experiencing climate change being one of 3 cities that consistently experiences record highest temperatures each year with projections for increasingly dire draughts with high risks for wildfires. He urged the Department to make the health and wellbeing of the public the highest priority moving forward.
- Martha Roskowski, representing the Natural Resources Defense Council (NRDC), expressed appreciation for the work that staff is putting into GHG rulemaking process, and it's exciting and groundbreaking, and really difficult, and thanked CDOT for taking this on and understands that it is hard, and it is also urgent, and we can start thinking about a transportation system that lets people do other things.
- Mike Heintzman, of Denver, noted it is imperative that make these [GHG] rules now and don't delay because that will make reaching targets even more impossible.
- Jenny Gaeng, Transportation Advocate for Conservation Colorado, thanked CDOT and the TC for taking on climate challenges through efforts to lower GHG emissions. She pointed out the urgency of moving forward quickly given the dire threat to our way life and pointed to the recent mudslides on I-70 as one example. She commented on the importance of following through with the SB21-260 requirements to update transportation plans by 2022, as daunting as it may be. She also expressed excitement in seeing an emphasis on land use and thanked the Department for continuing to work on improving outreach.

- Jacob Smith, Tom Beasley, Ashley Stolzman, Kathryn Merlin, and Scott James all submitted written comments on the rulemaking process that were submitted into the record.

### **Comments of the Chair and Individual Commissioners**

#### ***New Commissioners:***

- Commissioner Mark Garcia indicated that he's excited for the opportunity to represent the state as a TC member and thanked all of those who took the time to submit their comments.
- Commissioner Terry Hart: Thanked everyone for such warm welcomes. Is also excited about the opportunity to serve the state during such an important and exciting time when there is actual funding to plan with and work towards such ambitious goals. Commissioner Hart commented on his previous work with Jamie Valdez, on environmental issues, and acknowledged the big shoes he has to fill. All of those who took the time to participate and submit written and verbal comments were applauded. Understanding was expressed related to how difficult the task ahead is, but it is also exciting to see the opportunity for Colorado to take the lead in this area. Terry heard the message loud and clear that there should be no delay, and he agrees, but is also taking to heart all of the comments urging caution and asking for the TC to go through the process slow enough to get it right. Commissioner Hart also commented on how important it will be to make sure whatever standards that are applied are measurable and that there is broad consensus across the various stakeholder groups. Terry noted his background working at the Pueblo Area Council of Governments (PACOG) on the Southwest Chief and Front Range Rail Commission and expressed excitement to see how that effort links to the current efforts around GHG emission reductions.

#### ***Sitting Commissioners:***

- Commissioner Hickey commented on how much she appreciated all of the thoughtful public comments, and looks forward to more discussion on the GHG rulemaking process that the TC is already working hard on. She thanked CDOT staff for their work on these rules, and for informing them of all the complexity involved. She expressed concern about climate change, and particularly the potentially large impact it will have on the economy. Effort to combat emissions are just as important for the economy as it is for the air we breathe.
- Commissioner Stanton (Vice Chair) expressed excitement to hear all the public comments and commented on how listening to the public in his view is their primary role, so he will work to listen to perspectives from a broad spectrum of constituents. Remarked on how important this effort is given that Colorado will be one of the first to tackle GHG transportation policy at a statewide level. To illustrate the impacts of climate change that are already visible he shared photo of Greenland from some work he did decades ago measuring levels of ice pack and glaciers, which are now no longer left to be measured.
- Commissioner Adams expressed gratitude for his reappointment to TC and considers it to be the most important and rewarding role that he has ever had the opportunity to serve, as it enables him to serve at both the highest and most grassroots levels. He looks forward to working with all the Commissioners on GHG transportation policy and stressed the importance of approaching it in an equitable manner. Given the complexity, he understands the importance of taking enough time to make sure it is done right, but really does agree that this is an urgent matter that needs to move forward immediately.
- Commissioner Bracke commented on what an exciting and transformative time it is to be working on transportation policy and welcomed the new members to the Commission. She has spent the last month working with the North Front Range Metropolitan Planning Organization (NFRMPO) and the Upper Front Range Transportation Planning Region (UFRTPR). She thanked Andy Karsian who joined her to help inform a community group in the NFRMPO of updates related to SB 260. She thanked Heather Paddock, Region 4 Transportation Director, for updating her on the progress on I-25 and for educating her about all of the innovations that were deployed to save time and money in delivering a sustainable multimodal project. She thanked Nick Farber, HPTD Director, for his work on the I-25 unsolicited proposal. She met with the Town of Wellington in Larimer County and relayed how excited and appreciative they are for the Revitalizing Main Streets grant. She also commented on how important it is to remember that North I-25 goes all the way to the border with the State of Wyoming, and what an

important corridor that is for all of those who commute to Cheyenne from Fort Collins. She expressed appreciation for all of the hard work involved connecting the state through the Bustang service. She remarked on how exciting it is to have the opportunity to work on more multimodal sustainable transportation solutions with the new SB 260 funding.

- Commissioner Beedy thanked all of those who provided public comments. He said that harvest season is underway in his district where they have experienced a challenging year with weather problems. He commented on how impactful all of the supply chain disruptions have been to his region where they have experienced shortages in everything from fuel to equipment, attesting to the importance of a robust distribution system, which highways and railroads are the basis of. So, he believes that the basis of all sustainability and climate efficiency efforts needs to start with maintenance of the system. He pointed out that even with the new funding that SB 260 provides, the 10 Year Plan is still not fully funded. In neighboring States, they are designating US 287 as interstate, he asked that Colorado continue to track this, to avoid falling too out of step with neighboring states.
- Commissioner Stuart welcomed the new Commissioners and commented on how much she missed the ones who left. She pointed out the importance of the memorial designations, which they will be considering later, on in the consent agenda. She thanked the GHG advisory group for all of their work and outreach around the GHG efforts, and she expressed hope that given that so many of Colorado residents are here because of its beauty, that finding common ground in saving it will help to propel the efforts forward.
- Commissioner Vasquez thanked all of those who provided public comments for offering their insights and thoughts on the rulemaking process. She is very excited to be part of this effort, which is really critical for the economic sustainability of the state, and to play our part in the larger global fight against climate change. In her district, Jackson County is currently suffering from wildfire that started Sunday. She thanked all of those who are involved in responding and fighting the wildfire, and she also expressed gratitude to all of those working remotely and understands that such arrangements leave less time for personal life, making it that much more important for CDOT to ensure that personnel have time and resources for personal care.
- Commissioner Hall (Chair) remarked on how excited she is to serve as Chair of the TC and welcomed all of the new Commissioners. She thanked all of those who provided public comments and remarked on how important that level of engagement is in the process going forward.

#### **Executive Director's Management Report (Shoshana Lew)**

- Director Lew welcomed the two new Transportation Commissioners and indicated that a formal announcement will soon be forthcoming.
- It has been a busy month, in large part due to the challenges in Glenwood Canyon. She noted that the ongoing resiliency issues in the canyon are absorbing a lot of CDOT time and resources. She thanked Region 3 staff for their efforts and reiterated that the top priority is to keep people safe, so the closures are put in place with any flash flood warning. Clean-up efforts have been more efficient because of the concrete repairs that were just completed last year. Still staff continues to work around the clock. Due to the complexity of overlapping jurisdictions, there has been extensive coordination with the Federal Highway Administration (FHWA). She expressed appreciation for the coordination with the federal agencies and other jurisdictions involved.
- A remark on how exciting it was to move forward with the 3B project list of strategic investments in taking the first step in tackling the immensity of transportation challenges was included. It was indicated that she anticipated the effort would entail a long implementation process with lots of different pieces to get the projects shovel ready to move forward is an important first step.
- Everyone involved in the rulemaking process was thanked for participating and that this rulemaking process puts Colorado at the forefront of a larger global challenge requiring a great deal of creativity and innovation. She thanked Commissioner Hickey and all of the stakeholders who have shared their views and to the ad hoc committee members. She urged the Commission to move forward immediately with the understanding that outreach will be a high priority over the course of the summer.



### **Chief Engineer's Report (Steve Harelson)**

- Chief Engineer Harelson brought attention to how heroic the mudslide team is for the work they are doing around the clock for extended periods over the course of several months to clean up and keep people safe.
- CDOT has been working on resiliency efforts for quite some time with Lizzie Kemp at the helm. The most recent accomplishment arising from her efforts is a tool that will help bring a resiliency benefit cost analysis into decisions on assets, to help CDOT make better decisions about prioritizing assets given the likelihood of various events by quantifying the resiliency benefits and offering an objective way to measure benefits so CDOT can make the best-informed decisions.
- Commissioner Beedy commented on the importance of being able to be flexible as change with regard to climate is inevitable. He pointed to an example in farming of having to adapt to climate changes impacting wheat crops.
- Commissioner Hall gave a shout out to Mike Goolsby and Region 3 staff for how well they are handling the current crisis in Glenwood Canyon.
- Commissioner Vasquez asked about how the models adapt to the accelerating rate of change associated with climate change.
- CDOT Chief Engineer, Steve Harelson, responded that models use data from USGS which employs a number of statistical methods to account for the accelerating rate of change, and they are continually updating their 100-year flows in the models.

### **High Performance Transportation Enterprise (HPTe) Director's Report (Nick Farber)**

- Nick welcomed Commissioners Garcia and Hart to the TC.
- The HPTe Board appointed Margaret Bowes, from the I-70 Mountain Corridor as Chair, and appointed Transportation Commissioner, Karen Stuart, as Vice Chair.
- HPTe is working with a Silicon Valley startup that is developing a new type of tolling service that can be installed every 5,000 feet on a corridor to help correct and enforce toll invasion and weaving to reduce leakage by 1% to 1.5%. They are piloting three devices on the mountain express lanes now and will bring back the results of the pilot to the HPTe Board in September.
- Increased tolls on I-25 and on the Eastbound Mountain Express Lane is occurring on weekends. He noted that these changes are within staff's authority, and do not require HPTe Board approval.
- In response to a question from Commissioner Hall about expansion, Nick Farber indicated that they are moving from managing 108 lane miles and to 223 lane miles.
- In response to Commissioner Bracke's request for an update on the North I-25 unsolicited proposal, Nick Farber indicated they are still in Phase 1, which entails a check box evaluation.

### **Federal Highway Administration (FHWA) Colorado Division Administrator's Report (John Cater)**

- The House of Representatives just passed the Reauthorization Bill, which was set to expire in September. John is hopeful that it will pass.
- The bipartisan Infrastructure Bill is still in play.
- FHWA and the Federal Transit Administration (FTA) jointly approved the FY22-25 STIP, which rolls in MPO projects, and then the State Planning and Research (SPR) program, and that's \$15.6 million to support planning activities, and that was approved, and moving forward.
- It was called into attention the fact that the I-25 corridor extends beyond Fort Collins and beyond the state line, so the work on North I-25 and front range rail can have far reaching benefits.
- Commissioner Bracke appreciated John's comments highlighting the shared travel shed with Wyoming where many commute from Fort Collins.

### **Statewide Transportation Advisory Committee (STAC) Report (STAC Chair, Vince Rogalski)**

- Vince welcomed the new Commissioners.
- Commented on the difficult position CDOT finds itself in with the inevitability that they will be criticized for moving forward with SB 260 requirements too fast or too slow.
- Read a letter he got from Commissioner Thiebaut, thanking Vince for his service.

- At the STAC meeting last Friday, Herman gave update on personnel changes and introduced Amber Blake as Division of Transit and Rail (DTR) Director.
- There was a discussion about the debris flows on I-70. We seem to focus in on debris flows as part of wildfires, and there is a contributing factor, and that is what climate change has done to put us in extreme draught which makes soil hydrophobic, so soil can't absorb the water fast enough and becomes increasingly prone to mudslides.
- The federal Invest Act was passed by the House and needs to be passed by September. It calls for \$5.79 billion, 4 times the amount of the Recovery Act, and has a lot to enable the replacement of old bridges in the east. Between now and the final approval a lot of things will likely change in it.
- The National Highway Freight Program briefing gave an overview of the projects that were awarded funding. There were a lot of questions about the process for selecting projects. Funded projects include truck parking in Grand Junction.
- SB 267/260 3B list of projects: STAC has a provision in the bylaws that says if action is proposed on an item, they need to receive all information a full week ahead of the meeting, and packet materials for this item came in a few days before the meeting, so there was a lot of discussion about whether STAC should consider the item at all. Ultimately, STAC decided to go forward with the item given that TC would consider the resolution with or without STAC's recommendation, but they wanted the TC to understand that they had these objections to the process, and to the speed of it moving forward without ample time for them to speak with their constituents. Questions were also raised about why certain projects from year 5 on the 10 Year Plan project list were moving ahead and not others.
- An emergency STAC meeting was held yesterday for GHG rulemaking discussion. STAC mentioned that we have been working on this for all of Colorado, and message is out there, but there are groups of people that haven't seen it yet, and STAC resolution asked TC to wait until August 30<sup>th</sup> to discuss rulemaking to give more time for outreach, but some members felt that the process needed to start now, and that the start of the public outreach process could occur during a public comment period with public hearings.

**Act on Consent Agenda – Passed unanimously on July 15, 2021. Motion by Commissioner Beedy, Second by Commissioner Adams**

1. Proposed Resolution #1: Approve the Regular Meeting Minutes of June 17, 2021 (Herman Stockinger)
2. Proposed Resolution #2: IGA Approval >\$750,000 (Steve Harelson)
3. Proposed Resolution #3: Disposal: Region 3, SH 133 & MP 31.5 (Parcel 1 REV-EX) (Mike Goolsby)
4. Proposed Resolution #4: Legislative Memorial Designations (Herman Stockinger and Andy Karsian)

**Discuss and Act on Proposed Resolution #5: 1st Budget Supplement of FY 2022 (Jeff Sudmeier) – Passed unanimously on July 15, 2021. Motion by Commissioner Adams, Second by Commissioner Bracke**

- Requesting approval of 1<sup>st</sup> supplement includes 2 requests
  - The first is to reallocate \$360,000 in project savings from one Region 5 project to another Region 5 project
  - Second is to approve \$10 million in SB 267 Year 3 funding for the Military Access Mobility Safety Improvement Project in Region 2

**Discuss and Act on Proposed Resolution #6: 1<sup>st</sup> Budget Amendment of FY 2022 (Jeff Sudmeier) – Passed unanimously on July 15, 2021. Motion by Commissioner Hickey, Second by Commissioner Vasquez**

- The amendment results from several changes to the budget resulting from passage of SB21-260 along with other legislative measures. Collectively those changes result in a \$640 million addition to the budget, which we are also requesting be reallocated between operations and administration budgets to align with the legislative budget.

**Discuss and Act on Proposed Resolution #7: SB 267/ SB260 Funding Allocation (Rebecca White, Marissa Gaughan and Kay Kelly) - Passed unanimously on July 15, 2021. Motion by Commissioner Vasquez, Second by Commissioner Stuart**

- Request is for CDOT to dedicate \$238 million in funding provided by the premium from year 3 of SB-267 together with the FY 22 portion of SB260 funding to the list of projects included in the resolution.
- Rebecca also took the opportunity to address comments requesting that the TC delay consideration, making the case that because this is essentially an allocation of stimulus dollars, that it was intended to go to shovel ready projects quickly, so they are honoring the intent by moving forward with this first step quickly, but made the commitment to take the next step of GHG rulemaking and application to planning documents more slowly to give ample time for careful consideration, reflection and outreach.
- Commissioner Bracke commended Rebecca and staff for being so responsive in putting all this together and commented that they are doing a great job of moving quickly, but also being careful and considerate.
- Commissioner Stuart acknowledged that she reviewed DRCOG's letter requesting more time, and for further information about the criteria used to move projects from year 5 up to year 4. She indicated that she understands their position, but also thinks that the next step of the process is where there is an opportunity to talk more about the criteria that will be used going forward. She stated that she was very excited to be able to support this list today.
- Commissioner Hickey commented on how important it is to note the words in this resolution focusing on recovery, but agrees that there needs to be criteria, and predictability in decision-making, and timing is important, but because this list of projects rests in the 10 Year Plan, she is supportive of this resolution.

**Discuss and Act on Proposed Resolution #8: Commence Permanent Rulemaking and Delegate Authority to an Administrative Hearing Officer to Conduct a Public Rulemaking Hearing for the Rules Governing Statewide Transportation Planning Process and Transportation Planning Regions ("the Planning Rules"), 2 CCR 601-22 (Herman Stockinger and Rebecca White)**

**– Passed unanimously on July 15, 2021. Motion by Commissioner Vasquez, Second by Commissioner Stanton**

- Pointed out three changes to the resolution that were made based on STAC feedback. The changes add two additional whereas clauses. The first one, notes that the vote on this resolution, begins the rulemaking process but does not lock in the timeline.
- The second indicates that the ad-hoc committee will be involved in determining a timeline that garners robust comfort and support, noting the importance of introducing the rulemaking process to understand the full extent of what is being proposed.
- The 3<sup>rd</sup> change concerns a clause that all regions will be engaged in the process with multiple public hearings.
- Commissioner Hickey thanked the TC for putting their trust in the ad-hoc committee and plans to issue questions to be addressed in public comments, so comments can be focused and efficiently respond to questions from you. Need to move quickly, and with that thank you.
- Commissioner Bracke thanked Commissioner Hickey for all the work on the Committee in getting to this important milestone.

**Recognitions:**

- No recognitions

**Other Matters:**

- No other matters

**Adjournment**

- Meeting Adjourned at 11: 21 am.



**COLORADO**  
**Department of Transportation**  
Office of the Chief Engineer

Engineering Contracts  
2829 W. Howard Place, Ste. 339  
Denver, CO 80204-2305

## Memorandum

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**TO: Transportation Commission**

**FROM: Marci Gray & Lauren Cabot**

**DATE: August 5, 2021**

**SUBJECT: Intergovernmental Agreements over \$750,000.00**

Purpose Compliance with CRS §43-1-110(4) which requires intergovernmental agreements involving more than \$750,000 must have approval of the Commission to become effective. In order stay in compliance with Colorado laws, approval is being sought for all intergovernmental agencies agreements over \$750,000 going forward.

Action CDOT seeks Commission approval for all IGAs contracts identified in the attached IGA Approved Projects List each of which are greater than \$750,000. CDOT seeks to have this approval extend to all contributing agencies, all contracts, amendments and option letters that stem from the original project except where there are substantial changes to the project and/or funding of the project.

Background CRS §43-1-110(4) was enacted in 1991 giving the Chief Engineer the authority to negotiate with local governmental entities for intergovernmental agreements conditional on agreements over \$750,000 are only effective with the approval of the commission.

Most contracts entered into with intergovernmental agencies involve pass through funds from the federal government often with matching local funds and infrequently state money. Currently, CDOT seeks to comply with the Colorado Revised Statutes and develop a process to streamline the process.





Next Steps Commision approval of the projects identified on the IGA Project List including all documents necessary to further these projects except where there are substancial changes to the project and/or funding which will need reapproval. Additionally, CDOT will present to the Commission on the Consent Agenda every month listing all of the known projects identifying the region, owner of the project, project number, total cost of the project, including a breakdown of the funding source and a brief description of the project for their approval. CDOT will also present any IGA Contracts which have already been executed if there has been any substantial changes to the project and/or funding.

Attachments IGA Approved Project List





# COLORADO

## Department of Transportation

Office of Policy and Government Relations

2829 W. Howard Place  
Denver, CO 80204-2305

### MEMORANDUM

**TO:** Transportation Commission  
**FROM:** Herman Stockinger, Deputy Executive Director & OPGR Director  
Stephen Harelson, Chief Engineer  
**DATE:** August 03, 2021  
**SUBJECT:** Repeal Policy Directive 16.0 “Regional Transportation Director Authority for Administrative Settlement of Construction Contract Claims”

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#### Purpose

To request the Transportation Commission repeal Policy Directive 16.0 “Regional Transportation Director Authority for Administrative Settlement of Construction Contract Claims”.

#### Action

Approve the repeal of Policy Directive 16.0 “Regional Transportation Director Authority for Administrative Settlement of Construction Contract Claims”.

#### Background

The Policy Directive 16.0 was established in June 2008 and delegated authority to the Regional Transportation Directors (RTDs) to approve terms of an administrative settlement of construction contract claims. Policy Directive 16.0 is significantly past its scheduled review date of June 2013. The rationale for the review of Policy Directive 16.0 is to ensure the directive is established under the appropriate statutory authority.

#### Details

The Chief Engineer has been statutorily granted the authority to oversee any construction or improvement of highways in Colorado under the supervision of the Executive Director. Specifically, § 43-1-110(1), C.R.S. says, “the chief engineer shall perform all of the duties and exercise all of the powers vested by law in the engineering, design, and construction division, including the awarding, under the supervision of the executive director, of all contracts for the construction or maintenance of state highways and mass transportation project.” Additionally, § 43-1-223, C.R.S. says “the letting of contracts and preparation and approval of specifications and plans, together with supervision of construction, shall, on behalf of the state, be under the direct control of the chief engineer, subject to the terms of the agreement so made.” As a result, this directive should rest with the Executive Director’s authority rather than the Transportation Commission as a Procedural Directive.

#### Next Steps

Staff is requesting the Transportation Commission approve the repeal of Policy Directive 16.0. Staff plan to work with the Executive Director to establish a Procedural Directive relating to administrative settlements of construction contract claims.

#### Attachments

Policy Directive 16.0 (for repeal)



<b>COLORADO DEPARTMENT OF TRANSPORTATION</b>		<input checked="" type="checkbox"/> <b>POLICY DIRECTIVE</b> <input type="checkbox"/> <b>PROCEDURAL DIRECTIVE</b>	
<b>Subject</b> <b>Regional Transportation Director Authority for Administrative Settlement of Construction Contract Claims</b>			<b>Number</b> <b>16.0</b>
<b>Effective</b> <b>06/19/08</b>	<b>Supersede</b> <b>N/A</b>	<b>Originating office</b> <b>Chief Engineer</b>	

**PURPOSE**

To establish policy delegating authority to approve Administrative Settlements of Construction Contract Claims to the Regional Transportation Directors.

**AUTHORITY**

Transportation Commission (Commission)  
C.R.S. §§ 43-1-110, 43-1-116 with regard to bridge and highway construction contracts,  
C.R.S. § 43-1-223 which gives authority to approve administrative settlements of construction contract claims to the Chief Engineer subject to the supervision of the Executive Director.

**APPLICABILITY**

This Policy applies to the Colorado Department of Transportation.

**POLICY**

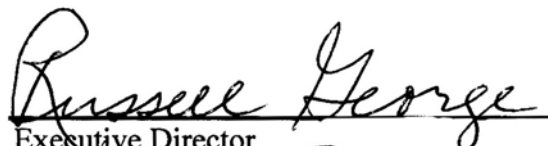
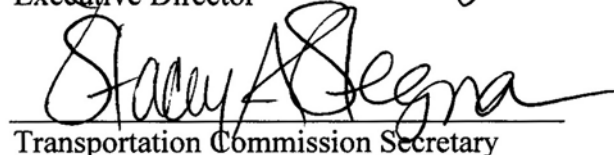
By this Policy Directive the Regional Transportation Directors are granted the authority to approve administrative settlements of construction contract claims filed against the Department subject to the supervision of the Chief Engineer and Executive Director of the Department.

**IMPLEMENTATION**

This policy is effective immediately and shall be implemented by all Divisions, Branches, Regions and Offices of CDOT.

**REVIEW DATE**

This policy shall be reviewed before June 2013.

 Executive Director	6/19/08
 Transportation Commission Secretary	6/19/08

Resolution Number TC-1627

WHEREAS, it is the statutory responsibility of the Transportation Commission of Colorado to set policies and establish rules for the Colorado Department of Transportation (CDOT); and

WHEREAS, the Executive Management Team developed a formal policy statement regarding Policy Directive (PD) 16.0, Regional Transportation Director Authority for Administrative Settlement of Claims; and

WHEREAS, PD 16.0 delegates authority to approve administrative settlements of claims to the Regional Transportation Directors to approve administrative settlements of claims filed against the CDOT, subject to the supervision of the Chief Engineer and Executive Director; and

NOW THEREFORE BE IT RESOLVED, that PD 16.0 entitled Regional Transportation Director Authority for Administrative Settlement of Claims is hereby adopted as contained in the official agenda.

Repealed





**COLORADO**  
**Department of Transportation**  
Office of Policy and Government Relations

2829 W. Howard Place  
Denver, CO 80204-2305

**MEMORANDUM**

**DATE:** August 3, 2021  
**TO:** Transportation Commission  
**FROM:** Steve Harelson, Chief Engineer  
Herman Stockinger, Deputy Executive Director and OPR Director  
Natalie Lutz, Rules, Policies, and Procedures Administrator  
**SUBJECT:** Adopting Updated Policy Directive 1301.0 "Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project by a Petition in Condemnation will Serve the Public Interest"

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**Purpose**

This memorandum provides a summary of the proposed minor changes to Policy Directive 1301.0 "Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project by a Petition in Condemnation will Serve the Public Interest" for its adoption by the Transportation Commission. Only minor non-substantive changes have been made to the updated Policy Directive 1301.0 as the guidelines remain unchanged.

**Action**

To pass a resolution adopting the updated Policy Directive 1301.0 "Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project by a Petition in Condemnation will Serve the Public Interest" with only minor non-substantive changes.

**Background**

The Transportation Commission and the Chief Engineer must comply with specific procedures prior to initiating an eminent domain district court action pursuant to § 43-1-208, C.R.S. and *the Department of Transportation v Amerco Real Estate Co.* case, 380 P. 3d 117 (Colo. 2016). Policy Directive 1301.0 provides guidance to the Transportation Commission in determining whether an acquisition of property for a Colorado Department of Transportation ("CDOT") highway or bridge project will serve the public interest. Policy Directive 1301.0 was scheduled for review in July 2021.

**Details**

The process and type of information that will be presented by CDOT to the Transportation Commission to assist members in deciding on whether to authorize eminent domain proceedings remains unchanged within Policy Directive 1301.0. Only minor non-substantive changes, such as formatting and updating the references to the current Colorado Jury Instructions, have been made to Policy Directive 1301.0.

**Next Steps**

CDOT will continue to follow the procedures specified in Policy Directive 1301.0 prior to initiating an eminent domain district court action.

**Attachments**

Attachment A: Redlined Version of Policy Directive 1301.0



<b>COLORADO DEPARTMENT OF TRANSPORTATION</b>		<b>X POLICY DIRECTIVE</b> <b>☐ PROCEDURAL DIRECTIVE</b>
<b>Subject</b>		<b>1301.0</b>
<b>TRANSPORTATION COMMISSION GUIDELINES TO DETERMINE WHETHER ACQUISITION OF PROPERTY BY A PETITION IN CONDEMNATION FOR A CDOT HIGHWAY PROJECT WILL SERVE THE PUBLIC INTEREST</b>		
<b>Effective</b>	<b>Supersedes</b>	<b>Originating Office</b>
<b>7/18/19</b>	<b>7/18/19</b> <b>7/20/17</b>	<b>Division of Project Support - Project Development Department, Right of Way Program</b>

**I. PURPOSE**

To set forth guidelines for the Colorado Department of Transportation (“CDOT”) Chief Engineer and Right-of-Way (“ROW”) staff (collectively “CDOT”) to present specific properties needed for highway projects to the Transportation Commission (“Commission”) for which attempts to negotiate for the acquisition of the properties have failed. This policy directive sets forth the type of information that will be presented by CDOT to the Commission to assist members in making a public policy determination pursuant to Colorado Revised Statutes (“C.R.S.”), Section 43-1-208 and *Department of Transportation v. Amerco Real Estate Co.*, 380 P.3d 117 (Colo. 2016). Finally, this policy sets forth what information will be presented to the Commission to assist members in making a decision on whether to authorize eminent domain proceedings.

**II. AUTHORITY**

§§ 43-1-106(8),43-1-106(11), and 38-1-202(1), C.R.S.

**III. APPLICABILITY**

This Policy Directive applies to CDOT and the Commission, and where applicable, any consultants, contractors, or entities that provide services on right-of-way projects for CDOT.

**IV. POLICY**

- A. Pursuant to Section 43-1-208, C.R.S., and the *Amerco Real Estate Co.* opinion (“*Amerco*”), the Commission and Chief Engineer shall comply with specific procedures prior to initiating an eminent domain district court action.
- B. If CDOT attempts to acquire land or easements required for a state highway project, and negotiations to acquire the land are unsuccessful, CDOT shall seek authorization from the Commission to initiate an eminent domain action, also known as a condemnation action, in the appropriate Colorado district or federal court. This process will follow these steps:

Subject	Number
Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project Will Serve the Public Interest	1301.0

- a. CDOT staff will use First Class United States Post Office mail to send written notice to the Affected Landowner at least 10 days prior to the Transportation Commission meeting at which a resolution authorizing condemnation will be considered. The written notice will be to the landowner’s mailing address and any other addresses used previously by CDOT for negotiations. The written notice will include the following information:
  - i. The date and time and location of the Transportation Commission meeting at which a resolution authorizing condemnation will be considered.
- b. Affected Landowner for the purposes of this Policy Directive is defined in Section V.
- c. The Chief Engineer shall submit a written report and may make, or delegate to a CDOT staff member to make, an oral presentation to the Commission that provides the following information:
  - i. Reference to the date that Right of Way Plans for the state highway project were authorized, and any other authorizations which determined that the property acquisition and the proposed change to the state highway would serve the public interest.
  - ii. A brief summary of the project and the specific pieces of property needed for that project; and
  - iii. The estimated property value, including damages and benefits (CDOT may include the offers that staff have made to landowners).
- C. If the Commission determines that initiation of an eminent domain action is in the public interest, it may enter a resolution upon its minutes authorizing CDOT to initiate and conduct an eminent domain action. The resolution authorizing CDOT to initiate and conduct an eminent domain action shall include the following public policy findings:
  - a. Affirmation of the public interest of the project and specific parcels; and
  - b. Affirmation of the Chief Engineer’s estimate of value, Waiver Valuation or appraisal if available, including damages and benefits.
- D. The Commission may request from CDOT additional information that will assist the Commission in making public policy decisions regarding the initiation of an eminent domain action.

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Subject	Number
Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project Will Serve the Public Interest	1301.0

E. CDOT is directed to keep and maintain all resolutions related to this policy with the Transportation Commission’s records.

**V. DEFINITIONS**

A. CDOT and the Commission frequently use the following terms in implementation of this policy and/or in discussions regarding property acquisitions.

- a. **Acquisition:** The process of acquiring real property (real estate) or some interest therein permanently or temporarily. CDOT ROW Manual 1.1.2
- b. **Administrative Settlement:** The purchase price for the property may exceed, or in some cases be less than the amount offered as just compensation if improvements are constructed, when reasonable efforts to negotiate an agreement at that amount have failed and an authorized Agency official approves such administrative settlement as being reasonable, prudent, and in the public interest. 49 CFR § 24.102(i)
- c. **Affected Landowner:** Written notice of the Transportation Commission meeting, at which a condemnation resolution will be considered, is required by CRS 43-1-208(2) (Amended 2019) to be provided to the Affected Landowner(s). The Affected Landowner(s) receiving the requisite 10-day notice will be any owner(s) of record who has a recorded real property ownership interest, located within the real property area that CDOT is seeking to acquire. Individuals and/or entities who qualify as an Affected Landowner, but who has previously released or otherwise waived their right to the 10-day notice, will not be sent notice of the Transportation Commission meeting. If CDOT is seeking to take title subject to individuals and/or entities’ real property interest, and thus will not be named in the anticipated condemnation action, will not be considered Affected Landowners. The Affected Landowner(s) will be determined by a property report provided to CDOT by a third party, a search of the available public records, or by information provided to CDOT staff by other known property owners during the course of negotiations.
- d. **Amerco:** In *Department of Transportation v. Amerco Real Estate Co.*, 380 P.3d 117 (Colo. 2016), the Colorado Supreme Court held that CDOT did not have authority to condemn property without a project and property specific resolution passed by the Transportation Commission.
- e. **Appraisal:** The term appraisal means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information. 42 U.S.C. §4601 (13) and 49 CFR § 24.2(a)(3)
- f. **Benefits:** (Specific or Special) Benefits may only occur to a remainder parcel as the result of a partial taking, and reflect the measurable increase in value to the residue parcel after the taking and construction of the project. However, only specific, or special, benefits may be applied as offset to compensation for parts taken and compensable damages. [Colorado Jury Instructions \(20142021\)](#), Civil 36:4 (paragraph

**Commented [LNE1]:** Jury Instruction revised 1/29/21 according to website.  
[https://www.courts.state.co.us/Courts/Supreme\\_Court/Committees/Committee.cfm?Committee\\_ID=18](https://www.courts.state.co.us/Courts/Supreme_Court/Committees/Committee.cfm?Committee_ID=18)



Subject	Number
Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project Will Serve the Public Interest	1301.0

4) describes benefits as follows: "Similarly, any benefits to the ~~42 USC Chapter 61~~ residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (insert brief description of the proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits that may result to the residue but that are shared in common with the community at large are not to be considered."

Also, Colorado Revised Statutes address how special benefits are to be applied in offset to compensation due for parts taken and compensable damages: "In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken." CRS 38-1-114 (2)(d)

- g. **Chief Engineer Cost Estimate:** Identifies real property to be acquired, property owner names and early estimation of value. However, the cost estimate is not a formal appraisal or waiver valuation.
- h. **Condemnation:** The legal process of acquiring private property for public use or purpose through the acquiring agency's power of eminent domain. Condemnation is usually not used until all attempts to reach a mutually satisfactory agreement through negotiations have failed. An acquiring agency then goes to court to acquire the needed real property. CDOT ROW Manual 1.1.2
- i. **Damages:** (Compensable) damages may only occur to a remainder parcel as the result of a partial taking. Not all damages are compensable. Colorado Jury Instructions (~~2014~~2021), Civil 36:4 (paragraph 3) describes damages as follows: "Any damages or specific benefits are to be measured by the effects the acquisition of, and the expected uses of, the property actually taken has on the reasonable market value of the residue. Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages that may result to the residue from what is expected to be done on land other than the land actually taken from the respondent are not to be considered."  
Colorado Jury Instructions (~~2014~~2021), Civil 36:5 addresses the compensability of damages (2nd paragraph): "Infringement of the owner's personal pleasure or enjoyment in the use of the residue or even the owner's annoyance or discomfort do not constitute compensable damages. Neither does the fact that the residue may be less desirable for certain purposes. Such matters are not compensable except as they are a natural, necessary and reasonable result of the residue being severed from the land actually taken or of the uses expected to be made of the land actually taken, and are measurable by a reduction in the market value of the residue."
- j. **Easements, Temporary and Permanent:** In general, the right of one person to use all or part of the property of another person for some specific use. Easements can be

Subject	Number
Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project Will Serve the Public Interest	1301.0

permanent or temporary. The term may be used to describe either the right itself or the document conferring the right. CDOT ROW Manual 1.1.2

- k. **Eminent Domain:** The right of the government to acquire private property for public use.
- l. **Fair Market Value:** (Market Value or Reasonable Market Value) Fair Market Value is a common and widely used term that is referenced, but not defined, by federal and state sources concerning valuation in eminent domain. CDOT relies on the term "Reasonable Market Value" as defined by Colorado Jury Instructions (~~2014~~2021), Civil 36:3 (paragraph 2): "The value you are to determine for the property actually taken is the reasonable market value for such property on (insert valuation date). Reasonable market value means the fair, actual, cash market value of the property. It is the price the property could have been sold for on the open market under the usual and ordinary circumstances, that is, under those circumstances where the owner was willing to sell and the purchaser was willing to buy, but neither was under an obligation to do so. In determining the market value of the property actually taken, you are not to take into account any increase or decrease in value caused by the project for which the property is being acquired."
- m. **Full Acquisition:** Activities to obtain or acquire a full interest in, and possession of, real property.
- n. **Just Compensation:** Just Compensation is monetary payment for the value of all property rights acquired in an eminent domain acquisition, including any compensable damages and/or offsetting special benefits to a residue property. While not specifically defined in federal or state law, the federal Uniform Act regulations are informative to what is Just Compensation: "Establishment and offer of just compensation. Before the initiation of negotiations, the Agency shall establish an amount which it believes is just compensation for the real property. The amount shall not be less than the approved appraisal of the fair market value of the property, taking into account the value of allowable damages or benefits to any remaining property. An Agency official must establish the amount believed to be just compensation." 49 CFR § 24.102(d)
- o. **Partial Acquisition:** Activities to obtain or acquire only a portion of the property leaving a remainder parcel.
- p. **Personal Property:** Personal property is property that can be moved. It is not permanently attached to, or a part of, the real property.
- q. **Project:** Any activity or series of activities undertaken by a federal agency or by an Agency using federal financial assistance in any phase of an undertaking in accordance with the federal funding agency guidelines.

Subject	Number
Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project Will Serve the Public Interest	1301.0

- r. **Purchase:** The process of preparing, negotiating and closing a written contract signed by the buyer and seller stating the terms and conditions under which a property will be sold.
- s. **Real Property:** The interest, rights, and benefits that go along with the ownership of real estate, which is land and the improvements thereon. CDOT ROW Manual 1.1.2
- t. **Right of Way:** The entire width between the boundary lines of every way publicly maintained when any part thereof is open to the use of the public for purposes of vehicular travel or the entire width of every way declared to be a public highway by any law of this state.
- u. **Right of Way Plans:** A prerequisite to Federal participation in the cost of acquiring real property that are adequate for the construction, operation, and maintenance of the resulting facility and for the protection of both the facility and the traveling public. 23 CFR 710.201(e) Elements to be included in a Right of Way Plan set are detailed in Chapter 2 of the CDOT ROW Manual and CRS 38-51-106.
- v. **Taking:** The process to acquire property through eminent domain. The law of eminent domain derives from the so-called "Takings Clause" of the Fifth Amendment, which states, "[N]or shall private property be taken for public use, without just compensation."
- w. **Uneconomic Remnant:** If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant, the Agency shall offer to acquire the uneconomic remnant along with the portion of the property needed for project. 49 CFR § 24.102(k) (CDOT's ROW Manual also offers guidance with regard to remnants.)
- x. **Uniform Act:** The term Uniform Act means the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Pub. L. 91-646, 84 Stat. 1894; 42 U.S.C. §4601 et seq.
- y. **Voluntary Purchase:** Purchase of real property that may eventually be needed for a highway project from a property owner who asks the government to purchase the property due a personal hardship; or, a "protective buy" purchase of property that may be needed for a highway project that is available for purchase on the open market; or purchase of property that is needed for a highway project from a property owner willing to sell the property at the fair market value rate or other price agreed upon by the government and the property owner.
- z. **Voluntary Settlement:** Purchase of property that is needed for a highway project from a property owner willing to sell the property at an agreed upon price over the fair market value rate established by the government.
- aa. **Waiver Valuation:** The term waiver valuation means the valuation process used and the product produced when CDOT determines that an appraisal is not required,

Subject	Number
Transportation Commission Guidelines to Determine Whether Acquisition of Property for a CDOT Highway Project Will Serve the Public Interest	1301.0

pursuant to [49 CFR](#) § 24.102(c)(2) appraisal waiver provisions. 49 CFR § 24.2(a)(33)

**VI. IMPLEMENTATION PLAN**

This Policy Directive shall be effective immediately upon signature. The Office of Policy and Government Relations shall post this Policy Directive on CDOT’s intranet and on public announcements. CDOT’s Headquarters ROW Program and the Commission shall ensure compliance with the requirements set forth in this Policy Directive.

**VII. REVIEW DATE**

This Policy Directive shall be reviewed on or before ~~July-August 2021~~[2026](#).

\_\_\_\_\_  
Herman Stockinger, III  
Transportation Commission Secretary

\_\_\_\_\_  
Date





**DATE:** August 5, 2021  
**TO:** Transportation Commission  
**FROM:** Stephen Harelson, P.E. Chief Engineer  
**SUBJECT:** Hugo Rest Area US 40 (Parcel 1) – Re-affirm Disposal

### Purpose

CDOT Region 4 is proposing to dispose of the Hugo Rest Area consisting of ~190,781sq. ft. (4.380 acres) that is no longer needed for transportation or maintenance purposes. The property will be conveyed at nominal value.

### Action

CDOT Region 4 is requesting a resolution approving the disposal of ~4.380 acres that is no longer needed for transportation or maintenance purposes.

### Background

Parcel 1 was acquired by CDOT in 1966 as part of Project LSF 017-3(1) for the Hugo Rest Area located at M.P. 405.8 adjacent to US 40. The Hugo Rest Area was closed in 2015 leaving ~4.380 acres that is no longer needed for transportation or maintenance purposes. The buildings at the Hugo Rest Area were demolished. There are two water wells on site that CDOT closed but have not been abandoned. Parcel 1 contains approximately 190,781 sq. ft (4.380 acres) and is outside of the right of way necessary for US 40.

### Details

The Transportation Commission (TC) previously determined via TC Resolution # TC-20-08-08 dated August 20, 2020 that the 4.380 acres could be declared as excess and disposed of for fair market value pursuant to the provisions of C.R.S. 43-1-210(5) and 23 CFR 710.403. At the time of submission to TC in August 2020 a private party had expressed an interest in acquiring Parcel 1 and CDOT was proceeding to convey at Fair Market Value. After sending out first right of refusals, CDOT Region 4 has determined to convey at nominal value to the Lincoln Community Hospital pursuant to 23 CFR 710.403. Lincoln Community Hospital will use the parcel for staging of emergency vehicles and safety missions for the traveling public. Pursuant to 23 CFR 710.403(e), the parcel will revert to CDOT in the event Lincoln Community Hospital ceases to use the parcel for staging of emergency vehicles and safety missions for the traveling public. CDOT Region 4 has determined that this property is not needed for maintenance or transportation purposes. The disposal of the subject property will have no effect upon the operation, use, maintenance or safety of the highway facility. The disposal of the subject property will be at nominal value.

### Key Benefits

CDOT will be relieved of maintenance responsibilities and liability associated with this parcel.



**COLORADO**  
Department of Transportation  
Office of the Chief Engineer

Next Steps

Upon approval of the Transportation Commission, CDOT will convey Parcel 1 in accordance with C.R.S. 43-1-210(5). CDOT will execute a quitclaim deed to convey the subject property. The deed will be recorded in the office of Lincoln County Clerk and Recorder.

Attachments

Proposed Resolution  
Exhibits Depicting the Disposal Parcel

**EXHIBIT "A"**

**HUGO REST AREA  
PARCEL NUMBER: NO. 1  
PROJECT NO: LSF 017-3(1)  
DATE: March 26, 2020  
DESCRIPTION**

A tract or parcel of land No. 1 of the Department of Transportation, State of Colorado Project No. LSF 017-3(1) containing 190,781 sq. ft. (4.380 acres), more or less, in the Northeast quarter of Section 32, Township 11 South, Range 53 West, of the sixth Principal Meridian, in Lincoln County, Colorado, said tract or parcel being more particularly described as follows:

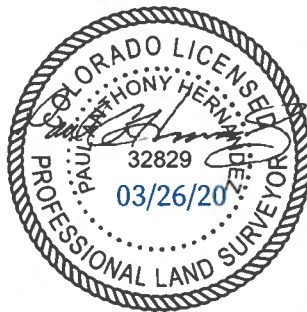
Commencing at a point, whence the Northeast Corner of Section 32 bears N. 44°57'49" E., a distance of 42.31 feet, said point also being the TRUE POINT OF BEGINNING;

1. Thence 30 feet West of and parallel with the East line of the Northeast Quarter of said Section 32, S. 0°12'0" E., a distance of 621.25 feet;
2. Thence 25 feet Northeast of and parallel with the Northeasterly Right of Way line as described in CDOT Project No. LSF 017-3(1), N. 44°41'0" W., a distance of 876.52 feet;
3. Thence 30 feet South of and parallel with the North line of the Northeast Quarter of said Section 32, S. 89°49'0" E., a distance of 614.20 feet, more or less, to the TRUE POINT OF BEGINNING.

The above described parcel contains 190,781 sq. ft. (4.380 acres), more or less.

Basis of Bearings: All bearings are based on 1966 CDOT Project No. LSF 017-3(1). No Basis of Bearings statements was provided. Please see plan sheets for further information. This description is based on recorded information only. No survey was constructed in March of 2020.

For and on behalf of the  
Colorado Department of Transportation  
Paul A. Hernandez, PLS 32829  
10601 W 10th Street  
Greeley, CO 80634



HUGO RESTAREA  
**PROJECT NO. LSF 017-3(1)**  
**STATE HIGHWAY NO. 40**  
**LINCOLN COUNTY**

NORTHEAST CORNER  
SECTION 32

42.31' N44° 57' 49" E

COUNTY ROAD 2R

NORTH LINE, NORTHEAST QUARTER, SECTION 32

614.20'  
S89° 49' 0" E

POINT OF BEGINNING

NORTHEAST QUARTER  
SECTION 32  
TOWNSHIP 11 SOUTH  
RANGE 53 WEST  
6TH PM

30'

EAST LINE, NORTHEAST QUARTER, SECTION 32

COUNTY ROAD 39

621.25'  
S0° 12' 0" E

876.52'  
N44° 41' 0" W

ROW LINE  
PROJECT NO.  
LSF 017-3(1)  
1986

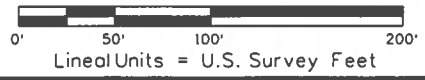
25'

50'

75'

HIGHWAY 40

25' ADDITIONAL RIGHT OF WAY RETAINED BY CDOT



NOTE: THIS IS NOT A ROW  
 PLAN, SURVEY, AND SURVEY  
 PLAT, OR IMPROVEMENT  
 SURVEY PLAT AND WAS  
 PREPARED FOR CDOT  
 PURPOSES ONLY.

Colorado Department of Transportation  
 10601 W. 10th Street  
 Greeley, CO 80634  
 Phone: 970-350-2152  
 FAX: 970-350-2262

Region 4 PAH

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

HUGO RESTAREA	
..	
Project Number:	
LSF 017-3(1)	
MILE POST 405.8 HWY 40	
Last Mod. Date	
03/26/20	







**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CHIEF FINANCIAL OFFICER  
 BETHANY NICHOLAS, BUDGET DIRECTOR  
**DATE:** AUGUST 19, 2021  
**SUBJECT:** SECOND BUDGET SUPPLEMENT - FY 2021-2022

**SB-260 Project Funding Changes**

In July 2021 the Transportation Commission approved a provisional list of projects to be funded with proceeds from the \$170 million SB 260 general fund transfer for “shovel ready stimulus projects”. The following request reflects an administrative correction to the Region 3 I-70B Multimodal Improvements project, which was included in the prior approval for an incorrect amount.

<b>SB-260 HIGHWAY PROGRAM/PROJECT CHANGES</b>			
<b>Region 3 Project Changes</b>	<b>Current Approved</b>	<b>Change</b>	<b>Revised Amount</b>
I-70B Multimodal Improvements	\$ 8,641,260	\$ 500,000	\$ 9,141,260

**SB-267 Project Funding Changes**

Region 2 requests to bring forward a proposed 10 Year Plan project, Kiowa County Bus Storage Facility, from years 5-10 to the current year by utilizing \$350,000 of cost savings from other SB267 projects.

<b>SB-267 HIGHWAY PROGRAM/PROJECT CHANGES</b>			
<b>Region 2 Project Changes</b>	<b>Current Approved</b>	<b>Change</b>	<b>Revised Amount</b>
Kiowa County Bus Storage	\$ -	\$ 350,000	\$ 350,000

See attached memo for more information.

**Region 1**

\$1,000,000 - *Transportation Commission Program Reserve - Homeless Camp Clean Up Pilot Program* - Region 1 Maintenance spent over \$450k between 7/6/19 and 7/1/21 on homeless camp cleanup. This emerging issue has become a more serious and costly issue in the region with many citizen and elected official complaints requesting that CDOT keep property clean even to the point of local government threats to issue citations to CDOT for litter. This is also a safety issue as fires are frequent problems and can create structural issues on bridges if not kept clean and people have also been hit by vehicles while crossing facilities. Region 1 has a full-time homeless camp cleanup coordinator who manages up to three camp cleanups per week. Region 1 is proposing to create a pilot program to help mitigate the impacts associated with persons experiencing homelessness. Homeless camp cleanup can be more effectively managed through a contract with a local agency who can clean up camps before they become larger and more costly, rather than rely on CDOT maintenance staff also occupied by their



traditional duties. This pilot is a more proactive strategy as the local agency can better coordinate with law enforcement and other advocacy groups in their jurisdiction. CDOT will also be piloting a contract with an external vendor to perform this work more proactively rather than reacting when complaints demanding immediate action are received. The region is requesting \$1 Million of Program Reserve to establish and evaluate the success of this program. The region will be actively monitoring the success of this program and will deliver a report at the conclusion of the effort.

**Region 1**

**\$1,600,000 - Signals Asset Management and FASTER Safety - Wadsworth Blvd Widening** - Request additional funding to award project 21006 to the lowest bidder. Bid items resulted in higher than estimated bid prices requiring the need for additional funds. We do not believe we would achieve any appreciable savings through design modifications and re-advertisement of the project; therefore, we are requesting an additional \$1,600,000 to fully fund the project and move forward with award and construction.

*Per Policy Directive 703.0, this project is being included in the Budget Supplement as an increase of greater than 15% of the original budget and greater than \$500,000.*

**Wadsworth Blvd Widening: 35th Ave to 48th Ave**  
*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Original Budget	Funding Request				Revised Budget	Expended To-Date
			Previous Adjustments	Current Request	Total Adjustments	Total Adjustment Percent		
Construction	<i>Surface Treatment</i>	\$3,000,000	\$0	\$0	\$0		\$3,000,000	\$0
	<i>FASTER Safety</i>	\$4,200,000	\$0	\$500,000	\$500,000		\$4,700,000	\$0
	<i>Signals Asset Management</i>	\$0	\$0	\$1,100,000	\$1,100,000		\$1,100,000	\$0
	<b>Total Construction</b>	<b>\$7,200,000</b>	<b>\$0</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>22%</b>	<b>\$8,800,000</b>	<b>\$0</b>
	<b>Total Project</b>	<b>\$7,200,000</b>	<b>\$0</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>22%</b>	<b>\$8,800,000</b>	<b>\$0</b>

**Region 3**

**\$10,000,000 - Transportation Commission Contingency Reserve - I-70 Glenwood Canyon** - CDOT’s CFO sought pre-approval from the Transportation Commission chair on 8/3/2021. Burn scars in the area of the Grizzly Creek fire and significant rain in that area has caused continued debris flows onto the highway damaging several structures and elements of I-70. Debris has blocked the Colorado River directing flow towards the foundation of the retaining wall supporting the interstate near Devil’s Hole. This funding will be used to fund costs associated with the initial response and repair. CDOT is seeking Emergency Repair (ER) and funding through the FHWA. It is anticipated that some of these initial costs will be reimbursable with FHWA ER funding, resulting in some of the allocated funds being returned to the TC Contingency at a later date.

**Region 3**

**\$902,000 - Geohazards Mitigation - SH 133 Landslide Repair** - Request additional funding to award project 23125 to the lowest bidder. Several of the bid items resulted in higher than estimated bid prices requiring the need for additional funds. We do not believe we would achieve any appreciable savings through design modifications and re-advertisement of the project; therefore, we are requesting an additional \$902,000 to fully fund the project and move forward with award and construction. Funds are available in the FY 22 Geohazards pool to cover the additional amount.

*Per Policy Directive 703.0, this project is being included in the Budget Supplement as an increase of greater than 15% of the original budget and greater than \$500,000.*





**SH 133 Landslide Repair**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Original Budget	Funding Request				Revised Budget	Expended To-Date
			Previous Adjustments	Current Request	Total Adjustments	Total Adjustment Percent		
Right of Way	<i>Geohazard Mitigation</i>	\$45,000	\$0	\$0	\$0		\$45,000	\$9,045
	<b>Total Right of Way</b>	<b>\$45,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$45,000</b>	<b>\$9,045</b>
Design	<i>Geohazard Mitigation</i>	\$855,000	\$0	\$0	\$0		\$855,000	\$771,661
	<b>Total Design</b>	<b>\$855,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$855,000</b>	<b>\$771,661</b>
Construction	<i>Geohazard Mitigation</i>	\$2,500,000	\$0	\$902,000	\$902,000		\$3,402,000	\$0
	<b>Total Construction</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$902,000</b>	<b>\$902,000</b>	<b>36%</b>	<b>\$3,402,000</b>	<b>\$0</b>
<b>Total Project</b>		<b>\$3,400,000</b>	<b>\$0</b>	<b>\$902,000</b>	<b>\$902,000</b>	<b>27%</b>	<b>\$4,302,000</b>	<b>\$780,706</b>

**Transportation Commission Contingency Reserve Fund Reconciliation  
Second Supplement FY 2022 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-21	<i>Balance 12S21</i>		<b>\$48,025,918</b>	
July-21	<i>Balance 1S22</i>		<b>\$48,043,920</b>	
	<i>I-70 Glenwood Canyon Slides</i>	\$ (10,000,000)		1000290897
	<i>SH7 Flood Permanent Repairs</i>	\$ (72,030)		1000289640/1000290459
August-21	<i>Pending Balance 2S22</i>		<b>\$37,971,890</b>	

**Transportation Commission Contingency COVID Reserve Fund Reconciliation  
Second Supplement FY 2022 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-21	<i>Balance 12S21</i>		<b>\$1,000,000</b>	Allocated from TCC pool
July-21	<i>Balance 1S22</i>		<b>\$1,000,000</b>	
	<i>No Requests this Month</i>			
August-21	<i>Pending Balance 2S22</i>		<b>\$1,000,000</b>	

**Transportation Commission Program Reserve Fund Reconciliation  
Second Supplement FY 2022 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-21	<i>Balance 12S21</i>		<b>\$17,558,266</b>	
July-21	<i>Balance 1S22</i>		<b>\$17,199,014</b>	
	<i>Homeless Camp Clean Up Pilot Program</i>	\$ (1,000,000)		Pending
August-21	<i>Pending Balance 2S22</i>		<b>\$16,199,014</b>	

**Transportation Commission Maintenance Reserve Reconciliation  
Second Supplement FY 2022 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-21	<i>Balance 12S21</i>		<b>\$13,863,597</b>	
July-21	<i>Balance 1S22</i>		<b>\$13,863,597</b>	
	<i>No Requests this Month</i>			
August-21	<i>Pending Balance 2S22</i>		<b>\$13,863,597</b>	





**Transportation Commission Contingency Reserve Fund**  
**Emergency and Permanent Repairs-Nonparticipating costs and state match**

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**September 11, 2013 Flood Related Monthly Activity**

Reg	State		Project Description	County	Total Budget
	Highway	Mileposts			TCCRF
4	007A	19.000 - 33.000	SH 7 from Raymond to Lyons Permanent Repairs	Boulder	\$ (72,030)
Total					\$ (72,030)

**Spring 2015 Flood Related Monthly Activity**

Reg	State		Project Description	County	Total Budget
	Highway	Mileposts			TCCRF
Total					\$ -

**Grand Total TCCRF Activity for Emergency Relief Since Last Reporting**      **\$ (72,030)**



FY 2021-2022 Contingency Reserve Fund Balance Projection		
July		
TC Contingency Balance (Emergencies)	\$49,043,920	
<i>Pending Requests:</i>		
I-70 Glenwood Canyon Slides	(\$10,000,000)	
SH7 Flood Permanent Repairs	(\$72,030)	
Pending August		
TC Contingency Reserve Balance	\$38,971,890	
<i>Projected Outflow:</i>		
	Low Estimate	High Estimate
State Match for Emergency Relief/Permanent Recovery	(\$2,000,000)	(\$5,000,000)
State Match for Spring 2015 Floods	\$0	(\$2,500,000)
<i>Projected Inflow:</i>		
	Low Estimate	High Estimate
None	\$0	\$0
Projected FY 2021-2022 YE Contingency Balance	\$36,971,890	\$31,471,890
<b>TCCRF Surplus (Deficit) to Reach \$25M Balance July 1, 2022</b>	<b>\$11,971,890</b>	<b>\$6,471,890</b>

FY 2021-2022 Program Reserve Fund Balance Projection		
July		
TC Program Reserve Balance	\$17,199,014	
<i>Pending Requests:</i>		
Homeless Camp Clean Up Pilot Program	(\$1,000,000)	
Pending August		
TC Program Reserve Fund Balance	\$16,199,014	
<i>Projected Outflow:</i>		
	Low Estimate	High Estimate
	\$0	\$0
<i>Projected Inflow:</i>		
	Low Estimate	High Estimate
Reimbursement for US85 Settlement Loan Region 4	\$18,060,000	\$18,060,000
Projected FY 2021-2022 YE Program Reserve Balance	\$34,259,014	\$34,259,014

FY 2021-2022 Maintenance Reserve Fund Balance Projection		
July		
TC Maintenance Reserve Balance	\$13,863,597	
<i>Pending Requests:</i>		
No Requests this Month	\$0	
Pending August		
TC Maintenance Reserve Fund Balance	\$13,863,597	
<i>Projected Outflow:</i>		
	Low Estimate	High Estimate
	\$0	\$0
<i>Projected Inflow:</i>		
	Low Estimate	High Estimate
	\$0	\$0
Projected FY 2021-2022 YE Maintenance Reserve Balance	\$13,863,597	\$13,863,597





**COLORADO**  
**Department of Transportation**  
Region 2

REGION TRANSPORTATION DIRECTOR  
5615 Wills Boulevard  
Pueblo, CO 81008

**DATE:** August 19, 2021  
**TO:** Transportation Commission  
**FROM:** Richard Zamora  
Region 2 Transportation Director  
**SUBJECT:** Use Region 2 SB267 Saving to Fund Kiowa County Bus Storage Facility

Purpose

The purpose of this memorandum is to request approval from the Transportation Commission for using \$350,000 Region 2 SB267 saving to fund the Kiowa County Bus Storage Facility project.

Action

Per Policy Directive 703.0, dated August 27, 2014, Appendix C states that Transportation Commission approval is needed if a project is not on the TC approved project list under a specific funding category. The Transportation Commission is being asked to approve this funding request so that CDOT can fund the project.

Background

The Kiowa County Bus Storage Facility is on the Southeast TPR's top 20 priority project list with an initial cost estimate of \$200,000. It is also on the 10-year development plan year 5-10 list. A suitable building is on the market right now. The County asked Region 2 to fund the project, so they can get the building acquired immediately.

Details

Kiowa County's current estimate to purchase the building and perform the necessary renovations is \$350,000. Between project bid savings and project closure savings, Region 2 has enough SB 267 funding available to advance this important transit investment in southeastern Colorado. Please find the attached Region 2 SB 267 tracking sheet.



## Options

Staff requests that the Transportation Commission take one of the following options:

1. Approve the budget for the project. Use the budget savings from other closed SB267 projects within the Region to provide \$350,000 in SB267 funding for the Kiowa County Bus Storage Facility project.
2. Decline the request and delay the project. The project is not scalable.

## Next Steps

If the Transportation Commission approves the funding request, the Resident Engineer will submit a Budget Action Request to the Region 2 Business Office who will work with OFMB and the Contract Unit to complete the necessary steps to fund the project.

## Attachments

R2 SB 267 Tracking Sheet







**Colorado Bridge and Tunnel Enterprise Board**  
**Meeting Minutes**  
**July 15, 2021**

PRESENT: Don Stanton, District 2  
Eula Adams, District 3  
Karen Stuart, Chair, District 4  
Kathleen Bracke, District 5  
Barbara Vasquez, District 6  
Kathy Hall, Vice Chair, District 7  
Mark Garcia, District 8  
Lisa Hickey, District 9  
Terry Hart, District 10  
Gary Beedy, District 11

EXCUSED: Yessica Holguin, District 1

AND: Staff members, organization representatives, and broadcast publicly

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

In July, the Bridge and Tunnel Enterprise Board of Directors

- Approved Resolution #BTE1, the minutes from the June Board Meeting
- Approved Resolution #BTE2, Extending Deadline for the Colorado Bridge Enterprise, as conduit issuer, to Issue the Previously Approved Colorado Bridge Enterprise Senior Revenue Bonds (Central 70 Project), Series 2021A, and Senior Project Infrastructure Bonds (Central 70 Project), Series 2021B

**MEMORANDUM**

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**TO: THE BRIDGE AND TUNNEL ENTERPRISE BOARD OF DIRECTORS**  
**FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER**  
**DATE: AUGUST 19, 2021**  
**SUBJECT: FIRST SUPPLEMENT TO THE FISCAL YEAR 2021-22 BRIDGE AND TUNNEL ENTERPRISE BUDGET**

**Purpose**

This month the Bridge and Tunnel Enterprise (BTE) Board of Directors (Board) is being asked to approve a budget supplement for the initiation of the construction phase for the Eastern Plains Timber Bridge Replacement Program - Package One. The project will replace BTE eligible structures: US 36 ML over Draw (F-19-E); US 40 ML over Draw (F-20-J); and I-70 Service Road over Draw (F-20-L). This request is a follow up to the design phase supplement for the Eastern Plains Bridge Replacement Program that was approved in January 2021.

**Action**

Staff is requesting Board approval of Proposed Resolution #BTE-21-8-2, the first budget supplement to the Fiscal Year 2021-22 BTE budget.

**Background**

Region 4:

The construction phase budget is being established for the replacement of: US 36 ML over Draw (F-19-E) in Arapahoe County; US 40 ML over Draw (F-20-J) in Arapahoe County; and I-70 Service Road over Draw (F-20-L) in Elbert County. The bridge bundle will be the first package of bridges to be advanced to construction using construction manager/general contractor (CM/GC) project delivery as part of the Eastern Plains Timber Bridge Replacement Program. The bridges in this bundle are essential to the local population for mobility and serve as critical infrastructure that supports intra and interstate commerce. The replacement of these rural bridges will benefit the entire state of Colorado by improving mobility and safety along important corridors and help maintain the economic vitality of rural areas of the state. The replacement of the three BTE eligible structures is being combined with the CDOT funded replacement of a non-BTE eligible fourth structure, G-21-A. All four structures are being combined into one construction package due to their geographic proximity and similar replacement structure type to achieve overall cost savings due to economies of scale.

F-19-E and F-20-L are Top Tier structures in the January 2021 Prioritization Plan and F-20-J is a Second-Tier structure. All three structures are currently rated in “poor” condition due to a number of severe defects. Structure F-19-E is approaching ninety years of service life and is a burden on CDOT maintenance resources due to its spalling concrete deck, exposed rebar, rotten wooden stringers, and the ongoing monitoring of the temporary wooden bents (substructure units). Structure F-20-L is also nearly ninety years old and requires frequent repairs and occasional closures. The deck of structure F-20-L is characterized by

frequently repaired potholes, split and rotted stringers, and rusted out bridge rail anchor bolts. Structure F-20-J has similar negative characteristics and age as the other structures in the bundle. The structure has undergone closures and maintenance for repairs that include the patching of holes through the deck, repair of split and rotting timbers, and anchor bolt replacements.

**Eastern Plains Package One**  
 (Old F-19-E New F-19-EA) (Old F-20-J New F-20-JA) (Old F-20-L New F-20-LA) (SAP Project # 24367/1000...)  
**Budget Components by Phase, Funding Program, Fiscal Year**

Phase of Work	Funding Program	Current Budget	BTE Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2022	FY 2023	FY 2024			
Construction	<i>FASTER Bridge Funds</i>	\$ -	\$ 11,187,400	\$ -	\$ -	\$ 11,187,400	\$ 11,187,400	\$ -
	<b>Total Construction</b>	\$ -	\$ 11,187,400	\$ -	\$ -	\$ 11,187,400	\$ 11,187,400	\$ -
<b>Total Project Budget</b>		\$ -	\$ 11,187,400	\$ -	\$ -	\$ 11,187,400	\$ 11,187,400	\$ -
			Year of Expenditure			Total Request		
			FY 2022	FY 2023	FY 2024			
			\$11,144,874	\$42,526	\$0		\$11,187,400	

**Next Steps**

- 1) Approval of this budget supplement will allow the three BTE eligible structures to proceed to CAP negotiations.
- 2) Staff will bring additional budget supplement requests to the BTE Board as subsequent packages in the Eastern Plains bridge replacement program are ready to advance to construction. Evaluations are ongoing to determine the most cost-effective strategy for packaging the six remaining structures.

**Attachments**

Attachment A: Proposed Resolution #BTE-21-8-2.





**COLORADO**  
**Department of Transportation**  
Region 2

REGION TRANSPORTATION DIRECTOR  
5615 Wills Boulevard  
Pueblo, CO 81008

**DATE:** August 19, 2021  
**TO:** Transportation Commission  
**FROM:** Richard Zamora  
Region 2 Transportation Director  
**SUBJECT:** Use Region 2 SB267 Saving to Fund Kiowa County Bus Storage Facility

Purpose

The purpose of this memorandum is to request approval from the Transportation Commission for using \$350,000 Region 2 SB267 saving to fund the Kiowa County Bus Storage Facility project.

Action

Per Policy Directive 703.0, dated August 27, 2014, Appendix C states that Transportation Commission approval is needed if a project is not on the TC approved project list under a specific funding category. The Transportation Commission is being asked to approve this funding request so that CDOT can fund the project.

Background

The Kiowa County Bus Storage Facility is on the Southeast TPR's top 20 priority project list with an initial cost estimate of \$200,000. It is also on the 10-year development plan year 5-10 list. A suitable building is on the market right now. The County asked Region 2 to fund the project, so they can get the building acquired immediately.

Details

Kiowa County's current estimate to purchase the building and perform the necessary renovations is \$350,000. Between project bid savings and project closure savings, Region 2 has enough SB 267 funding available to advance this important transit investment in southeastern Colorado. Please find the attached Region 2 SB 267 tracking sheet.



## Options

Staff requests that the Transportation Commission take one of the following options:

1. Approve the budget for the project. Use the budget savings from other closed SB267 projects within the Region to provide \$350,000 in SB267 funding for the Kiowa County Bus Storage Facility project.
2. Decline the request and delay the project. The project is not scalable.

## Next Steps

If the Transportation Commission approves the funding request, the Resident Engineer will submit a Budget Action Request to the Region 2 Business Office who will work with OFMB and the Contract Unit to complete the necessary steps to fund the project.

## Attachments

R2 SB 267 Tracking Sheet



Timestamp	Region requesting SB Funding Change:	Type of Change:	Funding Pool (i.e. P04-7PX-21):	PCN:	Project Description:	Original SB Funding (\$):	Actual SB Funding (\$):	What amount are you asking to retain?	Summary of Request:
9/22/2020	Region 2	Bid Saving	P02-7PX-21	21345	US287 Bridges Preventive Maintenance Phases I & II	\$ 5,000,000.00	\$3,318,157.00	\$1,681,843.00	The low bid was under 70% of the engineering cost estimate. Request to have a small amount of the saving to be transferred to #21344 (same corridor) to award the project. The rest to be transferred to the Region 7PX pool
9/22/2020	Region 2	Add fund to award	P02-7PX-21	23144	US287 in Lamar Savage Avenue South	\$ 5,000,000.00	\$ 5,066,183.00	-\$66,183.00	Request to add \$66183 from the saving of #23145 to award the project.
11/16/2020	Region 2	Project closure saving	P02-7PX-20	21839	US50 Overlay Texas Creek and East	\$ 9,793,479.00	\$ 11,139,343.00	\$1,345,864.00	Project closure saving
1/7/2021	Region 2	Project closure saving	P02-7PX-20	23396	SH116 Surface Treatment Project	\$ 12,536,685.00	\$ 11,541,542.31	\$995,142.69	project closure saving
1/13/2021	Region 2	FOR Level Estimate	P02-7PX-21	21324	M169Vexsr\$Teww\$Tlet I   mx\$55\$Mgtvsziqirxv	\$ 11,000,000.00	\$ 13,135,860.00	-\$2,135,860.00	FOR Level Estimate funding shortage
4/22/2021	Region 2	Project closure saving	P02-7PX-20	22254	SH69A Westcliffe to Hillside Overlay	\$ 6,969,836.00	\$ 6,893,254.83	-\$76,581.17	Project closure saving
5/7/2021	Region 2	Add fund to award	P02-7PX-21	21324	M169Vexsr\$Teww\$Tlet I   mx\$55\$Mgtvsziqirxv	\$ 13,135,860.00	\$ 15,028,981.00	-\$1,893,121.00	To award the project
6/4/2021	Region 2	ABid saving	P02-7PX-21	23522	Powers & Research	\$ 19,500,000.00	\$ 14,427,346.00	\$5,072,654.00	Bid saving
7/15/2021	Region 2	Add fund to award	P02-7PX-22	23421	I25 CO Springs Ramp Metering Phase 2	\$ 6,000,000.00	\$ 6,689,951.00	\$ (689,951.00)	To award the project
8/4/2021	Regon 2	Add fund to a new project	P02-7PX-22	24685	Kiowa County Bus Facility	\$ -	\$ 350,000.00	\$ (350,000.00)	To fund a project not on the SB267 list
<b>Net Saving After the last line item=</b>						<b>\$ 3,883,807.52</b>			



**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER  
**DATE:** AUGUST 19TH, 2021  
**SUBJECT:** MONTHLY CASH BALANCE UPDATE

**Purpose**

To provide an update on cash management, including forecasts of monthly revenues, expenditures, and cash balances in Fund 400, the State Highway Fund.

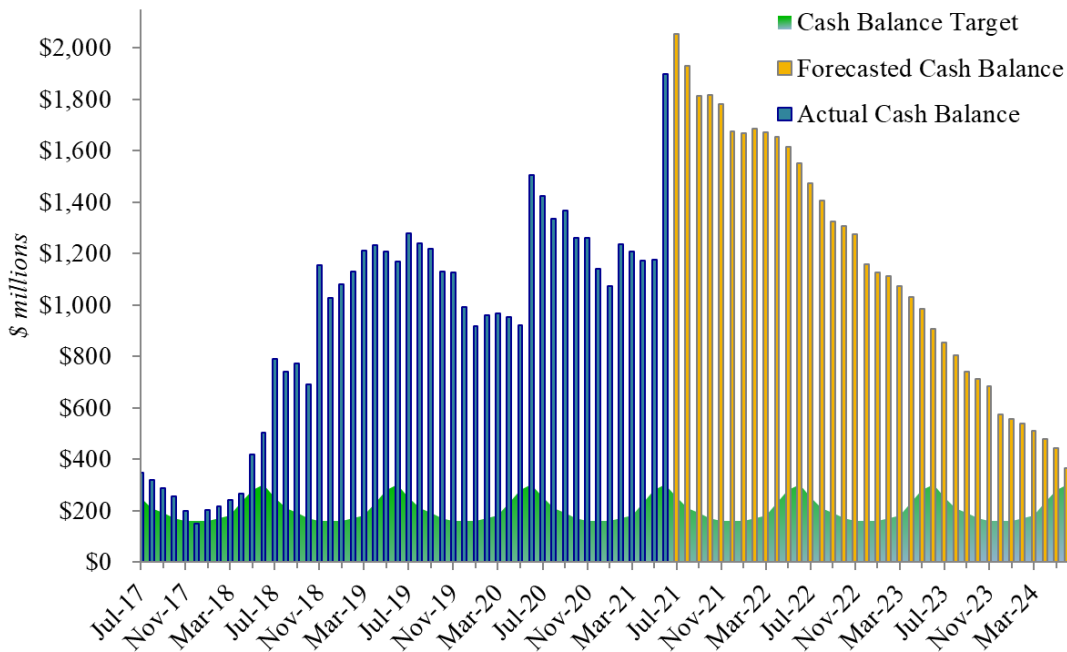
**Action**

No action is requested or required at this time.

**Background**

Figure 1 below depicts the forecast of the closing Fund 400 cash balance in each month, as compared to the targeted minimum cash balance for that month (green shaded area). The targeted minimum cash balances reflect the Transportation Commission’s directive (Policy Directive #703) to limit the risk of a cash overdraft at the end of a month to, at most, a probability of 1/1,000 (1 month of 1,000 months ending with a cash overdraft).

*Figure 1 – Fund 400 Cash Forecast*







### Summary

Due to the events in response to the global COVID-19 pandemic, including the statewide stay-at-home order in early 2020 and evolving public health order restrictions thereafter, the Department anticipated a significant immediate impact to revenue collections, followed by a longer downturn. Reduced motor fuel tax collections, due to decreased travel, along with corresponding reductions in other sources, negatively impacted the short-term revenue and associated cash forecast. The initial forecast at the start of the economic disruption estimated a loss of approximately \$50 million between March 2020 and February 2021. Between March 2020 and December 2020, motor fuel collections were about \$52 million less than the same time frame last year.

Based upon motor fuel sales collections from the first quarter of calendar year 2021, and VMT levels stabilizing slightly below 2019 levels, the current forecast now assumes a 2.5% reduction of pre-pandemic monthly gross gallons of gasoline consumed from April 2021 through June 2022. As traffic patterns continue to adjust, staff will monitor VMT and modify fuel sale assumptions as needed.

The actual closing cash balance for June 2021 was \$1.90 billion; \$1.60 billion above that month's cash balance target of \$300 million. June's cash balance is comprised of \$792 million in the State Highway Fund, and \$1.10 billion in a Senate Bill 267 trustee account. June's closing cash balance for the State Highway Fund is \$279 million higher than May's forecast of that balance due to higher than expected federal reimbursements and state revenues, and lower than expected construction expenditures.

The large cash balance results from the additional revenues listed below.

### Cash Revenues

The forecast of revenues and capital proceeds includes:

Senate Bill 17-267: \$425 million in November 2018, \$560 million in June 2020, \$623 million in June 2021, and \$0 thereafter.

Senate Bill 18-001: \$346.5 million in July 2018, and \$105 million in July 2019.

Senate Bill 19-262: \$60 million in July 2019.

Senate Bill 21-110: \$30 million in May 2021

Senate Bill 21-260: \$182 million in June 2021, and \$170 million in July 2021

Senate Bill 21-265: \$124 million in July 2021

The forecast does not include \$500 million of revenues in FY22 from SB 17-267 COP proceeds. The forecast also does not include any general fund transfers or revenue assumptions (both new fees and surcharge reductions) associated with the recent passage of SB 21-260. Initial General Fund transfers will be added to the forecast when received, and fee revenue will be incorporated after initial receipts of fee revenue in FY 2022-23. The cash balance forecast continues to report on only projects and revenues related to the State Highway Fund, and does not include revenue and expenditures associated with any pre-existing or new enterprises created through SB 21-260, including:



- Statewide Bridge and Tunnel Enterprise
- Clean Transit Enterprise
- Nonattainment Area Air Pollution Mitigation Enterprise

Cash balances will be drawn down closer to the target balances over the course of fiscal years 2022, 2023, and 2024 as projects funded with SB 18-001, SB 17-267, and SB 19-262 progress through construction.

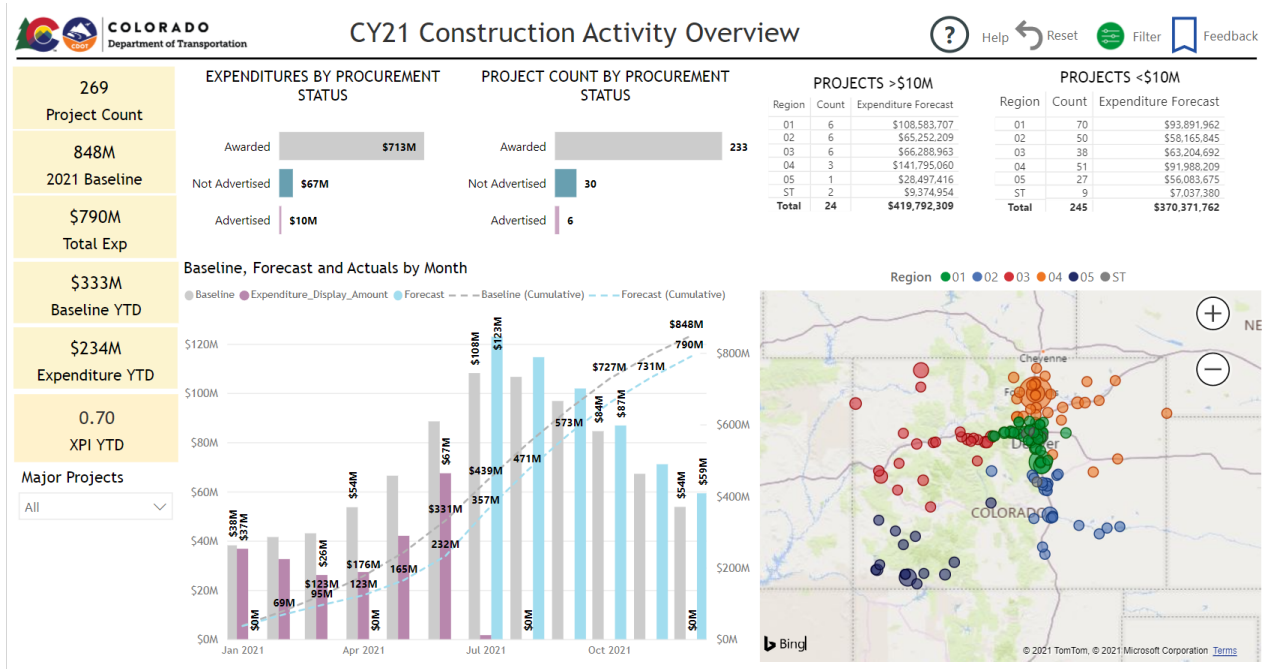
**Cash Payments to Construction Contractors**

The current forecast of payments to construction contractors under state contracts (grants paid out under inter-government agreements for construction are accounted for elsewhere in the expenditure forecast) from Fund 400 is shown in Figure 2 below.

*Figure 2 – Forecasted Payments - Existing and New Construction Contracts*

\$ millions	CY 2017 (actual)	CY 2018 (actual)	CY 2019 (actual)	CY 2020 (actual)	CY 2021 (forecast)	CY 2022 (forecast)	CY 2023 (forecast)	CY 2024 (forecast)
Expenditures	\$642	\$578	\$669	\$774	\$790	\$883	\$822	\$697

The graph below details CY21 baseline, forecast, and actual expenditures (based on June month end SAP data). Results to date correlate with an XPI of .70 (actual expenditures vs. baseline); listing of number of projects planned to incur construction expenditures in CY21; listing of CY21 baseline and project count by procurement status (awarded, not advertised and advertised); and count of projects by region that have CY21 forecast greater than \$10 million dollars and less than \$10 million dollars.





**MEMORANDUM**

**TO: THE TRANSPORTATION COMMISSION**  
**FROM: JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER**  
**DATE: AUGUST 19, 2021**  
**SUBJECT: STATE INFRASTRUCTURE BANK ACTIVITY REPORT FOR FISCAL YEAR 2020-21**

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**Purpose**

This memo summarizes information related to State Infrastructure Bank (SIB) activity for State Fiscal Year 2020-21.

**Action**

This is for information purposes only. No action is requested or required at this time.

**Background**

The State Infrastructure Bank was created in 43-1-113.5 CRS, and in accordance with Procedural Directive (PD) 0720.1:

“The Division of Accounting and Finance (DAF) shall prepare a financial summary and review of the Transportation Infrastructure Revolving Fund (Fund 715) on a periodic basis. OFMB shall present the report to the Colorado Transportation Commission (TC) at their monthly meeting in August for the period ending June 30th of the previous State fiscal year, and as a mid-year review, in February for the period ending December 31st of the current State Fiscal Year.”

**Year End Summary**

**Assets**

As of June 30, 2021, the Colorado SIB had \$29.7 million in total assets (see Table 1). Of the total assets, 78.4 percent (\$23.3 million) was attributed to the Aeronautics account and 21.6 percent (\$6.4 million) was attributed to the Highway account. The Transit and Rail accounts of the Colorado SIB have never been capitalized, nor have any loans been made from those accounts.



**Table 1: Colorado SIB Assets Summary, As of June 30, 2021**

<b>Overview of Colorado SIB Assets As Of 06/30/2021</b>			
<b>Assets</b>	<b>Aeronautics</b>	<b>Highways</b>	<b>Total</b>
<b>Cash:</b>			
Fund 715	\$ 1,614,927	\$ 2,805,890	\$ 4,420,817
Authorized Federal Funds	\$ -	\$ -	\$ -
<b>Amount Available to Loan</b>	<b>\$ 1,614,927</b>	<b>\$ 2,805,890</b>	<b>\$ 4,420,817</b>
<b>Accounts Receivable:</b>			
Outstanding Loan Balances	\$ 21,636,606	\$ 3,608,468	\$ 25,245,075
Accrued Interest	\$ -	\$ -	\$ -
<b>Total Accounts Receivable</b>	<b>\$ 21,636,606</b>	<b>\$ 3,608,468</b>	<b>\$ 25,245,075</b>
<b>Total Assets</b>	<b>\$ 23,251,534</b>	<b>\$ 6,414,358</b>	<b>\$ 29,665,892</b>
Percent of Account/Fund Loaned	93.05%	56.26%	85.10%

As of June 30, 2021, there was a total of \$4.4 million available to loan, of which \$1.6 million was in the Aeronautics account and \$2.8 million was in the Highway account.

**Loans**

Currently, the Colorado SIB has seven outstanding loans totaling \$25.2 million (see Table 2). Four loans are from the Aeronautics account, totaling \$16.1 million, two loans are from the Highway account totaling \$1.1 million, and one loan from both the Aeronautics and Highway accounts, totaling \$8.0 million. There was one loan paid in full in the first half of FY 2020-21. As of June 30, 2021, all Colorado SIB loans were current.



**Table 2, Colorado SIB Loan Summary, As of June 30, 2021**

Colorado SIB Loans Summary As Of 06/30/2021								
	Original Loan	Balance Due	Debt Service	Interest Rate	Original Loan Date	Next Payment Due Date	Termination Date	Contract No.
<b>Aeronautics Account:</b>								
Colorado Springs	\$ 5,500,000	\$ 5,500,000	\$ 612,296	1.99%	3/3/2021	3/3/2022	3/3/2031	AVNFY2021-001
Colorado Springs	\$ 3,431,183	\$ 1,821,363	\$ 392,043	2.50%	5/26/2016	5/26/2022	5/26/2026	AVNFY2016-002
Colorado Springs	\$ 7,500,000	\$ 6,853,267	\$ 890,483	3.25%	1/3/2020	1/3/2022	1/3/2030	AVNFY2020-011
Arapahoe County Airport Authority	\$ 8,000,000	\$ 5,803,788	\$ 914,070	2.50%	6/1/2018	6/1/2022	6/1/2028	AVNFY2018-001
Rocky Mountain Metropolitan Airport	\$ 2,015,000	\$ 1,658,188	\$ 236,219	3.00%	3/25/2019	3/25/2022	3/25/2029	AVNFY2019-001
<b>Total:</b>	<b>\$26,446,183</b>	<b>\$21,636,606</b>	<b>\$ 3,045,111</b>					
<b>Highway Account:</b>								
Central City	\$ 1,521,693	\$ 807,755	\$ 173,867	2.50%	7/17/2015	7/17/2021	7/17/2025	HWYFY2016-001
Park County	\$ 566,500	\$ 300,713	\$ 64,728	2.50%	2/26/2016	2/26/2022	2/26/2026	HWYFY2016-002
Colorado Springs	\$ 2,500,000	\$ 2,500,000	\$ 278,316	1.99%	3/3/2021	3/3/2022	3/3/2031	HWYFY2021-001
<b>Total:</b>	<b>\$ 4,588,193</b>	<b>\$ 3,608,468</b>	<b>\$ 516,911</b>					
<b>Grand Total:</b>	<b>\$31,034,376</b>	<b>\$25,245,075</b>	<b>\$ 3,562,023</b>					

**Interest Rate**

The interest rate was raised starting July 1, 2018, to three (3%) percent for the first half of FY 2018-19 and increased to three and one quarter (3.25%) percent the second half of FY 2018-19. The Transportation Commission approved a rate reduction to two and one half (2.5%) percent in December 2019, to be effective for the second half of FY 2019-20. The Transportation Commission then approved a subsequent rate reduction to two (2.0%) percent effective July 1, 2020, for the first half of FY 2020-21, and is currently in effect.

DAF continues to work with municipalities and the Division of Aeronautics to advertise the State Infrastructure Bank Program, including meeting with general use airports and presenting at the Colorado Airport Operators Association annual meeting.

**Next Steps**

In accordance with Procedural Directive (PD) 0720-1 (21), Staff will provide the Commission a review of year-to-date FY 2021-22 SIB account activities in February 2022.







# Quarterly Status Report

April 2021 through June 2021



PREPARED BY:



**COLORADO**  
Department of Transportation

IN CONSULTATION WITH:



**COLORADO**  
Department of Transportation  
Statewide Bridge Enterprise

**DATE:** July 26, 2021

**TO:** Colorado Transportation Commission (TC)  
Colorado High Performance Transportation (HPTE) Board of Directors  
Colorado Bridge Enterprise (BE) Board of Directors

**FROM:** Robert Hays, Project Director, Central 70 Project

**SUBJECT:** Quarterly Update

## PROJECT PROGRESS

This memo summarizes the status of the Central 70 Project across the following areas:

- Status of Design and Construction
- Status of Pre-Development Budget
- Status of Community Commitments

## ACTION

No actions are requested at this time. This memo is for information purposes only.

## BACKGROUND

Per the Central 70 Project Intra-Agency Agreement (IAA) dated August 22, 2017, (as amended by the First Amendment to the IAA, dated November 15, 2017, and the Second Amendment to the IAA, dated April 3, 2019), the Central 70 Project Director shall provide quarterly updates to the Transportation Commission, Bridge Enterprise (BE) Board of Directors, and the High Performance Transportation Enterprise (HPTE) Board of Directors through Final Acceptance.

## MATTERS REQUIRING POLICY INPUT

None at this time.

## COMPLETED MILESTONES THIS QUARTER

### April 2021

- Continued reconstruction of various bridge structures along I-70 between Brighton Boulevard and Quebec Street, with emphasis on Milestone 2 structures (I-70 bridges over Quebec, Denver Rock Island Railroad (DRIR), Monaco, Holly, and Dahlia). This includes the demolition of the existing bridge structures.
- Continued work on Brighton Boulevard ramp tie-ins.
- Continued construction of the Concrete Box Culvert and 66" Pipe crossing the UPRR tracks south of the UPRR Bridge
- Continued construction of the lowered section north of 46th Avenue between Brighton and Colorado Boulevards, including excavation, drainage, cement treated soil mixing, walls, barrier, ITS (intelligent transportation systems), and paving.

- Continued various construction work on East 45<sup>th</sup> North Drive, East 45<sup>th</sup> South Drive, East 44<sup>th</sup> Avenue, and East 45<sup>th</sup> Avenue (formally Stapleton North and South Drives), including utilities, walls, and bridge reconstruction requiring closures and lane restrictions.
- Within Milestone 1 limits, continued punch-list work setting permanent sign structures, SMA paving, and permanent striping, along with work on the cross-slope correction change order elements.
- Continued installation and testing of electrical, ITS, ventilation, and fire suppression system under the Cover over westbound (WB) I-70.
- Continued construction of the City and County of Denver (CCD)/CDOT Cover Building, with placement of systems equipment in the CDOT portion of the building continuing this period.
- Continued installation of the pump electrical service and supporting infrastructure at the pump station.
- Completed construction of the Phase 5 (east side) and Phase 6 (west side) substructure portions of the UPRR Bridge.

### May 2021

- Continued reconstruction of various bridge structures along I-70 between Brighton Boulevard and Quebec Street, with emphasis on Milestone 2B structures (I-70 bridges over Quebec, Denver Rock Island Railroad (DRIR), Monaco, Holly, and Dahlia).
- Continued construction of the lowered section north of 46<sup>th</sup> Avenue between Brighton and Colorado Boulevards, including excavation, drainage, cement treated soil mixing, walls, barrier, and paving. 46<sup>th</sup> Avenue was open to traffic on May 17, 2021.
- Completed work on Brighton Boulevard ramp tie-ins.
- Continued construction of the Concrete Box Culvert and 66" Pipe crossing the UPRR tracks south of the UPRR Bridge.
- Continued various construction work on East 45<sup>th</sup> and East 44<sup>th</sup> Avenues (including utilities, walls, and bridge reconstruction) requiring closures and lane restrictions.
- Completed installation and testing of electrical, ITS, ventilation and fire suppression system under the Cover over westbound I-70.
- Completed construction of the CDOT portion of the Cover Building, with placement and integration of systems equipment in the building.
- Continued construction of the CCD portion of the Cover Building.
- Completed installation of the pump electrical service and supporting infrastructure at the pump station.
- Installed small pumps at the Pump Station.
- Continued construction of the Phase 5 (east side) and Phase 6 (west side) of the UPRR Bridge, including setting girders for spans 3 and 4 (Phase 5 structure), deck plates, welding and waterproofing.
- Continue median I-70 reconstruction work in the Center segment (Milestone 2B limits), including roadway subgrade work and slip-form barrier between Colorado Boulevard and Quebec Street.

- Continued water quality and detention pond excavation throughout project.
- Cover commissioning approved by Denver Fire Department for temporary configuration in the future westbound (WB) I-70 lanes.
- Completed traffic switch moving I-70 from the Viaduct to the future WB I-70 lanes in the lowered section.
- Began demolition of the Viaduct, including the I-70 over Brighton Boulevard bridge structure.
- Held Mile High Shift public event.

### June 2021

- Continued reconstruction of various bridge structures along I-70 between Brighton Boulevard and Quebec Street, with emphasis on Milestone 2B structures (I-70 bridges over Quebec, Denver Rock Island Railroad (DRIR), Monaco, Holly, and Dahlia). Waterproofing and paving of structures completed except for the I-70 over Quebec and DRIR bridges.
- Continued construction of the Concrete Box Culvert and 66" Pipe crossing the UPRR tracks south of the UPRR Bridge.
- Continued various construction work on East 45<sup>th</sup> and East 44<sup>th</sup> Avenues, including utilities, walls, and paving requiring closures and lane restrictions.
- Continued construction of the CCD portion of the Cover building with placement of CMU block, and structural steel continuing this period.
- Continued construction of the Phase 5 (east side) and Phase 6 (west side) portions of the UPRR Bridge, including final welding, waterproofing, deck drains, and miscellaneous activities.
- Begin major excavation operations along I-70 eastbound (EB) lanes from Colorado Boulevard to Monroe Street.
- East 45th North Drive, East 45th Avenue, East 45th South Drive and East 44th Avenue final asphalt surface paving ongoing which will require closures and lane restrictions.
- Completed medium pump installation at pump station.
- Continued median I-70 reconstruction work in the Center segment (Milestone 2B limits), including paving work and slip-form barrier between Colorado Boulevard and Quebec Street.
- Continued water quality and detention pond excavation throughout project.
- Continued demolition of the existing I-70 Viaduct.
- Began construction of 46<sup>th</sup> Avenue South from Colorado Boulevard to Monroe Street, including drainage, utilities, and roadway grading.
- Complete removal of existing EB I-70 structure over Brighton.
- Completed Recognized Hazardous Materials (RHM) mitigation for the old Swansea Elementary School.

### **UPCOMING MILESTONES**

#### July 2021 through Sept 2021

- Finalize all bridge structures, including bridge finishes, staining, signage, and lighting between Colorado Boulevard and Quebec Street.
- Complete I-70 Viaduct demolition.
- Continue construction of the CCD portion of the Cover Building.
- Begin reconstruction of the Swansea parking lot and playground.
- Complete Phase 5 and Phase 6 portions of the UPRR bridge and place UPRR in final track configuration over the bridge.
- Continue construction of 46<sup>th</sup> Avenue North from Brighton to Colorado Boulevards, including completion of sidewalks and tree lawns.
- Finish final lifts of Hot Mix Asphalt (HMA) and SMA paving on I-70, East 44<sup>th</sup> and 45<sup>th</sup> Avenues, and other CCD local streets between Colorado Boulevard and Quebec Street.
- Final asphalt (top lift) on 46<sup>th</sup> Avenue North from Monroe Street to Colorado Boulevard, including various CCD local streets.
- Begin replacing Stapleton Drive signage throughout the project limits in accordance with Transportation Commission directive.
- Complete installation of the ITS devices east of Sand Creek and begin installing permanent fiber optic cabling from Node 1 to the Airport Road Node building.
- Begin construction of drainage, walls, utilities, roadway, and paving for future eastbound I-70, with emphasis on the Cover, Colorado and Steele off-ramps, and Monroe Street to Colorado Boulevard areas.
- Begin remaining phases of construction for the Brighton Boulevard bridge, including substructure work.
- Begin construction of East 46<sup>th</sup> Avenue South, including roadway, utilities, and drainage.
- Open East 46<sup>th</sup> Avenue North to traffic from York to Brighton.
- Begin construction of the intersection at York Street and East 47<sup>th</sup> Avenue, including the UPRR crossing.
- Close all remaining Milestone 1 punch list items and complete final paving and striping on I-70 east of I-270.
- Achieve Milestones 4A, 2B and 4B completion.

## LAWSUIT UPDATE

Lawsuit/Complaint	Status
Lawsuit filed against Environmental Protection Agency (EPA) regarding Air Quality standards	Ruling in EPA's favor
Title VI complaint filed against the Federal Highway Administration (FHWA) regarding Environmental Justice	Administrative decision in the Colorado Department of Transportation's (CDOT) favor
Drainage lawsuit against City of Denver	Ruling in City of Denver's favor
National Environmental Policy Act (NEPA) Lawsuit filed against FHWA regarding connected action	Lawsuit dismissed with prejudice
NEPA lawsuit filed against FHWA regarding environmental issues	Plaintiffs and State reached settlement agreement in December 2018. State in process



	of implementing settlement mitigations including funding health study, air quality monitoring, and additional landscaping.
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All lawsuits associated with the Project to date have been resolved. The State (CDOT) reached a settlement agreement with the petitioners (Sierra Club, Elyria and Swansea Neighborhood Association, Chaffee Park Neighborhood Association, and Colorado Latino Forum) in the civil action lawsuit (D. Colo. No. 17-1679) in December 2018.

As part of this settlement agreement, CDOT agreed to a variety of mitigations including funding a community health study, air quality monitoring, and landscaping. CDOT received the petitioners’ proposal and identification of nonprofit organization (The Nature Conservancy) on March 29, 2019 related to the acquisition and planting of trees throughout Elyria, Swansea and Globeville. CDOT reviewed and accepted the proposal and then issued payment to The Nature Conservancy in the amount of \$25,000. The Nature Conservancy confirmed receipt on April 25, 2019. The Nature Conservancy is in the process of planting the trees within the neighborhoods and is anticipated to complete in 2021 (planting was delayed due to COVID-19).

Per the settlement agreement, an Agreement related to a proposed health study was executed between the Petitioners, CDOT, CDPHE and Denver on July 16, 2019. With the execution of the Agreement, CDOT provided \$550,000 to CDPHE for ultimate completion of the Health Study. CDPHE confirmed receipt on September 12, 2019. Independent Steering Committee Member (Melinda Laituri) was selected by the other three Steering Committee Members. Notice was provided to CDOT and the Purchase Order for \$25,000 was executed on May 7, 2020. Ms. Laituri is invoicing CDOT for payment on a quarterly basis.

The Enterprises executed change orders with KMP to add the vines to the sound walls between Brighton Boulevard and High Street and add additional trees within small remnant parcels between Brighton Boulevard and Fillmore Street. Both additions are to fulfill one of the commitments in the settlement agreement.

The overall status of all settlement agreement items will be tracked monthly by the Enterprises to conclusion.

## ISSUES

The Enterprises issued the Milestone 2A and 3 completion certificates to KMP on November 9, 2020 and October 17, 2020, respectively. In support of the ongoing settlement negotiations between the Enterprises and KMP regarding the UPRR Supervening Events (SE)s (see discussion below), the Enterprises issued a Change Order to add Milestone 2A and redefine Milestones 2 and 3 in the Project Agreement. Milestone 2A consists of the construction work to allow for WB I-70 traffic to be switched to the outside new pavement from just west of Monaco Street to the WB Colorado Boulevard off-ramp and all outside bridge structures with decks poured for the Quebec, Denver Rock Island Railroad, Monaco, Holly and Dahlia bridges over I-70. Milestone 2B consists of the work previous included in Milestone 2 (completion of all construction work

between Dahlia Street and Sand Creek bridge). Milestone 3 consists of the construction work to switch the UPRR tracks (Phase 4B) onto the new UPRR over I-70 bridge structure.

Milestone 1 was previously achieved by KMP on December 9, 2019. The Enterprises issued a change order to KMP to correct drainage and cross slope issues on I-70 east of I-225 and this work is nearing completion, with only final paving and striping remaining to be completed this summer. KMP continues to work on remaining Milestone 1 punch list items with an anticipated completion in summer 2021.

UPRR approved the 100% UPRR bridge plans October 4, 2019 and the associated Public Utilities Commission (PUC) permit amendment was issued October 9, 2019. This allowed KMP to commence construction of the UPRR bridge. Construction of the UPRR bridge began in November 2019 and is nearing completion. Timely submittal of construction documents to UPRR by KMP slowed the construction, but the Phase 4 bridge structure was completed in October 2020. In addition, the UPRR approved an alternative track phasing mitigation for the bridge in July 2020 that was completed by KMP in November 2020. This mitigation moved the UPRR tracks on to the new UPRR bridge structure and removed the existing track shoeflies, improving the Project schedule by approximately 5 months. KMP is currently constructing the Phase 5 and 6 UPRR bridge structures and anticipates completing the Phase 5 structure by September 2021. KMP also continues construction on the various drainage crossings within the UPRR right of way. The Enterprises and KMP continue working with UPRR on prioritizing construction submittals, resolving noncompliant construction work, and implementing schedule mitigation strategies.

Aside from the UPRR work, there are concurrent delays on the project that have impacted the completion date, including work associated with the Cover. The Cover was been impacted by late completion of design packages, as well as construction work not progressing as quickly as planned. The Enterprises and KMP successfully worked with Denver Fire Department representatives to work through the various permits, submittals, and tests required to complete the Cover commissioning. The Cover was commissioned in the temporary configuration (all I-70 traffic traveling within the future I-70 WB lanes) in May 2021.

The Enterprises have received numerous Supervening Events (SEs) (see SEs 8, 10-11, 14-15, 17-18, 21-22, 24-26, 29-34, and 38) related to the UPRR bridge based on design criteria interpretation differences between KMP and UPRR, and construction coordination. The Enterprises are currently negotiating a settlement agreement with KMP to resolve these SEs along with two additional SEs related to Denver Fire Department reviews of the Cover. The settlement agreement, involving a refinance of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the project, additional financial contributions by the Enterprises, and a redefinition of Milestones 4 and 5, was approved by the Transportation Commission and HPTE/BE Boards in April 2021. The financial close associated with the TIFIA loan refinance is expected to occur in late-July 2021 (this remains a significant risk for the project as interest rates continue to fluctuate while the refinance awaits federal approval). KMP and the

Enterprises agreed to suspend the dispute process related to these SEs while the settlement negotiations were on-going.

KMP withdrew SEs 40 and 41 (related to future impacts to the Project related to the COVID pandemic) this period.

As mentioned previously, the Enterprises and KMP executed a Change Order to add Milestone 2A and redefine Milestones 2 and 3 as part of the settlement negotiations. In October 2020, the Enterprises conditionally accepted Revised Baseline Schedule 4 (RBS4) which incorporated mitigation strategies into the Project, including the alternative track phasing. This schedule reduced the overall project delay by 5 months. KMP’s project schedule continues to indicate that completion of Milestones 4, 5, and 6 and Substantial Completion will occur after the associated completion deadlines (overall completion approximately 5 months late). During the quarter, KMP submitted RBS5 for review. The purpose of this schedule submission is to demonstrate a plan to achieve the remaining Milestones for the project in accordance with the terms of the Settlement Agreement. The primary difference between RBS4 and RBS5 is the fragmentation of Milestones 4 and 5 into Milestones 4A, 4B, 5A, and 5B in accordance with the Settlement Agreement. KMP has incorporated the Enterprises’ review comments into the latest version of RBS5, with RBS5 anticipated to be conditionally accepted concurrent with finalizing the Settlement Agreement in July 2021.

During the month of March 2020, a global pandemic (COVID-19) was declared by the World Health Organization (WHO). Federal, State, and Local leaders have all implemented mitigation measures to reduce the spread of COVID-19. These measures have ultimately reduced physical contact and person to person interactions.

As of this Quarter, the impacts of COVID-19 are decreasing in the community. Vaccinations are readily available, and all members of the project are encouraged to get vaccinated. At the project level, safety precautions such as face masks and social distancing continue to be implemented for unvaccinated staff to ensure the safety of all workers. Vaccinated staff are no longer required to wear masks on the project. KMP has updated the Safety Management Plan for the project to address the revised safety protocols. COVID-19 continues to be monitored by the Enterprises, but has not impacted the project schedule at this time. The Enterprises and KMP have returned to a hybrid model of operations (KMP staff has returned to the project office full time, while CDOT staff are working from the project office 3 days a week and limiting capacity to 50% or less).

Supervening events are summarized in the table below (shading indicates the SE is closed).

SEN #	Description	Date Received from KMP	Type of SEN	Status
1	UPRR Agreement Delay, Request for Extension to Detailed Supervening Event Submission	04/25/2018	Comp Event	Resolved with 2 <sup>nd</sup> Amendment to the Project Agreement

SEN #	Description	Date Received from KMP	Type of SEN	Status
2	UPRR Phase 0 Work Delay	03/23/2018	Comp Event	Resolved with 2 <sup>nd</sup> Amendment to the Project Agreement
3	UPRR Work Performance Schedule	03/23/2018	Delay Relief Event	Withdrawn by KMP
4	Section 232 Steel and Aluminum Tariffs	08/13/2018	Relief Event	Resolved with 2 <sup>nd</sup> Amendment to the Project Agreement
5	Swansea Asbestos Containing Material	07/07/2018	Comp Event	Change Order was executed on 09/03/2019
6	AP-83 Asbestos Containing Material	10/10/2018	Comp Event	Withdrawn by KMP
7	Sand Creek Bridge	11/20/2018	Comp Event	Change Order was executed on 05/06/2020.
8	UPRR Crossing Diaphragm Spacing	12/17/2018	Delay Relief Event	On Hold. Included in current settlement negotiations
9	Structure E-17-FX Viaduct	12/17/2018	Comp Event	Withdrawn by KMP
10	UPRR Transverse Plate Welding	02/22/2019	Delay Relief Event	On Hold. Included in current settlement negotiations
11	UPRR Underside Plate Welding	02/22/2019	Delay Relief Event	On Hold. Included in current settlement negotiations
12	UPRR Drip Plates	02/22/2019	Comp and Relief Event	Withdrawn by KMP
13	UPRR Bearings	02/22/2019	Comp and Relief Event	Withdrawn by KMP
14	UPRR Impact Loading	02/22/2019	Delay Relief Event	On Hold. Included in current settlement negotiations
15	UPRR Rebar Detailing	02/22/2019	Delay Relief Event	On Hold. Included in current settlement negotiations
16	Severe Weather Event - Bomb Cyclone	03/27/2019	Relief Event	Withdrawn by KMP
17	UPRR Shoring	03/28/2019	Comp Event	On Hold. Included in current settlement negotiations
18	UPRR Shoring unexcused RR delay	03/28/2019	Delay Relief Event	On Hold. Included in current settlement negotiations
19	AP-102 Hazardous Material	03/27/2019	Comp Event	Withdrawn by KMP
20	Reserved			Not submitted to Enterprises
21	UPRR Steel Notes	05/02/2019	Comp Event	On Hold. Included in current settlement negotiations
22	UPRR Steel Notes Relief	05/02/2019	Delay Relief Event	On Hold. Included in current settlement negotiations
23	Recognized Hazardous Material (RHM) 46 <sup>th</sup> and Steele Southwest Gore Asbestos	05/29/2019	Comp Event	Waiting on detailed SE submission by KMP

SEN #	Description	Date Received from KMP	Type of SEN	Status
24	UPRR Crossing Diaphragm Spacing	06/14/2019	Comp Event	On Hold. Included in current settlement negotiations. Related to SE Event 8.
25	UPRR Transverse Plate Welding	06/19/2019	Comp Event	On Hold. Included in current settlement negotiations. Related to SE Event 10.
26	UPRR Underside Plate Welding	06/28/2019	Comp Event	On Hold. Included in current settlement negotiations. Related to SE 11.
27	Reserved			Not submitted to Enterprises
28	Reserved			Not submitted to Enterprises
29	UPRR Impact Loading	06/28/2019	Comp Event	On Hold. Included in current settlement negotiations. Related to SE 14.
30	UPRR Rebar Detailing	06/28/2019	Comp Event	On Hold. Included in current settlement negotiations. Related to SE 15.
31	UPRR Drainage Review	08/22/2019	Comp Event	On Hold. Included in current settlement negotiations.
32	UPRR Drainage Review	08/22/2019	Delay Relief Event	On Hold. Included in current settlement negotiations. Related to SE 31.
33	UPRR Unreasonableness	08/22/2019	Comp Event	On Hold. Included in current settlement negotiations
34	UPRR Unreasonableness	08/22/2019	Delay Relief Event	On Hold. Included in current settlement negotiations. Related to SE 33.
35	Fire Department Review	12/26/2019	Delay Relief Event	On Hold. Included in current settlement negotiations.
36	Fire Department Review	12/26/2019	Relief Event	On Hold. Included in current settlement negotiations. Related to SE 35.
37	Discovery of Recognized Hazardous Material – Dahlia & Stapleton ACM	01/31/2020	Comp Event	Withdrawn by KMP
38	Enterprises’ Failure to Grant and Extension of Time	04/14/2020	Comp Event	On Hold. Included in current settlement negotiations.
39	Swansea School Asbestos Containing Material – Phase 2	05/04/2020	Comp Event	Mitigation is complete. Waiting on detailed SE submission by KMP
40	Shutdowns, Suspensions, Disruptions and Other Impacts Related to COVID-19	05/21/2020	Comp Event	Withdrawn by KMP



SEN #	Description	Date Received from KMP	Type of SEN	Status
41	Shutdowns, Suspensions, Disruptions and Other Impacts Related to COVID-19	05/21/2020	Force Majeure, Delay and Relief Events,	Withdrawn by KMP
42	Discovery of Recognized Hazardous Material – 46 <sup>th</sup> & Jackson RHM	06/15/2020	Comp Event	Waiting on detailed SE submission by KMP
43	Discovery of Recognized Hazardous Material – 46 <sup>th</sup> & Pilot ACM	07/30/2020	Comp Event	Waiting on detailed SE submission by KMP

### SCHEDULE STATUS

KMP reported that the Project is 77.3% complete through June 2021. Design is 100% complete and construction is 75.4.%.

The existing project schedule is based on RBS4. RBS4 was conditionally accepted in October 2020 and shows a five (5) month delay to the completion of the project. RBS5 was reviewed by the Enterprises and resubmitted by KMP for review June 25, 2021. The Enterprises intend to accept this schedule with conditions upon closing of the TIFIA loan refinance and execution of the Settlement Agreement related to the UPRR SEs. RBS4 includes the UPRR alternative track phasing plan, numerous refinements to the Cover Systems commissioning activities, additional refinement to the viaduct demo, and resequencing and rephasing of the work within the Milestone 2A/2B limits. Incorporating the UPRR alternative phasing and other schedule changes results in a Substantial Completion date of February 16, 2023 versus the Contract completion of September 21, 2022.

During the quarter, KMP continued to work toward completion of Milestone 2B, which reflects the remaining work between Dahlia Street and the Sand Creek Bridge (consistent with the original Milestone 2 definition). The project is currently expected to complete the Milestone 2B work by the deadline date of September 29, 2021.

Milestones 4, 5, 6, and Substantial Completion are all linked and make up the remainder of the critical path. Delay associated with this work was tied to approval of the UPRR 100% bridge design by UPRR, as well as progress on the Cover construction. The UPRR bridge design was approved October 4, 2019, which was much later than what was planned by KMP in previous baseline schedules. KMP believes this delay is compensable and the basis of this position is detailed in the outstanding Supervening Events associated with UPRR. See discussion above for more information on these SEs. With the switch of traffic to the future WB I-70 lanes through the WB portion of the Cover, the current critical path includes the demolition of the Viaduct and construction and commissioning of the EB I-70 portion of the Cover.

The table below provides a summary of the current status of the project Completion Milestones.

Event	Baseline Date	Forecast Date	Status
Commercial Close	11/21/2017	NA	Completed - 11/21/2017
Financial Close	12/21/2017	NA	Completed - 12/21/2017
NTP1	02/09/2018	NA	Completed - 02/09/2018
NTP2	06/01/2018	NA	Completed - 07/10/2018
NTP3 (Snow and Ice Control Services)	07/01/2018	NA	Completed - 07/18/2018
Payment Milestone 1 (Sand Creek Bridge to Chambers Road)	12/09/2019	NA	Completed 12/09/2019
Milestone 2A* (WB I-70 between Monaco and Colorado; outside bridge decks complete)	11/10/2020	N/A	Completed 11/05/2020
Milestone 2B* (Sta 2091+00 (Dahlia Street) to Sand Creek Bridge)	09/29/2021	09/24/2021	5 days
Payment Milestone 3* (UPRR Phase 4B, switch SY-112 to new bridge)	10/17/2020	N/A	Completed 10/17/2020
Payment Milestone 4 (Westbound I-70 between Brighton Boulevard to Dahlia Street & Removal of Viaduct)	09/26/2021	10/13/2021	-17 days
Payment Milestone 5 (Eastbound I-70 between Brighton Boulevard to Dahlia Street, UPRR Phase 6)	03/25/2022	09/06/2022	-165 days
Payment Milestone 6 (SMA paving & Cover top)	08/20/2022	09/30/2022	-41 days
Commence Intelligent Transportation System(s) (ITS)/Tolling Testing/Integration	09/22/2022	12/08/2022	-77 days
Substantial Completion	09/21/2022	12/22/2022	-92 days
Final Acceptance	12/02/2022	03/23/2023	-91 days
Design/Build Phase Close-out**	06/2023	09/2023	-91 days
*Modified as part of CO-090.			
** Completion of Final project documentation.			

## BUDGET STATUS

The project budget reflects the 2021 Annual Update to the Financial Plan that was approved by FHWA in March 2021.

Enterprises Costs Estimate	Amount
Environmental Phase	\$40.7M
Procurement Phase	\$81.9M
Delivery Phase	\$61.2M
Miscellaneous Enterprise Reserve*	\$9.1M
ROW Phase	\$117.0M
Utility Phase	\$34.8M
Enterprises Construction Contingency	\$45.9M
<b>Enterprises Construction Total</b>	<b>\$381.5M</b>

\*Included in Delivery Phase Amount

Included in the funds listed in the above table, the Enterprises have established an Enterprises Construction Contingency (funded by the Department and Colorado Bridge Enterprise) to cover additional costs due to Supervening Events and Change Orders during the construction phase of the Project. Per the Project Agreement, the Enterprises have the option of paying KMP for changes via a lump sum payment or by adjusting the annual availability payment. The current balance of this contingency fund is provided in the table below.

Contingency	Amount (in millions)
Enterprises Change Order/Supervening Event Initial Contingency	\$45.9M
Executed Change Orders – Previous	\$24.8M
Executed Change Orders – Current Quarter	\$0.6M
Settlement Agreement	\$7.6M
<b>Remaining Enterprises Change Order/Supervening Event Contingency Balance</b>	<b>\$12.9M</b>

## CONTRACT CHANGE NOTICES

As of June 30, 2021, the Enterprises have executed (97) Change Orders, issued (64) Enterprise Change Notices, received (34) KMP Change Notices, issued (28) Directive Letters, received (40) Supervening Event Notices, received (38) Preliminary Supervening Event Submissions, and received (23) Detailed Supervening Event Submissions. The change orders executed to date have had a net cost of \$25.4 million to the Project.

No claims have been filed by KMP against the Project. However, the Enterprises and KMP began the process for the DRP to review the SEs related to the UPRR. As mentioned earlier, this process has been suspended while the settlement negotiations are ongoing, which would eliminate the need for the DRP hearings. The Enterprises anticipate that these settlement negotiations will be finalized in July 2021, with KMP's financial close on a refinanced TIFIA loan for the project.

## QUALITY

KMP is responsible for implementation and maintenance of an effective quality program to manage, control, document and ensure KMP compliance with all obligations and requirements in the Central 70 Project Agreement. The Enterprises implement the quality oversight program to monitor KMP's quality program but are not responsible for implementation of KMP's quality program. However, the Enterprises retain the responsibility for acceptance of the work based on the assessment and test results of the quality oversight program summarized below.

**Owner Verification Testing:** Other than as detailed in the Enterprises' Quality Report to the Federal Highway Administration (FHWA), the Enterprises' Owner Verification Testing (OVT) program has statistically verified and validated that all materials placed by KMP are in full conformance with Project Agreement requirements.

**Independent Assurance Testing (IAT):** The Enterprises' IAT program tests each OVT and Independent Quality Control (IQC) tester for each test procedure at least once per year. The Enterprises have determined that all Owner Verification and KMP IQC testers are qualified to test on the Project through June 2021.

**Construction Verification Inspections (CVI):** The Enterprises' CVIs evaluate KMP compliance with Project Agreement (PA) requirements by assessing a risk-based percentage of their Construction Work. All non-conforming work identified by the Enterprise is resolved through KMP's nonconformance report closure process. From April 2021 through June 2021, the Enterprises' conducted 192 CVIs, yielding a 99 percent overall conformance percentage. For the entire project through June 2021, the Enterprises' have conducted 2,181 CVIs, yielding a 94 percent overall conformance percentage. KMP continues to perform well for permanent construction work such as Electrical/ITS, Structures, Walls, Roadway, Earthwork, Cover, and Utilities. KMP has substantially improved their implementation of temporary work, as the Department has seen a notable reduction in Nonconformance Notices issued over the past year. All nonconforming construction work identified by either KMP or the Enterprises' has been properly addressed through the Nonconformance Reports (NCR) process. Therefore, there are not any notable and/or unresolved construction product issues to report this quarter.

**Project Management Process Audits:** The Enterprises' Project Management Process Audits evaluate KMP compliance with the PA and processes prescribed in KMP's approved Management Plans. From April 2021 through June 2021, the Enterprises' conducted 43 process audits, yielding a 87 percent overall conformance percentage (excluding civil rights audits). For the entire Project through June 2021, the Enterprises' conducted 622 process audits, yielding an 89 percent overall conformance percentage (excluding civil rights audit). Notable and outstanding process quality issues for this reporting period are presented below.

Element	Process	Issue	Status
Construction Quality Management	Protection of Finished Work - Girder Damage Incidents	KMP issued this Corrective Action to prevent recurrence of construction crews damaging newly constructed bridge girders with heavy equipment.	The Enterprises' Approved the corrective action plan on 01/21/2021. There have not been any repeat girder strikes since January 2021 and KMP completed all training efforts. The Enterprises' approved closure of this corrective action on 06/10/2021. <b>CLOSED</b>
Construction Quality Management	Training Horizontal and Vertical Installation	This is the second iteration of Corrective Action 016 – horizontal and vertical alignment issues. KMP was repeating the same issues from the first iteration. In early 2021, KMP and the Enterprises' noticed a high number of Nonconformance Reports for work elements placed out of horizontal or vertical alignment.	The Enterprises' Approved the corrective action plan on 03/19/2021. KMP implemented training to numerous crews on the Project and has committed to training all new employees through the onboarding process. The Enterprises' approved closure of this corrective action on 06/28/2021. <b>CLOSED</b>
Construction Quality Management	Material Testing Frequency 10K Asphalt Sampling	KMP issued this corrective action after the Independent Quality Control (IQC) team realized that they were not meeting the Materials Testing and Inspection Plan (MTIP) line item regarding 10,000-ton asphalt samples. KMP missed approximately fourteen samples. The corrective plan lays out the plan for accepting the quantities represented by the missed samples and ensuring that KMP takes all future samples.	The Enterprises' Approved the corrective action plan on 03/19/2021. KMP corrected course on the next 30,000 tons of Asphalt placed. KMP has clearly defined roles and responsibilities moving forward. The Enterprises' approved closure of this corrective action on 05/58/2021. <b>CLOSED</b>
Construction Quality Management	Cover MEP Systems – Requirements Traceability Matrix	On 06/03/2021 the Enterprises' requested that KMP develop a corrective action plan to address systemic Nonconforming Work related to Schedule 10, Section 12.22 traceability and management of the Cover MEP System requirements.	KMP is currently developing a corrective action plan to address this issue. <b>OPEN</b>

**Design Verification Reviews (DVR):** The Enterprises' DVRs evaluate KMP compliance with PA requirements by assessing KMP's design plans and other deliverables. From April 2021 through



June 2021, the Enterprises' conducted 29 DVRs yielding a 93 percent overall conformance percentage. For the entire Project, the Enterprises conducted 1,178 reviews, yielding an 85 percent overall conformance percentage. All noncompliant design identified by the Enterprises is resolved prior to KMP releasing the plans for construction. Additionally, KMP and the Enterprises issue NCRs for design issues that are identified during performance of construction work. The nonconforming design is then resolved prior to construction acceptance. Since there has not been any known noncompliant design incorporated into the permanent work, there are not any notable design issues identified by the Enterprises and/or KMP for this reporting period.

## MAINTENANCE/TRAFFIC ISSUES

The focus of routine maintenance work for this reporting period included snow removal, rigid pavement patching, litter control, pavement repair, sweeping, traffic services inspections, guardrail repair, graffiti removal and resolution of any safety critical or hazardous defects which occurred during the reporting period.

The construction assessment team has been performing weekly assessments of the Maintenance of Traffic (MOT)/Method(s) of Handling Traffic (MHT) setups. Any issues are being communicated with and addressed by KMP.

Due to the COVID-19 outbreak, KMP's Operations and Maintenance (O&M) staff has implemented several changes in accordance with CDC guidelines to ensure the continued and sustained execution of essential services (summarized below).

- Safety Patrol Operators are most at-risk because they are in direct contact with the traveling public daily. Their risk to exposure is reduced while still providing contract services by implementing social distancing. For example, Operators instruct motorists in need of a tire change to remove the tire from their vehicle and then return to their vehicle so that the Operator can change the tire without being in direct contact with the motorist. This also minimizes the need for the Operator to touch the trunk of the motorist's car or other potentially contaminated touch points. Communication over the Safety Patrol's PA speaker is another means of communicating without being in immediate proximity to the motorist.
- The maintenance crews typically do not work with other parties during the execution of their assigned tasks. Therefore, maintenance crews are at less risk to exposure than their Safety Patrol counterparts. CDC guidelines are being followed, where applicable.
- Supervisors encourage frequent hand washing and enforce disinfecting of shared equipment at every shift change. Employees have their temperature taken at shift start and are sent home if they have a fever.

## SAFETY ISSUES

KMP did not have any recordable events for the quarter, keeping the total at 11 for the project. "Play of the Day" meetings are still held daily, where safety topics are discussed with the crews.

KMP performs after-incident investigations and discusses root cause and preventative measures for each incident. KMP continues to perform “Safety Adventures” where a discipline goes and audits an operation daily and discusses their findings during the “Play of the Day” meeting. These include best practices, lessons learned and issues that were found.

Safety Patrol responded to 988 events during this reporting period. This total includes 158 crash/incidents.

## CIVIL RIGHTS STATUS

### Small Business Disadvantaged Business Enterprise (DBE)/ Emerging Small Business (ESB) Goals

Design Status through the 2<sup>nd</sup> Quarter 2021: KMP’s DBE goal for the design is 11.6% (\$7.03 million). KMP has commitments to DBE design firms of 12.69% (\$7.69 million) and payments to DBE design firms of 11.62% (\$7.04 million); the commitment amount exceeds the KMP DBE goal for the design period. KMP’s ESB goal for the design period is 3.0% (\$1.8 million). KMP has commitments to ESB design firms of 9.17% (\$5.6 million) and payments to DBE design firms of 8.76% (\$5.3 million); the commitments and payments exceed the ESB goal for design for the Project.

Construction Status through the 2<sup>nd</sup> Quarter 2021: KMP’s DBE goal for the construction is 12.5% (\$92.9 million). KMP has commitments to DBE construction firms of 16.40% (\$121.9 million) and payments of 13.94% (\$103.7 million); this exceeds the KMP DBE goal for the construction period. KMP’s ESB goal for the construction period is 3.0% (\$22.3 million). KMP has commitments to ESB construction firms of 9.46% (\$70.3 million) and payments of 6.73% (\$46.5 million); this exceeds KMP’s ESB goal for construction for the Project.

### Workforce Development Program and Goals

The WORKNOW program combines construction workforce training and supportive service programs into one coordinated program. Total enrollment reached 2,207 members to date, with 195 enrolled this quarter. The Central 70 Project is a founding partner of WORKNOW. For further information on the WORKNOW Program please go to: <https://worknow.org/accomplishments-to-date/>

During the COVID-19 crisis, coordination with WORKNOW regarding virtual outreach increased. WORKNOW continued providing services to both employed and laid off construction workers, while enacting proper health mitigation measures. In partnership with WORKNOW, the Central 70 team developed a workforce presentation that has been shared during virtual Community Office Hours and other virtual hiring events

KMP and its subcontractors have enrolled local hires for both professional services and construction. They have enrolled 693 local hires to date. This quarter, KMP met the Local Hire Goal by recording 876,866 Local Hire hours with more than 50% of those hours completed by New Hires. KMP is now tracking additional New Hire hours to achieve the additional New Hire financial incentive.

KMP has enrolled 237 On-the-Job Training (OJT) participants since inception. To date, 267,533 OJT hours have been reported. Based on hours reported, the OJT Goal of 200,000 hours has been met.

### MITIGATION/COMMUNITY COMMITMENTS STATUS

As of the date of this report, all the identified Record of Decision (ROD) mitigation measures are either in progress or completed.

The ROD included 146 mitigation commitments to be completed as part of the project. The mitigation commitments are being completed in conjunction with the construction work and are being tracked by the Enterprises and KMP in the Monthly Environmental Status Report (ESR). The project team is working on Reevaluation #12 to include the sign structures west of I-25, a Temporary Construction Easement (TCE) at the Safeway Property, and the Cover top Memorandum of Understanding (MOU).

This Project is unique in that the core feature of the project—lowering the highway and constructing a cover/park that will link the two sides of the community back together—was developed to address Environmental Justice (EJ) concerns that arose from original highway construction back in the 1960s. In addition to the cover and park, the Central 70 Project includes other unique EJ mitigations such as the recognition of the importance of the Swansea Elementary School as a community center. These mitigations include two new early childhood education classrooms, a new heating and air conditioning (HVAC) system, new exterior windows and doors, a relocated and renovated main entrance and administration offices, and a new playground at the Swansea Elementary School. The table below provides the status of the EJ mitigations.

Mitigation	Status	Notes
Targeted assistance to crucial businesses to remain in the neighborhood.	Complete	Assistance was provided to all businesses that were displaced by the project per the Uniform Act. All impacted businesses have been completed and reestablished in their new location per the Uniform Act. KMP will continue the Community Outreach for businesses within the project area.
Provide funding to assist displacees with financial counseling and procurement of financing.	Complete	Funding has been provided through Community Resources and Housing Development Corporation (CRHDC)
Provide before, during, and after environmental sampling to assure the project has not caused re-contamination of residential properties.	Complete	Pre-construction soil sampling on seven residential properties was completed in June 2018. During construction soil sampling on seven residential properties was completed in August 2020.

Mitigation	Status	Notes
Mitigate noise and dust impacts by providing residents living adjacent to the project new storm windows, furnace filters, and air conditioning units.	Complete	Assessments and installations of improvements were completed on 03/14/2019. Ongoing warranty work and energy credits will continue through the Construction Period.
Fresh Food Access – Provide \$100,000 to Denver Office of Economic Developments Globeville Elyria-Swansea (GES) Healthy Food Challenge.	Complete	The Enterprises transferred funds to the City and County of Denver in early November 2018; an initial report was received by the Enterprises in July 2019.
Provide \$2M in funding to support affordable housing in Elyria and Swansea neighborhoods.	Complete	The Enterprises transferred funds to Brothers Redevelopment in late November 2018; quarterly reports began in 2019.
Monetary Incentive for Managed Lanes	Deferred	Deferred until the new managed lanes are operational.
Swansea Elementary Phase 1	Complete	Retrofit school building with new classrooms, windows, doors, and HVAC system
Swansea Elementary Phase 2	Complete	Modify outdoor areas around school to provide playground, parking, and access roads during construction period.
Swansea Elementary Phase 3	Complete	Construct temporary outdoor features including playground, parking, and access roads.
Swansea Elementary Phase 4	Design Complete	To be constructed by KMP along with the Cover. Anticipated to complete in 2022.

## COMMUNITY ENGAGEMENT

The Enterprises, supported by KMP, is responsible for communicating with citizens, the media, public officials, and other stakeholders regarding the Project. Public information efforts continue to take a two-pronged approach by focusing outreach on commuters and residents through various social media outlets, ongoing presentations and check-in calls. Due to COVID-19, the Public Information (PI) team transitioned to virtual outreach for commuters and residents. In addition, the PI team has continued using various outreach tools to alert the public about upcoming traffic and construction impacts.

The PI team led the communications and event planning for the Mile High Shift in May 2021. On May 15, approximately 3,000 people attended the *“More Than an Interstate: Inside Colorado’s Largest Transportation Project”* event, touring the new lowered section of highway while viewing the museum-like exhibits focused on the history of Colorado and the Central 70 Project.

One week later, the historic traffic shift took place moving traffic from the viaduct to the lowered section. Media and tour activity was frenzied leading up to the shift and for the next few weeks as demolition began and the public started to say “Bye-a-duct” to the 57-year old

viaduct. Since then, the PI team has focused on daily outreach to the residents and businesses under the viaduct as demolition continues. Outreach has included a new business spotlight for e-blasts and the website to promote support for local businesses impacted by the demolition and car wash vouchers to help with dust mitigation as well as continuous in-person check-ins.

The team began a hybrid of in-person and virtual community office hours in light of local organizations opening back up to the public, with Chips & Chat and Coffee & Chat remaining virtual due to the increased participation compared to when the meetings were held in person prior to COVID-19.