

**Colorado Transportation Commission**

Schedule & Agenda  
October 20-21, 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, Chair

Grand Junction, District 7

Yessica Houlquin

Denver, District 1

Don Stanton, Vice-Chair

Arvada, District 2

Eula Adams

Arapahoe County, District 3

Karen Stuart

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, October 20, 2021

11:30 p.m. Commission Lunch/Autonomous Vehicle Demo (outside – optional)

12:30 p.m. Rest Area Sponsorship Program (Hope Wright and David Fox)

12:45 p.m. Front Range Rail Request (David Singer and Amber Blake)

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

2:00 p.m. Funding Estimates and Update for 10-Year Plan (Rebecca White and Jeff Sudmeier)

3:00 p.m. GHG Pollution Reduction Planning Update and Next Steps  
(Rebecca White & Theresa Takushi)

4:30 p.m. Adjournment

## **TRANSPORTATION COMMISSION MEETING**

Thursday, October 21, 2021

- 8:00 a.m. Commissioner Breakfast
- 9:00 a.m. 1. Call to Order, Roll Call
- 9:05 a.m. 2. Public Comments (provided to commissioners in writing before meeting)
- 9:35 a.m. 3. Comments of the Chair and Individual Commissioners
- 9:50 a.m. 4. Executive Director's Management Report (Shoshana Lew)
- 9:55 a.m. 5. Chief Engineer's Report (Steve Harelson)
- 10:00 a.m. 6. HPTE Director's Report (Nick Farber)
- 10:05 a.m. 7. FHWA Division Administrator Report (John Cater)
- 10:10 a.m. 8. STAC Report (Vincent Rogalski)
- 10:20 a.m. 9. Act on Consent Agenda
- a) Proposed Resolution #1: Approve the Regular Meeting Minutes of September 16, 2021 (Herman Stockinger)
  - b) Proposed Resolution #2: IGA Approval >\$750,000 (Steve Harelson)
  - c) Proposed Resolution #3: Disposal: US 285 & US 50 (Parcel 3-EX) (Julie Constan)
- 10:25 a.m. 10. Discuss and Act on Proposed Resolution #4: 4th Budget Supplement of FY 2022 (Jeff Sudmeier)
- 10:30 a.m. 11. Discuss and Act on Proposed Resolution #5: 4th Budget Amendment of FY 2022 (Jeff Sudmeier)
- 10:35 a.m. 12. Recognition
- 10:40 a.m. 13. Other Matters
- 10:45 a.m. 14. Adjournment

The Bridge Enterprise Board of Directors meeting will begin immediately following the adjournment of the Transportation Commission Meeting. Est. Start Time: 10:45 a.m.

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

Thursday, October 21, 2021

- 10:45 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: Bridge & Tunnel Enterprise 3rd Budget Supplement of FY'22 (Jeff Sudmeier)

5. Other Matters

6. Adjournment

**ADDITIONAL MEETINGS/ACTIVITIES**

11:00 a.m. Audit Committee (Frank Spinelli)

11:45 a.m. Lunch with Aeronautic Board (Dave Ulane) – West Auditorium

12:45 p.m. Commission Picture

1:00 p.m. Adjournment/Individual Head Shots for Commissioners and Senior Leadership

**INFO ONLY**

- Project Budget/Expenditure Memo (Jeff Sudmeier)
- HUTF Quarterly Report (Jeff Sudmeier)
- SB 37 2021 Annual Report (Amber Blake)

**TO: THE TRANSPORTATION COMMISSION**  
**FROM: KAY KELLY AND ASHLEY NYLEN**  
**DATE: OCTOBER 20, 2021**  
**SUBJECT: AUTONOMOUS VEHICLE DEMO**

**Purpose**

The Division of Maintenance and Operations (DMO) and the Office of Innovative Mobility (OIM) will have a demonstration available of one of the Autonomous Truck Mounted Attenuators in the CDOT HQ parking lot on Wednesday, October 20th from 11:30 am – 12:30 pm.

Come experience the vehicle in autonomous mode, see the technology up close and hear from the crews and program staff on their experience with the autonomous work zone vehicle. You are free to pop in for a few minutes or stay as long as you please. CDOT DMO will also have other work zone and maintenance vehicles (snow plows and tow plow) available in the parking lot for viewing.

**Action**

None.

**Next Steps**

None

**Attachments**

None





**MEMORANDUM**

**TO:** Transportation Commission

**FROM:** Hope Wright, Buildings and Rest Areas Asset Manager  
David Fox, Deputy Program Manager, Property Management  
Marcella Boussard, Program Manager, Property Management

**DATE:** October 20, 2021

**SUBJECT:** Rest Area Sponsorship Program

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**Purpose:**

Rest area sponsorship represents the opportunity to generate non-tax revenues to supplement construction, maintenance, and operation costs to enhance the rest area experience. This memo is to communicate the recommended approach for pursuing sponsorship opportunities for CDOT's Rest Areas.

**Action:**

Provide feedback on proposed sponsorship program structure and policy development.

**Background:**

CDOT's Executive Management Team has been briefed and they strongly support moving forward with the Rest Area Sponsorship program. The Attorney General's office has reviewed the following laws and concur with the interpretation of laws and thus the ability to pursue sponsorships of rest areas.

Federal law prohibits federal-aid highways from offering any type of commerce for "serving motor vehicle users" at rest areas located on the interstate highway system right-of-way unless the establishment was in existence prior to 1960 and is owned by a state, with the exception of certain "limited commercial activities" (23 U.S.C. § 111) as amended by MAP-21 Section 1539 in 2012. Acknowledgment signs and commercial advertising sponsorship activities are permitted "limited commercial activities" under this code.

Similarly, state law (§ 43-3-101(3), C.R.S.), also prohibits commercial enterprise or activity on "any property designated as or acquired for or in connection with a freeway or highway by the department of transportation, or any other governmental agency" with the exception of Informational Sites constructed within a highway rest area "for the display of advertising and information of interest to the traveling public" (§ 43-5-405).

Both laws limit the use of revenue received from sponsorship activities to only "the costs of acquiring, constructing, operating, and maintaining rest areas in the state".

Within CDOT, capital construction along with controlled and deferred maintenance of rest areas are funded through the asset management program and day-to-day operations are funded out of MLOS.

**Details:**

Twenty-one states currently have sponsorship programs in place. Each state manages their program differently and some have been more successful than others. Each of these programs was evaluated with the conclusion



that sponsorship opportunities benefit the traveling public with an improved rest area experience by allowing state DOTs the flexibility to pursue innovative sources of financing for maintenance and construction. The additional revenue has the means to provide services critical to enhancing the safety and efficiency of rest areas.

Sponsors can provide money, a highway related service or a product used in a highway related service and State DOTs can recognize the sponsorship with acknowledgement signs or advertising signs.

Acknowledgement signs inform the traveling public of a sponsorship and may contain only the official logo of the sponsor. There can be one in each direction of travel on the highway mainline with others installed in the rest area so long as they are not visible from the main traveled way.

Advertising signs promote commercial products through secondary slogans, mascots, or other items used for promotional advertising and can only be exhibited within the rest area and not visible from the main traveled way.

### **Current CDOT Sponsorship Programs:**

CDOT currently has three sponsorship programs, and the rest area sponsorship program would use elements from each as well as the introduction of new elements.

The Adopt-A-Highway program acknowledges the service of those who clean associated segments of highway and is managed internally by CDOT. The CLEAN Colorado program acknowledges those who monetarily sponsor segments of highway for cleaning with all revenues going to a third-party vendor who performs the cleaning service.

The Specific Information Business Signs (LOGO) provides identification of eligible businesses near interstates freeways and expressways. Tourist-oriented directional signs (TODS) provide business identification and directional information for tourist-oriented activities along non-interstate highways. Both are managed by a third-party vendor, however, CDOT does receive a portion of the revenues.

### **Sponsorship Program Structure and Next Steps:**

1. CDOT
  - a. FHWA Approval
    - i. Policy Development
      1. Amend Procedural Directive 1501.2 “Procedures Governing CDOT’s Outdoor Advertising Program”
    - ii. Develop and Issue RFP for Consulting Advertising Agency
      1. Negotiate Commission Structure
        - a. Advertising Agency
          - i. Phase 1: Develop Statewide Sponsorship Program
            1. Identify all marketable assets
            2. Value the assets and assess revenue potential
          - ii. Phase 2: Identify potential marketing partners and opportunities for sponsorship
            1. Contract development, negotiation, and fulfillment
            2. Manage activation and deactivation
    - iii. Develop Strategic Plan for use and management of funds
      1. Offset Asset Management dollars to balance construction cost inflation
      2. Supplement MLOS funds to enhance the rest area experience
        - a. Improved Safety
        - b. Better user experience
      3. Explore green energy solutions





# Rest Area Sponsorship Program October 20, 2021



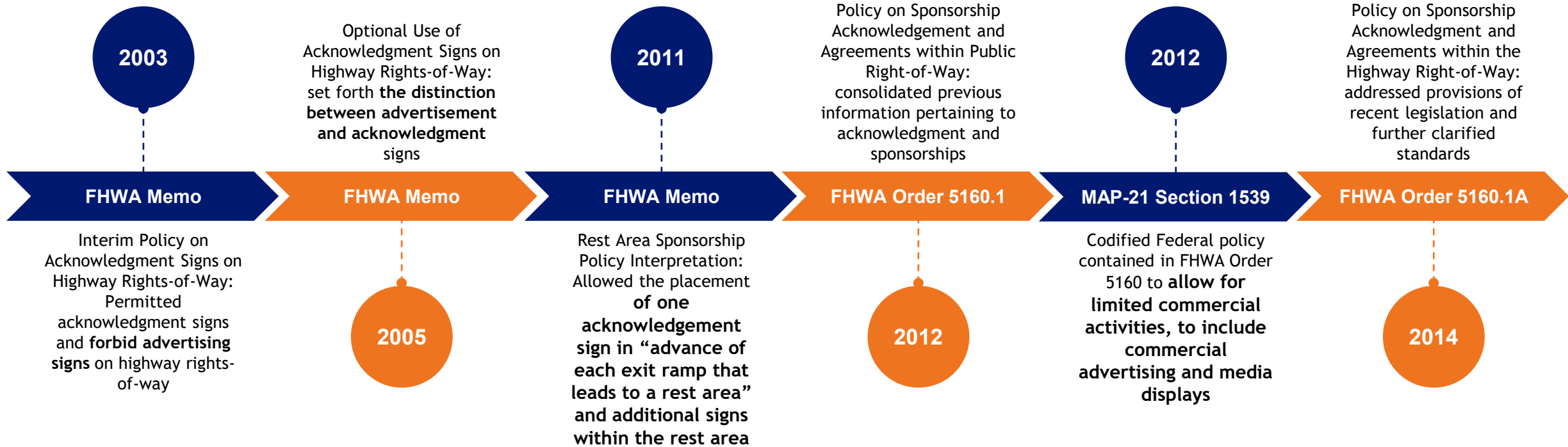
# Rest Area Sponsorship Opportunities

- ✓ History and Current Guidance
- ✓ State and Federal Laws
- ✓ FHWA order 5160.1A
  - Permitted Types of Sponsorships
- ✓ States with Rest Area Sponsorship Programs
- ✓ Current CDOT Sponsorship Programs
- ✓ CDOT Rest Area Sponsorship Program Elements and Next Steps





# History and Current Guidance





# Applicable State and Federal Law

## State Statute

### Title 43 CRS - Part 4 Roadside Advertising “Outdoor Advertising Act”

#### 43-1-403. Definitions.

(7) "Informational site" means an area established and maintained within a highway rest area wherein panels for the display of advertising and informational plaques may be erected and maintained so as not to be visible from the travel way of any state highway

#### 43-1-405 Informational sites authorized.

(1) (a) The department may erect, administer, and maintain informational sites for the display of advertising and information of interest to the traveling public, provided the lease fees are sufficient to pay the costs of erecting, administering, and maintaining the sites.

## Federal Code

### Title 23 USC § 111 - Agreements relating to use of and access to rights-of-way - Interstate System

#### (b) Rest Areas.—

(2) Limited activities.—The Secretary shall permit limited commercial activities within a rest area under paragraph (1), if the activities are available only to customers using the rest area and are limited to—

(A) commercial advertising and media displays if such advertising and displays are—

- (i) exhibited solely within any facility constructed in the rest area; and
- (ii) not legible from the main traveled way;

(4) Limitation on use of revenues.—A State shall use any revenues received from the commercial activities in a rest area under this section to cover the costs of acquiring, constructing, operating, and maintaining rest areas in the State.



Sponsors can provide the following types of contributions to a rest area

- ✓ Monetary - Contribution toward a highway service
- ✓ Service - Directly provide a highway-related service
- ✓ Product - Directly provide a product that is used in a highway-related service

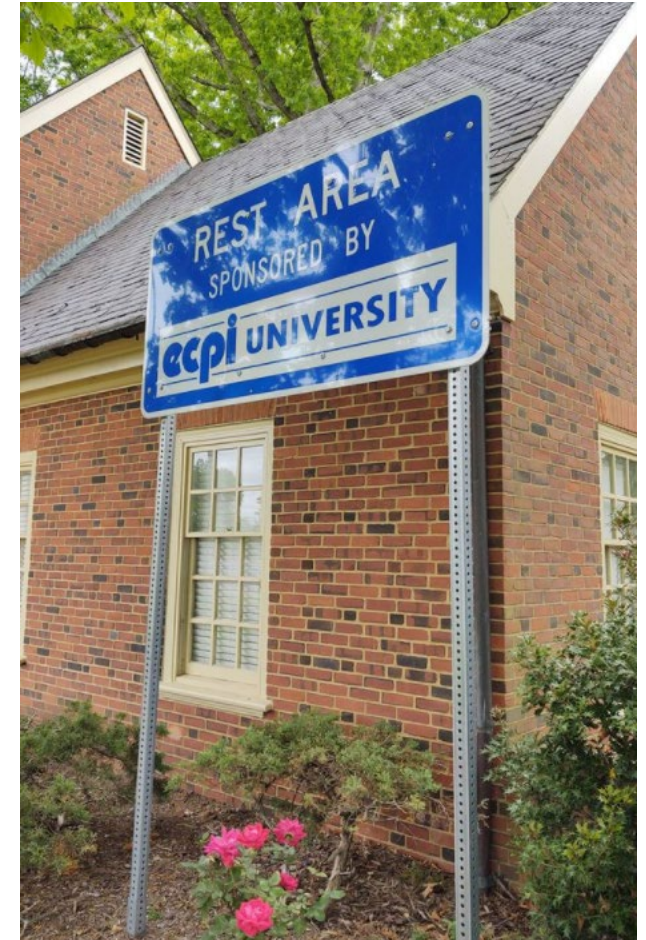
Highway agencies may acknowledge rest area sponsorships as follows:

- ✓ Acknowledgement Signs
  - Signs that are intended only to inform the traveling public that a highway-related service, product, or monetary contribution has been sponsored by a person, firm, or entity.
- ✓ Advertising Signs
  - Signs or other devices that promote commercial products or services through slogans, information on where to obtain the products and services, or other means



## Acknowledgement Signs

- ✓ One for each direction of travel in highway mainline.
- ✓ May only contain the principal official logo that represents the corporate name of the business.
- ✓ Additional may be placed within rest area provided they are not visible from the main traveled way. Official logo not required.





## Advertising Signs

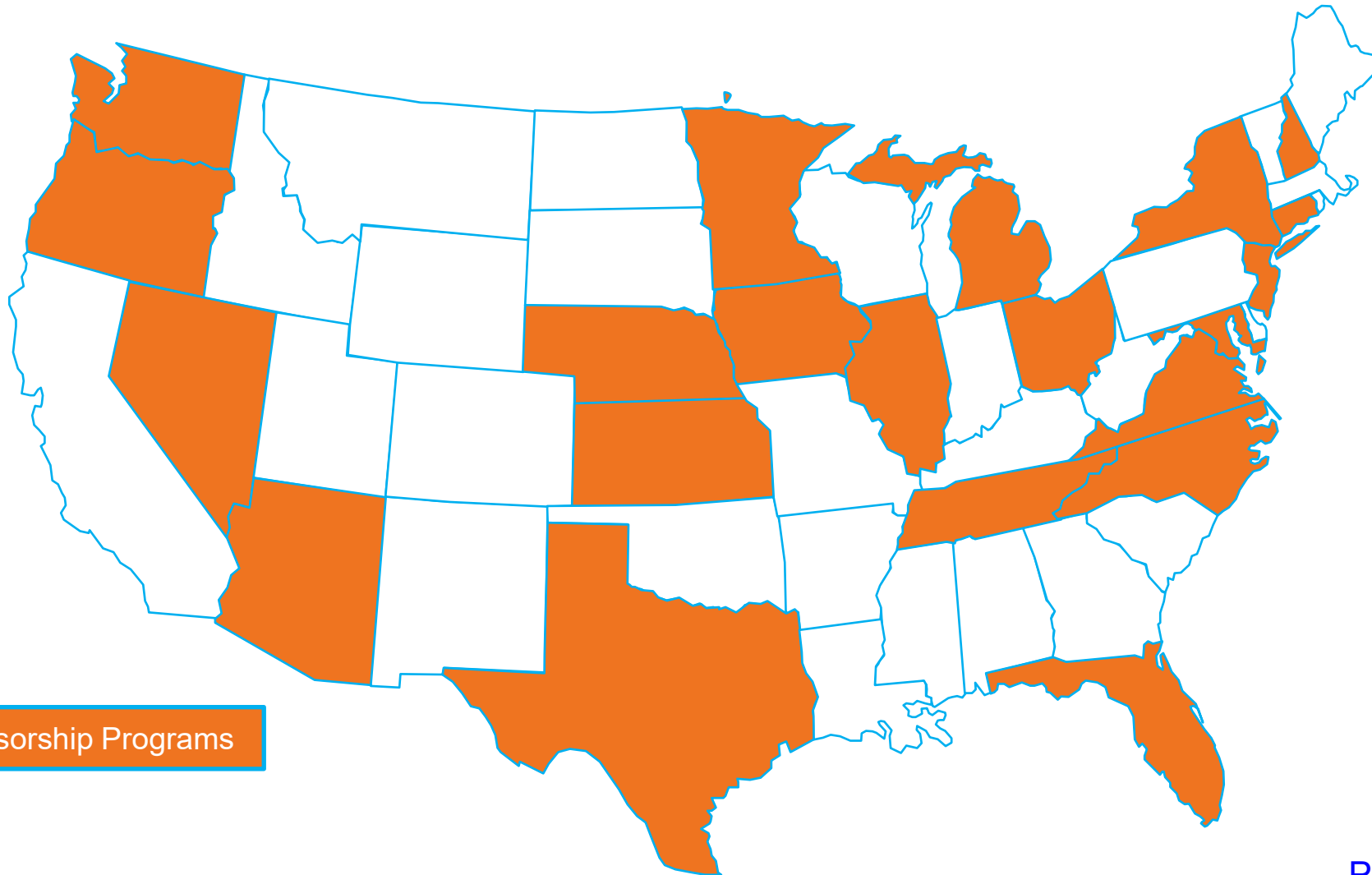
- ✓ Exhibited solely within the facility constructed for the rest area and not visible from the main traveled way.
- ✓ Can contain secondary logos that incorporate slogans, products, mascots, spokespersons, and other marketing items used as promotional advertising.

*Language consistent with applicable state statute*





# States with Rest Area Sponsorship Programs



21 States with Sponsorship Programs



# Current CDOT Sponsorship Programs

Program	Type of Sponsorship	Type of Contribution	Program Manager/Service Provider?	Fee Schedule/Benefactor
Adopt-A-Highway	Acknowledgement (Volunteer “adopted”)	Service	CDOT manages/Adopting group cleans associated segment of highway	None
CLEAN Colorado	Acknowledgement (Sponsored)	Monetary	Third-party vendor manages the entire lifecycle from marketing to cleaning activities associated with sponsorship.	Sliding fee based on AADT/Adopt-A-Highway Maintenance Corporation.
LOGO (specific information signs) TODS (tourist-oriented directional signs)	Advertising	Monetary	Third-party vendor processes requests, markets, installs, and maintains signs.	Sliding fee based on AADT/Colorado Logos, Inc. and CDOT <ul style="list-style-type: none"> <li>CDOT receives a portion - started at \$500k, now at \$1M</li> </ul>





# Rest Area Sponsorship Program Elements & Next Steps

## Revenue generated would go towards

- ✓ Capital Construction and Building Maintenance
  - Funded by Asset Management Program
    - Offset Construction Cost increases
      - 14.45% increase Q1 2021 over Q1 2020\*
      - 9.12% increase Q1 2020 over Q1 2019\*
- ✓ Day to Day Operations
  - Funded by MLOS
    - Offset operating costs
    - Improve the rest area experience
      - Improved safety
      - Better user experience
- ✓ Explore green energy solutions

## Next Steps:

- ✓ Policy Development
  - PD1501.2 “Procedures Governing CDOT’s Outdoor Advertising Program”
- ✓ Develop and Issue RFP for Consulting Advertising Agency
  - Incorporate elements from current CDOT Sponsorship programs
    - Third Party vendor to manage lifecycle
  - Introduce new components
    - Pursue commission-based structure
- ✓ FHWA Review and Approval
  - Sponsorship agreement
  - Policy
- ✓ Develop strategic plan for use and management of funds





**TO:** TRANSPORTATION COMMISSION

**FROM:** Amber Blake, Division of Transit and Rail

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

**DATE:** October 13th, 2021

**SUBJECT:** Budget Amendment-Transfer from TC Program Reserve to Front Range Passenger Rail (#24420)

**PURPOSE:**

Increase budget and funding for Front Range Passenger Rail Service Development Planning

**ACTION:**

Transfer \$810,000 from TC Program Reserve to Front Range Passenger Rail: Project #24420. Funds will be converted for direct project charges by CDOT staff and consultant services.

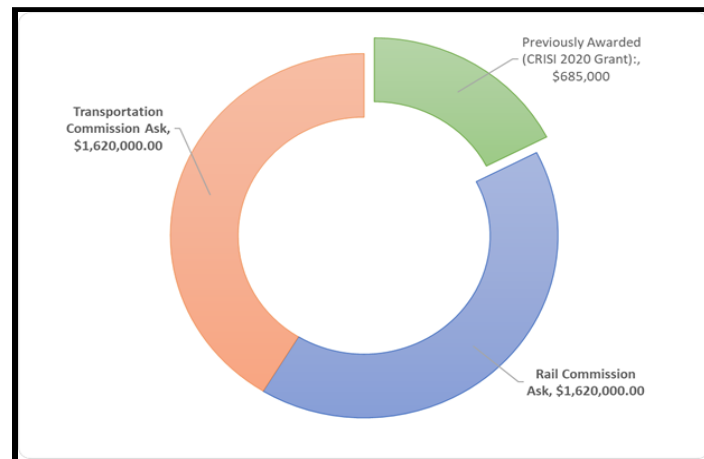
**DETAILS:**

The Division of Transit and Rail is seeking \$1.62m to advance planning for Front Range Passenger Rail. With the creation of the Front Range Passenger Rail District under SB 21-238, there is a legislative charge to perform the technical work necessary to define a feasible passenger rail service. \$810,000 is being sought from MMOF and \$810,000 from TC Program Reserves.

The above CDOT investment builds upon third party contributions for a total project cost of \$3.925m:

- In 2020, the Federal Railroad Administration (FRA) awarded a \$685,000 Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant to perform *some* of the necessary next steps including operational modeling on the freight alignment.
- On Friday, September 24th, 2021, the Southwest Chief and Front Range Rail Commission approved a similar \$1.62m request toward project development.

## CDOT & Rail Commission funding requests



The work funded by this request will formalize a comprehensive process with federal oversight. The broader Corridor Development study includes Preliminary Service Development Planning & Pre-NEPA Activities such as:

- conceptual design
- rail operations
- ridership modeling
- station area planning
- alternatives analysis
- stakeholder engagement
- environmental scoping
- cost benefit analysis
- funding and financial planning

These deliverables position Colorado to be competitive for potential federal funding for capital improvements and an Amtrak partnership for a state-operated service.

According to the MOU between CDOT and the Rail Commission (attached), CDOT will remain the administrator for the CRISI grant, and continue to serve as the catalyst for performing the technical work needed to define a feasible passenger rail system. This funding will support in-house subject matter expertise, procurement and grant administration; engineering, planning, environmental, communications and stakeholder engagement, program management, modeling, agency and freight coordination, document control, and right of way work. This work product will answer the question as to whether there is an operationally, financially and contextually feasible passenger rail vision for the Front Range. As the Rail District forms and becomes established, continued conversations will define roles and responsibilities for both CDOT and the Rail District into the future.

CDOT staff have the skill set to perform the majority of these tasks, the blended team has been high functioning and productive to date. This approval allows for consultant services should CDOT require expanded capacity beyond the matrixed staff over the life of the two year study.

### Benefits:

- This investment allows the team and CDOT to fulfill its commitment (under a 2021 MOU) to provide technical support for the Rail Commission.
- It ensures that the technical team can perform its due diligence for the legislative triggers needed to advance a ballot initiative.
- Additional funds for staff and consultant services will ensure a dedicated team working to meet an aggressive schedule. The team is mostly matrixed staff from other CDOT Divisions with an existing workload. The workload of matrixed staff may soon grow beyond current capacity and compete with passenger rail in anticipation of SB260. Additional budget will provide the ability to obtain contracted services, (as needed) to increase capacity and subject matter expertise CDOT does not currently possess in-house.

Time Frame: A 24 month period approximately aligns with the 2020 CRISI Grant schedule and would-be NEPA initiation activities. The team is awaiting FRA approval for a grant award (scope and budget). Once the grant is awarded, the team will begin to procure consultant services.

### OPTIONS:

- 1) Approve request and transfer to Front Range Passenger Rail: Project #24420. (Staff Recommendation)
  - a) \$810,000 from TC Program Reserve
  - b) \$810,000 from MMOF
- 2) Reject request. Limited staff time would be dedicated to advancing legislative charge and project development. Existing budget for staff charges (~\$197k) is expected to expire in mid-late 2022.
- 3) Defer conversation for more information. Deferral would delay:
  - a) The FRA's grant approval
  - b) The procurement for consultant services

### ATTACHMENTS:

- Fact Sheet
- MOU
- Q & A Response Sheet
- FRPR Powerpoint

# Senate Bill 21-238: Front Range Passenger Rail District Fact Sheet

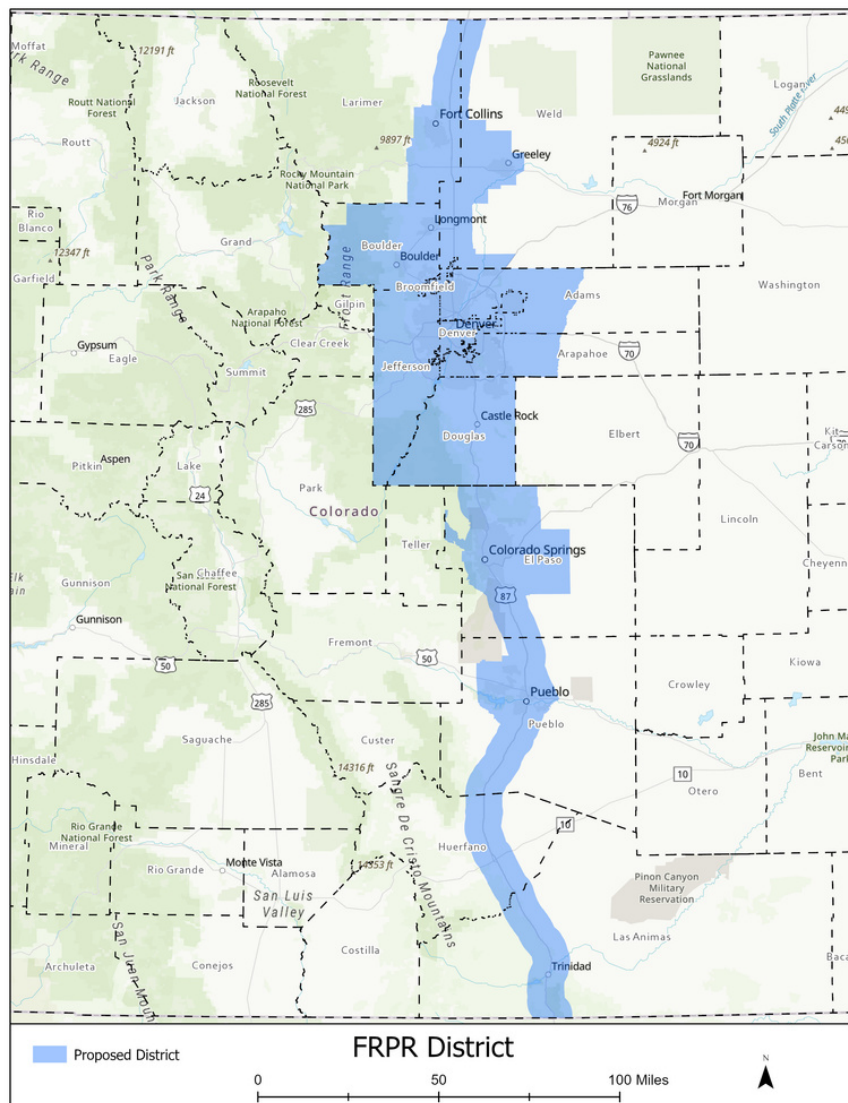
## DISTRICT RESPONSIBILITIES

This bill creates the front range passenger rail district for the purpose of planning, designing, developing, financing, constructing, operating, and maintaining an interconnected passenger rail system along the front range.

### WHAT CAN THE RAIL DISTRICT DO?

- 1 The Board of Directors has the ability to ask voters who reside within the district to approve sales and use taxes.
- 2 The District has the power to create station area improvement districts to cover the costs of construction, operation, and maintenance of the station, but only with the approval of property owners within a 2-mile radius of the proposed station.
- 3 The District has the power to enter into public-private partnerships.
- 4 The District has the ability to employ its own personnel and contract with public or private entities for the operation and maintenance of Front Range Passenger Rail.

### BOUNDARIES



## TRANSPARENCY

Before submitting a question to establish any district tax, the district shall publish a proposed Service Development Plan, an Operating Plan, and a detailed Financing Plan.

The District shall publish and present a comprehensive annual report of its activities to a joint meeting of the Transportation and Local Government Committee of the House of Representatives and the Transportation and Energy Committee of the Senate.

The District shall present the report to each MPO and RTPPO who appoint Board members.

If a tax is approved by voters, the State Auditor shall conduct a comprehensive financial audit of the District once every two years.

## RAIL DISTRICT BOARD COMPOSITION

- **6** Voting Members appointed by the Governor and confirmed by Senate

- **10** Voting MPO/COG Representatives confirmed by Senate

The 10 representatives are made up of:

- 4 members from MPOs representing more than 1.5 million residents (DRCOG)
- 4 members from MPOs representing more than 500,000 residents (PPACG, NFRMPO)
- 1 member from PACOG
- 1 member from South Central COG

- **1** Voting Director appointed by the CDOT Executive Director

- **Multiple** Non-Voting Members

The non-voting members are made up of individuals from:

- BNSF Railway
- Union Pacific
- Amtrak
- RTD
- I-70 Mountain Corridor Coalition
- Wyoming
- New Mexico

- 12/01/2021 – RTD, CDOT, Railroad and I-70 Coalition appointees selections
- 03/01/2022 – MPO/COG appointee selections
- 04/01/2022 – Governor appointee selections
- 05/15/2022 – First Board meeting deadline



**COLORADO**  
Department of Transportation



## **MEMORANDUM OF UNDERSTANDING**

The purpose of this Memorandum of Understanding (MOU) is to ensure that current planning efforts are completed in furtherance of the Southwest Chief and Front Range Passenger Rail Commission's (Rail Commission) mission. It is also the MOU's purpose to clarify the Rail Commission and Colorado Department of Transportation (CDOT) roles and responsibilities during these planning efforts. This partnership will advance policy, program and project aspects and will be a critical step in the legislative charge to the Rail Commission to implement Front Range Passenger Rail between Pueblo and Fort Collins.

WHEREAS, CDOT has been working cooperatively with the Rail Commission to support the development of a Service Development Plan and environmental scoping with the ultimate goal of developing a compelling and politically viable passenger rail system;

WHEREAS, CDOT previously assigned (on a part-time basis) several staff to support this project development work over a two-year period;

WHEREAS, a "blended team" of CDOT and Rail Commission staff have identified a long range vision for the 180-mile corridor and a plan for it to be incrementally delivered;

WHEREAS, significant budget cuts caused by the COVID-19 economic downturn have severely limited funding opportunities for the Rail Commission's continued work, and CDOT has committed to provide additional staff resources. These original commitments were captured in an MOU between these parties in June 2020;

WHEREAS, the Rail Commission has been awarded two federal CRISI grants, one to conduct a Through-Car study for the Southwest Chief and the other to conduct rail simulation for Front Range Passenger Rail;

WHEREAS, CDOT has analyzed its in-house resources and expertise and is prepared to serve as the Grantee and fiscally responsible party for administration of the 2019 and 2020 CRISI grants. Both grants advance the Rail Commission's mission and further its work on completing the preliminary SDP and pre-NEPA work; and

WHEREAS, the Rail Commission values its strong funding collaboration with CDOT, and hopes to continue in partnering efforts to locate additional sources of funds, including current and

future flexible state (subject to Transportation Commission approval) and local funds for transit and rail, unless otherwise appropriated directly to the Rail Commission. It is important to maintain current momentum.

NOW THEREFORE BE IT RESOLVED, that with its remaining budget, CDOT will form a team to oversee or conduct technical work, consisting of the following positions and subject matter expertise:

Program Manager: a Full-time position to oversee CDOT staff and Rail Commission liaison, manage work assignments, track progress, in coordination with the Rail Commission and Consultant Project Managers.

Pre-NEPA Manager: Quarter-time position to align the SDP with environmental study requirements, establish programmatic agreements, agency coordination, document mitigation strategies, affected environment, and analysis needed for the next phase.

Engineering: Two part-time positions, individuals previously agreed upon by Rail Commission staff, to support overall engineering and the preliminary SDP (e.g. engineering oversight and support for analysis of rail operations, conceptual design, cost estimating, refining and analysis alternatives).

Modeling: Strategic and focused travel demand modeling to run multiple scenarios in support of the CRISI grants.

Interns: One graduate level intern to provide overall support for the team on administrative, GIS, mapping and communication tasks. Current nine-month term to expire at the end of April 2021.

Communications and Ancillary Support: Support the FRPR Team on a regular, but less than full-time basis. These staff will provide communications and outreach, website support, meeting facilitation, government affairs and GIS mapping.

Other commitments will be as needed based on program requirements beyond the completion of the current CRISI grants; CDOT staff will work on other activities concurrently. CDOT staff will be directed by the Program Manager.

**NOW THEREFORE BE IT FURTHER RESOLVED**, the CDOT staff will continue to provide technical expertise and strategic support to complement the work of the commission.

**NOW THEREFORE BE IT FURTHER RESOLVED**, Rail Commission liaison will continue to play a significant role in engaging with the public, directing the consultants supporting the CRISI grants, and working closely with the Program Manager to meet the strategic goals of the Rail Commission.

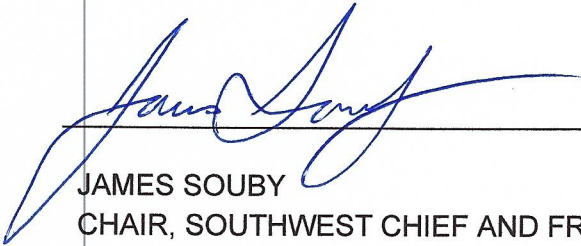
NOW THEREFORE BE IT FURTHER RESOLVED, CDOT and the Rail Commission will work in close collaboration to make strategic decisions on how this overall effort advances the Rail Commission's primary purpose and core mission. They continue to promote the Executive Oversight Committee to ensure regular communication and coordination.

This MOU supersedes the previous MOU signed by the parties in June 2020. It does not invalidate any other MOU's or agreement between CDOT and the Rail Commission. This MOU will be revisited upon completion of the 2019 and 2020 CRISI Grants.



Date: 3/31/2021

SHOSHANA LEW  
EXECUTIVE DIRECTOR, COLORADO DEPARTMENT OF TRANSPORTATION



Date: 3/30/2021

JAMES SOUBY  
CHAIR, SOUTHWEST CHIEF AND FRONT RANGE PASSENGER RAIL COMMISSION





**TO:** TRANSPORTATION COMMISSION

**FROM:** Amber Blake, Division of Transit and Rail

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

**DATE:** October 13th, 2021

**SUBJECT:** Response to TC Questions posed during September Budget Amendment Request concerning Front Range Passenger Rail

This memo summarizes the questions asked at September 15th TC workshop in response to the budget amendment request of \$1.62m. This request would support the necessary technical work for the next stage of Front Range Passenger Rail's corridor development. It complements a memo included within the Commission packet as well as a companion slidedeck.

**-How the funding will be distributed between Consultant vs Staff time?** The work hour estimate assumes that the majority of the \$1.62m will be spent on CDOT staff including new proposed FTEs. There is adequate subject matter expertise to perform the work in house. Consultant services will be needed for some tasks including financial planning, cost benefit analysis and rail simulation modeling. There is also flexibility in the request should CDOT not have the capacity to perform the necessary work in a timely manner.

**-What is the Rail Commission's budget request and its existing funding.** On September 24th, the Rail Commission approved a \$1.62m budget request. This makes up a sizable portion of its remaining funds. It has approximately \$297,000 of available funds today. It will receive another \$2.5m in February 2022 per SB 260. Upon the Rail Commission's approval, it will have a remaining unencumbered balance of \$1.17m. The Rail Commission's funding will go entirely to consultant services.

**-FRA's timeline and urgency to execute/withdraw grant:** There is precedent of FRA pulling grants if an applicant cannot demonstrate the ability to deliver. The grant application was selected in September 2020. FRA's informal feedback has focused on the budget shortfall. This funding request is an effort to illustrate CDOT's commitment to fulfill the terms of the grant and remain in good standing.

**-Partnership between CDOT, RC and RTD:** RTD, CDOT and the Rail Commission executed an MOU which pledges the parties to work together on the upcoming parallel studies. RTD is advancing its Peak Service plan for the NW Rail Corridor. While it occupies the same alignment as FRPR's corridor, NW Rail Peak Service envisions many different assumptions

(i.e-schedule, station locations, technology). The MOU pledges to work together to minimize conflicts and develop a joint operational plan. There will be data sharing between parties, however there is no funding being exchanged.

**-Overall program timeline for NEPA, ballot, future life cycles:** The next phase of the corridor development is to demonstrate the viability of a starter service. The team's challenge is to develop a concept that is financially and operationally viable and has political approval from the Rail District and key front range stakeholders. It would then solicit funds to move into NEPA. This is similar to how Colorado conducts highway corridor studies via FHWA's Planning and Environmental Linkages (PEL) Program.

The legislative charge under SB 21-238 is to advance the study of Front Range Passenger Rail. However, it states that a ballot question cannot be posed to voters until there is a published service development plan, an operating plan and a financing plan.

**-When will the work begin-**The team has developed a scope of work and is ready to begin. The critical path is obtaining a grant award from FRA in order to bring a consultant on board to assist the blended team. FRA's review of our scope of work has stalled out. Its initial recommendation is to submit a budget which corresponds to the desired tasks (service development planning and alternatives analysis). RTD has advertised its RFP next month and will begin its parallel work on its Peak Service Plan in January 2022.

**-Role of Burham Yard:** The acquisition of Burnham Yard ensures that Front Range Passenger Rail will have adequate space to navigate through an otherwise constrained segment south of Downtown Denver. CDOT Engineering has identified and preserved a transportation corridor on the western side of the parcel.

**-Role of the study in relation to statewide rail network:** In the coming year, CDOT will update its [Statewide Passenger Rail and Freight Plan](#). The stated goals of that plan include:  
-Advance FRPR, Strength Rail Coordination, Integrate Planning Process, Enhance Economic Connections & Address Freight Rail Needs and Issues. However, the focus of FRPR and SB 21-238 on creating a passenger rail system.



# Front Range Passenger Rail: October TC Workshop & Budget Request



1. Background: SB 21-238 and Corridor Development
2. 2020 CRISI Grant: CDOT & Rail Commission Requests
3. Budget Breakdown and remaining balances
4. Timeline & Next Steps

# Front Range Passenger Rail Vision

Develop a safe, efficient, and reliable transportation option for travel between Pueblo and Fort Collins.

This will create a backbone for transit options and connections in the state and along the Front Range.





# Accomplishments to date

## Policy

- Rail District created under SB 21-238: Ability to raise funds as well as plan, design, build and operate passenger rail system

## Program

- Public & Stakeholder Engagement
- Passenger Rail included in State, Regional & Local Plans

## Project

- Vision
- Corridor Planning
- Project Definition



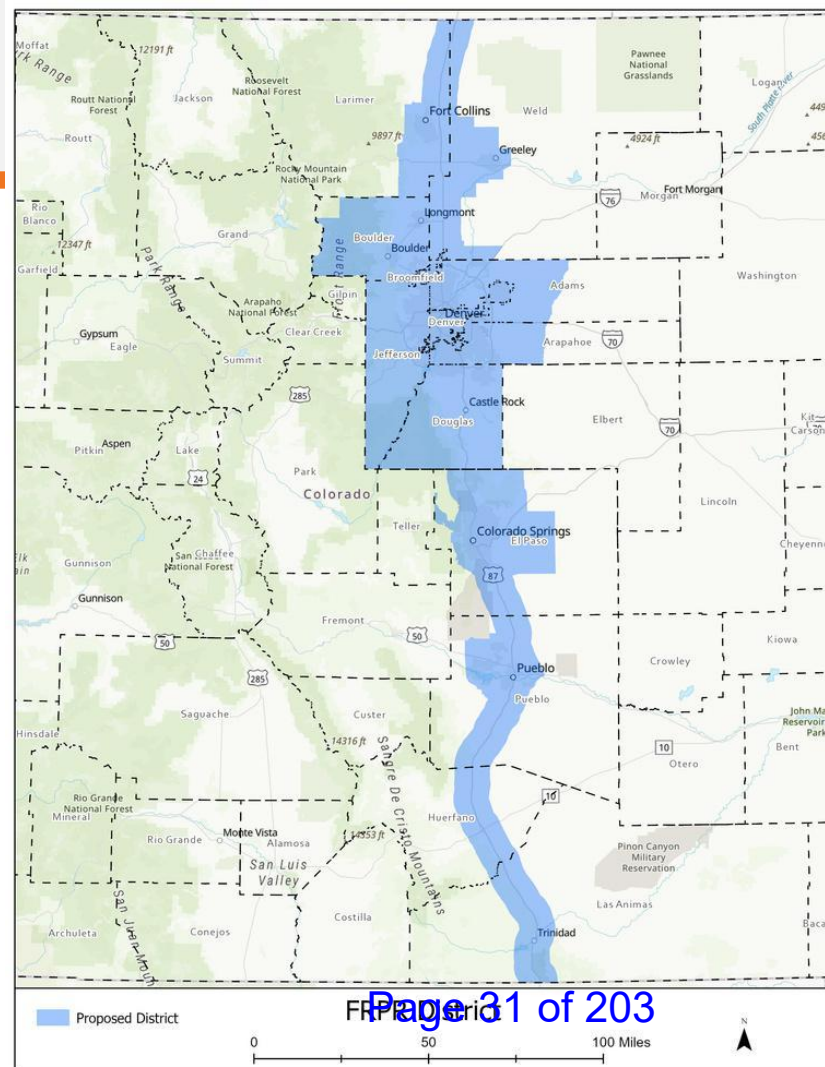
# SB 21-238: Rail District

## Powers

- Finance, Design, Construct, Operate, Maintain Passenger Rail

## Representation

- 10 MPO/COG Representatives
  - 4 - DRCOG
  - 2 - PPACG
  - 2 - NFRMPO
  - 1 - PACOG
  - 1 - South Central COG
- 6 Governor's Appointees
- One Director Appointed by CDOT
- Executive Director
- Non-Voting Members: BNSF Railway, Union Pacific, Amtrak, RTD, I-70 Mountain Corridor Coalition, Wyoming, New Mexico





# SB 21-238: Rail District

## Next Steps

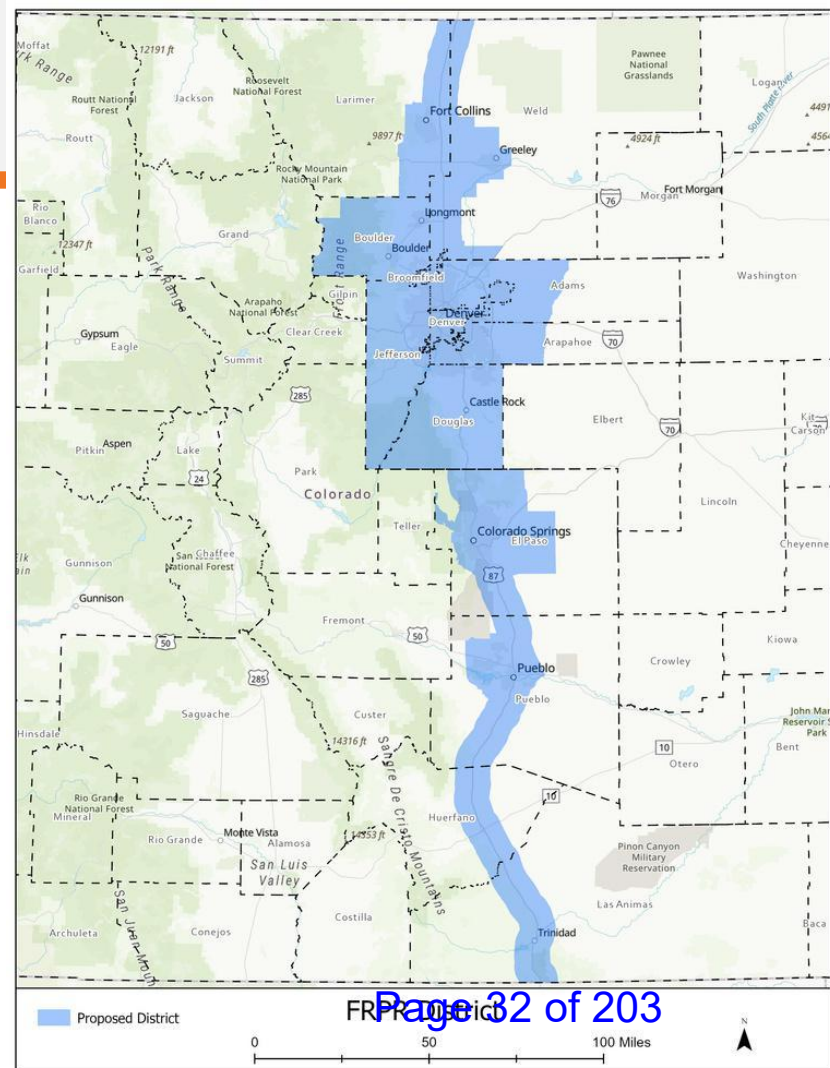
12/01/2021 – RTD, CDOT, Railroad and I-70  
Coalition appointees selection  
deadline

03/01/2022 – MPO/COG appointee selection  
deadline

04/01/2022 – Governor appointee selection  
deadline

05/15/2022 – First Board meeting deadline

Pre-Ballot Measure –Service Development  
Plan (SDP), Operating  
Plan & Financial Plan





# Program Needs

## Primary Needs



Provide an  
Efficient, Reliable  
& Equitable Travel  
Option



Create an  
Expandable  
System that Can  
be Incrementally  
Delivered

## Secondary Needs



Support  
Transportation  
Planning and  
Legislative



Relieve Travel  
Demand Growth  
and Congestion  
Pressures



Provide Safe  
Transportation



Provide a  
Resilient and  
Sustainable  
Transportation



Increase Economic  
Vitality by  
Connecting Major  
Employment and  
Population Centers



Incorporate  
Community and  
Environmental  
Values



# Project Development: What is needed to move forward?



1. **Operational Feasibility:** What will the ridership be? Can it provide a competitive travel time? How does the system perform?
2. **Contextual:** Are there acceptable impacts to natural, cultural and community resources?
3. **Financial Feasibility:** What is the cost to build, to operate and to maintain?
4. **Political & Public Interest:** Is there local support to advance concept?



# Recent Activities

- ✓ Environmental context and Pre-NEPA activities
- ✓ Preliminary ridership modeling
- ✓ Conceptual engineering
- ✓ Develop design standards & criteria
- ✓ Speed profiles and travel time
- ✓ Conceptual cost estimating
- ✓ Preliminary corridor analysis
- ✓ Funding analysis
- ✓ Governance analysis
- ✓ Stakeholder coalition engagement
- ✓ Public engagement

Long term vision:

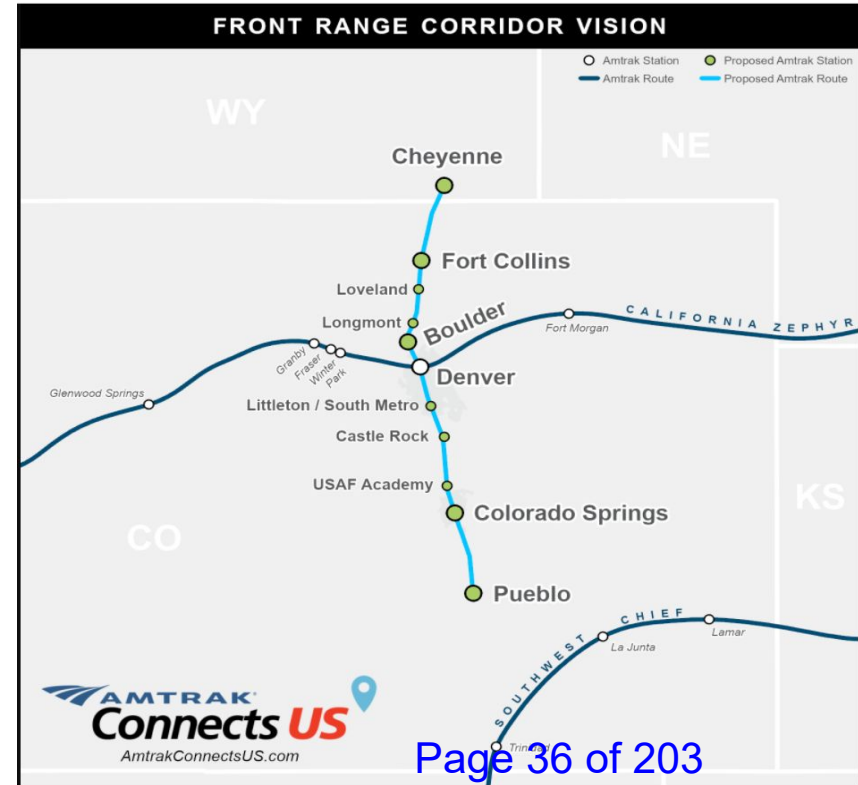
24 daily trips, nine primary stations on 190 miles of independent double tracks

Estimated \$8-14 billion to build and \$120-188m/year to operate and maintain



# Partnerships: Amtrak

- Nation Network Vision for intercity rail
- Serve as operator for state run service
- Upfront capital investment
- Five years of operational investment
- Starter Service estimated capital costs: \$1.7b-\$2.8b (2020\$)



Estimated 2035 Ridership	Frequency	Trip Time	Host Railroads
196,000	3 daily round trips Fort Collins-Denver-Pueblo, with 1 round trip extending to Cheyenne	Pueblo - Denver: 2:43 Pueblo - Cheyenne: 5:34	BNSF, UP



# Partnerships: RTD & BNSF

## Regional Transportation District (RTD)

- o Is advancing a starter service (three daily trips) for its Northwest commuter rail vision (Denver to Longmont)
- o Overlaps with one of the FRPR routes

## BNSF

- o Owns this subdivision
- o Requested a **single operating plan** of RTD and FRPR for this 41-mile segment of shared track

Focus on potential differences with technology, station locations, schedule, operator during the alt analysis

MOU signed between CDOT, RC and RTD to collaborate and work together in good faith on a common solution.





# Rail Commission Member investments that inform Passenger Rail

Colorado Springs Station  
Area Plan

Pueblo Station Area  
Plan

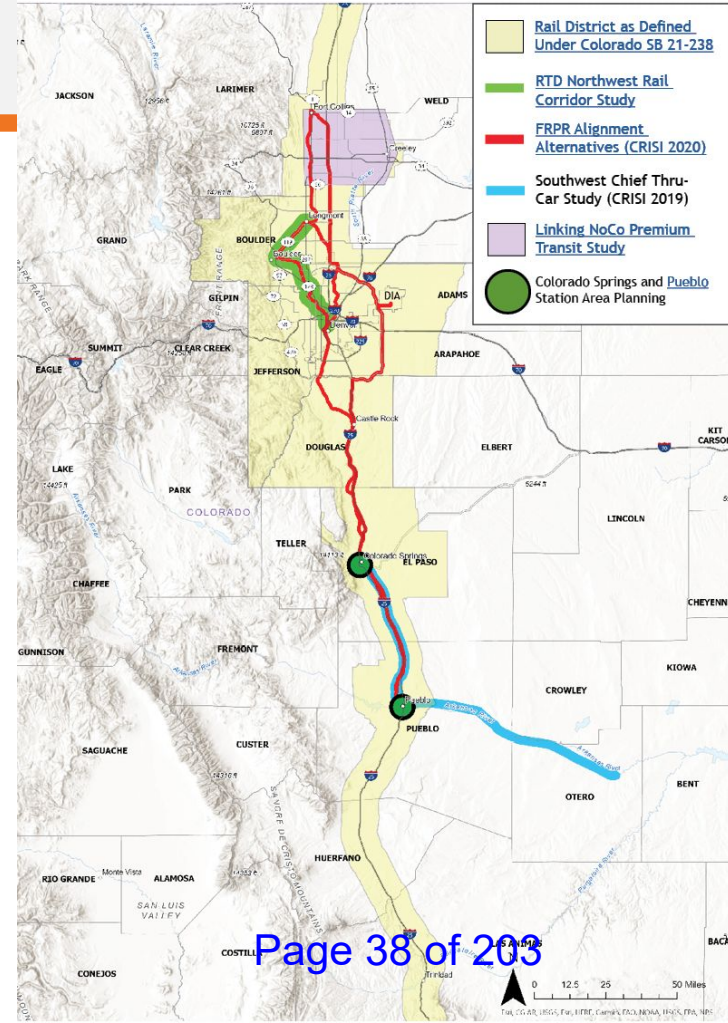
Southwest Chief:  
Through Car Study

NFRMPO:  
LinkNoCo

RTD:  
NW Rail  
Peak Service Plan

Amtrak

BNSF





# 2020 CRISI Grant

Selected in September 2020, Original Proposed Budget: \$685,000

## Revised Proposed Scope of Work:

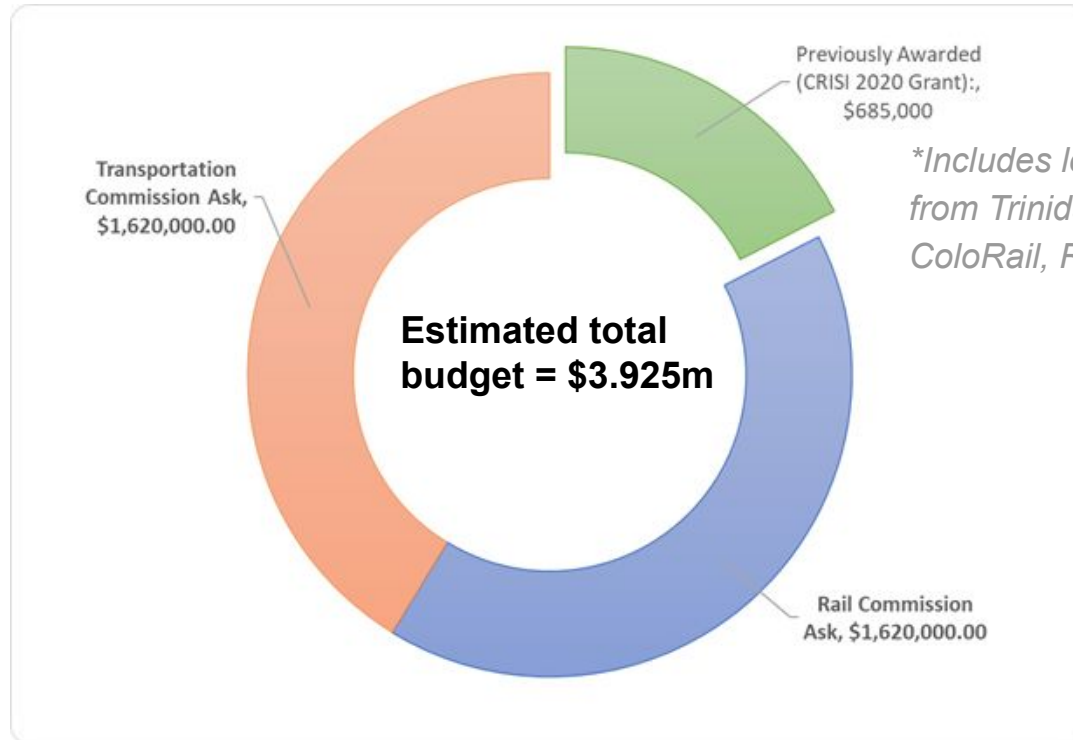
1. Alternatives Analysis  
(Route, Service, Investments, Projects)
2. Preliminary Service Development Planning (SDP)
  - a. Operations
  - b. Engineering
  - c. Modeling
  - d. Station Area Planning
  - e. Financial Plan (Cost Benefit Analysis, Funding)
3. Pre-NEPA Activities
4. Stakeholder Engagement

### FRA Expectations prior to Grant award:

- Approval of scope of work
- Approval of budget: FRA has identified \$685K is inadequate to perform the necessary or proposed tasks in SOW. Project team estimated budget = \$3.925m



# CDOT & Rail Commission requested contributions





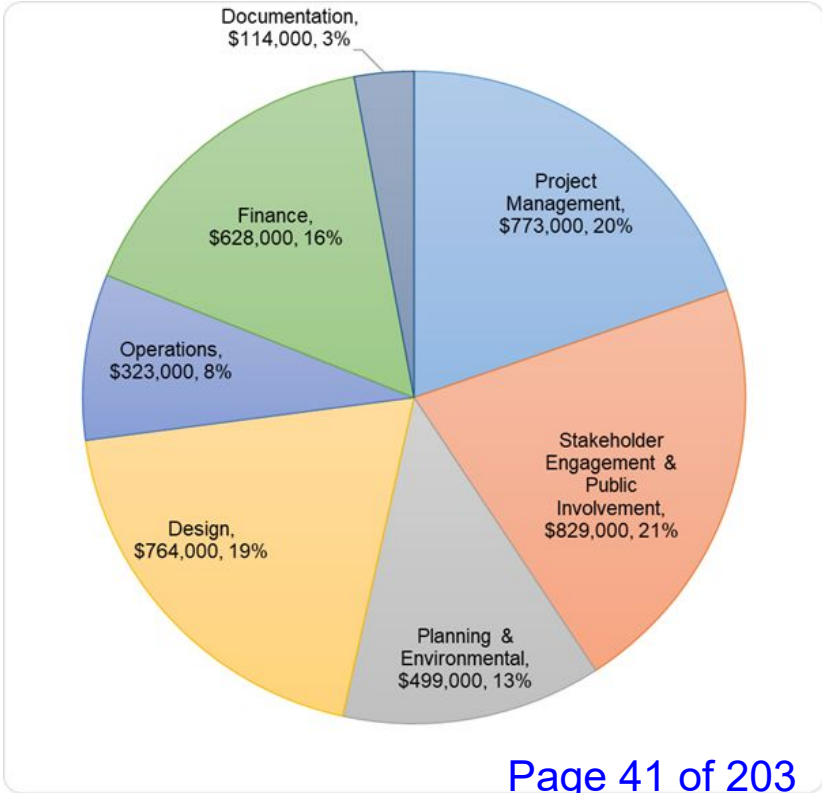


# Budget Breakdown - Combined Scope and Effort

CDOT Staff		Consultant	
Hours	Dollars	Hours	Dollars
18060	\$1,637,000	14240	\$2,290,000

Assumes:

- Two year timeframe
- 5 CDOT FTEs dedicated to delivering this project
- Additional CDOT part time support roles





# Rail Commission Budget Outlook

Rail Commission available funds	\$297,000
Incoming funds (SB 260, 02/15/22)	<u>\$2,500,000</u>
Anticipated funds March 2022	\$2,797,000
<u>September 24th, 2021 Budget Approval</u>	<u>(\$1,620,000)</u>
<b>Remaining Balance for Rail District/Commission:</b>	<b>\$1,117,000</b>
Anticipated future expenditures:	
<ul style="list-style-type: none"><li>● Rail District Operating Costs, Facilitation, Initiation and Formation, Future Grants, staff, Surveys &amp; Outreach</li></ul>	



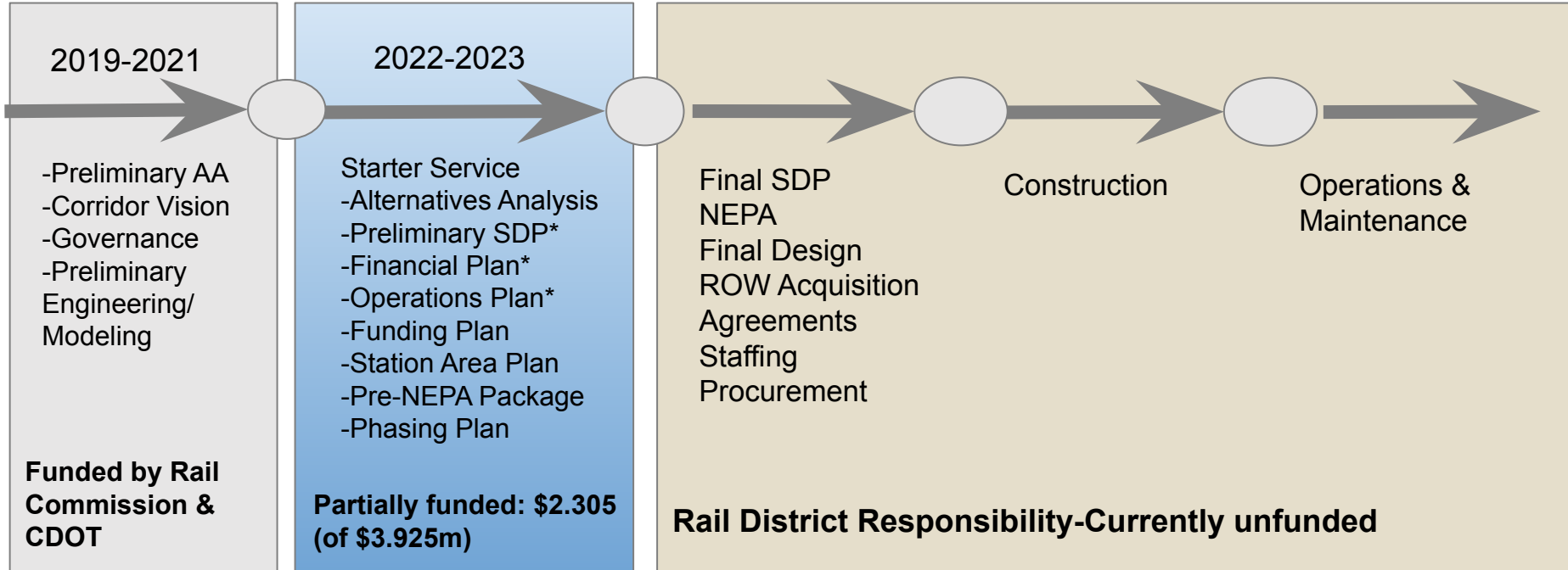
# CDOT & TC Budget Outlook

- Budget Supplement: FY22 MMOF: \$810K
- Budget Request: TC Program Reserves: \$810K

TC Program Reserve available funds	\$75,960,099
Incoming estimated funds	<u>\$2,797,000</u>
Anticipated FY 2022 balance	\$78,757,099
<u>October 2021 Budget Request</u>	<u>(\$810,000)</u>
<b>Remaining Balance for TC Program Reserves</b>	<b>\$77,947,099</b>



# Estimated Timeline for Corridor Development



\*Required before ballot initiative



## Budget Request: Why now?

- Fulfill legislative charge of SB 21-238
- Maintain momentum
- Further define & develop corridor vision
- Demonstrate readiness for potential federal funding
- Preserve FRA grant
- Renew staff budget (~\$197k) which will soon expire



Thank you!

Questions?



**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CHIEF FINANCIAL OFFICER  
BETHANY NICHOLAS, BUDGET DIRECTOR  
**DATE:** OCTOBER 21, 2021  
**SUBJECT:** FY 2020-21 REVENUE RECONCILIATION AND FY 2021-22 BUDGET AMENDMENT

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**Purpose**

This memorandum provides information on the FY 2020-21 revenue reconciliation and proposes for review the fourth 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 TC review and approval of the fourth amendment to the FY 2021-22 Annual Budget. The fourth amendment consists of seven items that require TC approval, described below, resulting in an \$2.8 million increase to the indirect budget to modernize multiple software systems that support the construction program, and the reallocation of \$8.9 million from the TC Program Reserve to the Strategic Safety Program, Capital Equipment, Agency Operations, Maintenance Program Areas, and the Rail Commission budget lines for various initiatives.

**Background and Details**

At the close of each fiscal year, DAF reconciles revenue received that has not yet been incorporated into the budget. DAF compares the current prior fiscal year budget to actual revenues and determines if any further budget actions are necessary to complete the reconciliation. The revenue reconciliation process addresses only remaining revenue streams that were not yet adjusted during the fiscal year based on guidelines provided in PD 703.0.

***FY 2020-21 Revenue Reconciliation***

Attachment B details the reconciliation of revenue that has been budgeted to actual revenues for FY 2020-21. Highlights include:

CDOT has budgeted FY 2020-21 revenues received to date of \$2.16 billion (including enterprises). Actual revenue received, including additional federal obligation authority (FY 2020-21 redistribution), totaled \$2.11 billion (including enterprises). This resulted in a net deficit of (\$49.5) million (see Attachment B).

CDOT revenue budgeted to date, independent of the enterprises, totaled \$2.0 billion. However, actual receipts were only \$1.9 billion, a difference of (\$34.9) million. Primary drivers of this difference include:

- **Highway Users Tax Fund (HUTF) revenue** was \$12.9 million lower than forecasted largely due to lower-than-expected motor fuel tax revenues.
- **Federal Highway Administration (FHWA) revenue** was \$26.3 million lower than forecasted because of lower than anticipated federal obligation limitation provided through the final FY 2020-21 Appropriations Act. OFMB utilizes a 93% estimate for the obligation limitation when forecasting revenue, based on prior year averages. The actual obligation limitation this year was less than 89.1% which is historically extremely low.
- **Federal Transit Administration (FTA) revenue** was \$34.3 million lower than forecasted. This is not a difference in actual revenue appropriated in FY 2020-21, but rather a timing issue associated with reimbursements to CDOT not received by the fiscal year end.



- **Aeronautics** was \$16.4 million lower than forecasted, due in large part to lower-than-expected aviation sales tax revenue during the pandemic.
- **FHWA Redistribution** - CDOT is eligible to receive an increase in federal obligation authority through the annual Federal Redistribution process in August of each year. The amount available to states varies each year and as such is not included in forecasts of revenue. CDOT received notice in late August of federal FY 2020-21 redistribution totaling \$59.8 million.

**Colorado Bridge Enterprise (BE)** forecasted \$117.4 million in revenues for FY 2020-21 and collected \$115.3 million. The main factor behind the decrease was lower than forecasted vehicle registrations, likely because of continued effects of the COVID-19 pandemic.

**Colorado High Performance Transportation Enterprise (HPTE)** estimated revenues for FY 2020-21 of \$42.9 million and collected \$30.2 million. The main factor behind the decrease was that when the FY 2020-21 budget was approved in March of 2020, the impact of COVID-19 on tolling revenue was unknown. Specifically for the C-470 Express Lanes, those forecasted revenues were never realized.

**Revenue Reconciliation Budget Actions**

Adjustments associated with revenue reconciliation will include the following:

- The reconciliation of inflexible revenue sources (i.e., sources dedicated to a specific program) will result in adjustments to those programs totaling (\$59.7) million.

Inflexible Revenue Sources	Amount
HUTF FASTER Revenue	\$52,586
Local Matching Funds	(\$2,216,666)
Other State Revenue	(\$18,840,225)
FHWA Revenue	\$(4,324,390)
Other Federal Revenue*	(\$34,371,055)
<b>TOTAL</b>	<b>(\$59,699,750)</b>

\*The Other Federal Revenue includes a (\$34.3) shortfall in FTA revenue, which is a result of a timing issue only, so the FTA budget will not be reduced.

- The reconciliation of flexible revenue sources will result in an increase to the TC Program Reserve (Line 69) of \$24.8 million.

Flexible Revenue Sources	Amount
HUTF Revenue	(\$12,979,613)
FHWA Revenue	(\$21,953,515)
FHWA Redistribution	\$59,761,086
<b>TOTAL</b>	<b>\$24,827,958</b>





In the coming weeks, staff will work with impacted programs to make the above adjustments to the FY 2021-22 total available budget. These adjustments do not require further TC action, per PD 703.0, so they will be reflected in the amended Annual Budget (One-sheet) for the November budget amendment as Staff adjustments. The adjustment for flexible revenue sources will impact the TC Program Reserve line (Line 69) and the inflexible sources will impact multiple programs and budget lines. Please see Attachment C for a list of impacts by program and budget line. Since the shortfall reflected for FTA revenue is solely attributable to a timing issue with reimbursements not being received by fiscal year end, staff will not adjust the budget to account for this shortfall.

**TC Program Reserve Reconciliation**

The TC Program Reserve balance as of the beginning of October 2021 is \$16.2 million. Following the completion of the annual Roll Forward process, balances not requested and approved to roll forward are returned to the TC Program Reserve. Approximately \$20.9 million from FY 2020-21 was reverted to the TC Program Reserve at the conclusion of the roll forward process. After accounting for the reversions, impacts of FY 2020-21 revenue reconciliation above and federal redistribution, the total balance available is \$61.9 million. This amount is available to fund the requested budget amendments, as described in the next section. If all budget amendments are approved, the final ending balance in the TC Program Reserve will be \$53.0 million.

Table 4. TC Program Reserve

<b>October Beginning Balance</b>	<b>\$16.2 million</b>
<b>Residual SHF from Cost Centers</b>	<b>\$20.9 million</b>
<b>Revenue Reconciliation</b>	<b>\$24.8 million</b>
FY 21 Flexible HUTF	(\$12.9) million
FY21 Flexible FHWA	(\$21.9) million
FY 21 FHWA Redistribution	\$59.8 million
<b>Total</b>	<b>\$61.9 million</b>
FY 22 SHF Budget Amendments	(\$8.9) million
<b>TOTAL</b>	<b>\$53.0 million</b>

**Budget Amendment**

Although budget amendments can be requested at any point during the fiscal year, the primary opportunity to request additional funds for the fiscal year is the annual budget amendment process conducted in the fall of each year, in tandem with the revenue reconciliation process. The fourth budget amendment this month includes seven items submitted through this process that require TC approval. Of these, six items reallocate \$8.9 million from the available balance in the TC Program Reserve and one item increases the indirect budget within the Capital Construction program by \$2.8 million. The items are summarized by division below.



## Budget Amendments from Program Reserve

### Engineering:

- \$500,000 to Strategic Safety Program (Line 37) - The Operations Evaluation and Bottleneck Reduction programs address low-cost needs in partnership with all the regions that improve the flow of traffic and improve the safety of our roadways. Bottleneck reduction projects and safety/operations evaluations result in improvements that include realignment, striping improvements, signing, signal time, access control, and other intersection design improvements. This program has been funded at the \$500,000 level for the past several years. As increasingly more opportunities are identified for these low-cost/high-benefit projects, an increase in the existing level of funding is being requested in order to meet some of the demand for additional improvements.
- \$1,000,000 to Strategic Safety Program (Line 37) - This request is to purchase MASH Guardrail and End Treatments to have a ready supply depot for Maintenance to promptly replace damaged sections and end treatments. This depot will increase the safety of the roadways by allowing CDOT to have materials on hand, reducing repair time. The depot will also allow for more cost effective purchases of guardrail and end treatments and reduce the burden of replacement currently falling on Maintenance Sections.

### Maintenance and Operations:

- \$4,315,000 to Capital Equipment (Line 34) - The Division of Maintenance and Operations (DMO) submitted several requests to supplement existing Capital Equipment budget and accelerate the acquisition/replacement of several critical pieces of equipment. This request is to purchase / replace the following critical maintenance equipment:
  - \$2,890,000 - 17 Class 6 attenuator trucks, which are required for Traffic and Maintenance patrols performing lane closures and highway maintenance functions, pursuant to PD 1502.1. DMO's goal is to ensure each patrol has access to an attenuator truck to safely perform highway maintenance and traffic maintenance functions safely. DMO is seeking to incrementally make progress toward this goal, with a total 77 trucks needed.
  - \$900,000 - Two fire trucks for the Eisenhower-Johnson Memorial and Hanging Lake Tunnels that have aged past their useful life and are difficult to find parts for when needed. These are the closest fire rescue first responders in the immediate area of the tunnels.
  - \$250,000 - 16 steel mag tanks that are rusting out and leaking, and on the verge of failure. These would be replaced with new fiberglass tanks.
  - \$275,000 - One snowplow that was damaged during the Glenwood Canyon Response effort.
- \$1,500,000 to Agency Operations (Line 62) - Historically, DMO has sought supplemental funding at the beginning of each fiscal year to provide a centralized budget for per diem and hotel reimbursements for JOA sections. This is the last year this request is anticipated as the JOA is transitioned to a new Maintenance Section with dedicated staff.
- \$809,688 to the Maintenance Program Areas (Line 22) - Region 1 Section 5 (Denver Metro Area) relies on a contract with CCI to supplement staff, given a large number of maintenance vacancies. This contract includes debris removal, fence repair, and vegetation control. Sufficient funds were not identified in FY 2021-22 and the section now faces a funding shortfall on this contract if additional funding is not identified.

### Rail Commission:

- \$810,000 to Rail Commission (Line 45) - This funding would provide a state match for corridor development planning for the Front Range Passenger Rail. Please see the Front Range Rail request memo for additional information.

Additionally, there is one budget amendment request for Engineering to increase the indirect budget by \$2,800,000. The indirect budget is a subcomponent of the Capital Construction program and as such the



approval of additional indirect budget results in the reallocation of funds within the Capital Construction program and does not require the commitment of additional funds from another source (i.e. TC Program Reserve.) Over the past year, the Department has undertaken efforts to modernize its estimation, construction (SiteManager) and materials (LIMS) software systems. Quick action teams in each respective area were formed to help address and evaluate solutions and develop recommendations for software solutions. Software recommendations were a partnership between the five regions and subject to approval from both MAC (Materials Advisory Committee) and PDAC (Project Delivery Advisory Committee). Each effort consisted of analyzing and evaluating leading DOT software solutions that best meet CDOT's needs. The additional indirect budget is needed for one time implementation and license costs associated with implementing new estimation, construction payment and materials software.

**Options and Recommendation**

1. Approve proposed Budget Amendment (see Proposed Resolution #5) -- STAFF RECOMMENDATION
2. Approve a portion of the proposed budget amendment.
3. Deny the amendment and request staff to return with additional information in November 2021.

**Anticipated Timeline**

- November 2021 - Staff will adjust FY 2021-22 budget allocations for programs with inflexible revenue sources to reconcile to actual revenue received.
- January 2022 - The next revenue forecast update is scheduled to occur in December 2021 and staff plans to provide an update for the TC in January 2022.

**Attachments**

- Attachment A - FY 2021-22 Amended Annual Budget Allocation Plan
- Attachment B - FY 2020-21 Revenue Reconciliation
- Attachment C - Revenue Reconciliation Adjustments by Program
- Attachment D - FY 2020-21 Federal Redistribution Fact Sheet
- Attachment E - Presentation



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

Line	Budget Category / Program	Rollforward from FY20-21	FY 2021-22 Allocation Plan	Proposed TC Amendments	Approved TC Amendments	EMT and Staff Approved Adjustments	Total FY22 Program Budget Available including Changes	Directed By	Funding Source
<b>1</b>	<b>COLORADO DEPARTMENT OF TRANSPORTATION</b>								
2	Capital Construction	\$1,213.2 M	\$972.3 M	\$0.0 M	-\$101.3 M	\$517.4 M	\$2,601.6 M		
3	Asset Management	\$56.1 M	\$336.1 M	\$0.0 M	\$0.0 M	\$21.9 M	\$414.2 M		
4	Surface Treatment	\$7.8 M	\$223.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$231.1 M	TC	FHWA / SH / SB 09-108
5	Structures	\$4.0 M	\$61.9 M	\$0.0 M	\$0.0 M	\$0.0 M	\$65.9 M	TC	FHWA / SH / SB 09-108
6	System Operations-AM	\$1.2 M	\$34.3 M	\$0.0 M	\$0.0 M	-\$0.7 M	\$34.9 M	TC	FHWA / SH
7	Geohazards Mitigation	\$0.3 M	\$10.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$10.4 M	TC	SB 09-108
8	Permanent Water Quality Mitigation	\$4.7 M	\$6.5 M	\$0.0 M	\$0.0 M	-\$0.6 M	\$10.5 M	TC	FHWA / SH
9	Emergency Relief	\$38.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$23.2 M	\$61.3 M	FR	FHWA
10	Safety	\$19.4 M	\$115.3 M	\$0.0 M	\$18.0 M	\$17.9 M	\$170.6 M		
11	Highway Safety Improvement Program	\$4.4 M	\$33.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$37.5 M	FR	FHWA / SH
12	Railway-Highway Crossings Program	\$0.0 M	\$3.6 M	\$0.0 M	\$0.0 M	\$0.0 M	\$3.6 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	\$15.0 M	\$69.2 M	\$0.0 M	\$18.0 M	\$18.0 M	\$120.2 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	\$1,137.6 M	\$520.9 M	\$0.0 M	-\$119.3 M	\$477.6 M	\$2,016.9 M		
17	Regional Priority Program	\$0.0 M	\$48.4 M	\$0.0 M	\$0.0 M	\$0.0 M	\$48.4 M	TC	FHWA / SH
**18	Strategic Projects	\$1,050.9 M	\$450.0 M	\$0.0 M	-\$119.3 M	\$478.0 M	\$1,859.5 M	SL	SB 17-267 / SB 19-262
19	National Highway Freight Program	\$86.8 M	\$22.5 M	\$0.0 M	\$0.0 M	-\$0.4 M	\$109.0 M	FR	FHWA / SH
20	Maintenance and Operations	\$59.7 M	\$347.7 M	\$6.6 M	-\$0.5 M	\$5.5 M	\$414.2 M		
21	Asset Management	\$52.8 M	\$312.3 M	\$5.1 M	\$11.5 M	\$5.6 M	\$382.2 M		
22	Maintenance Program Areas	\$6.3 M	\$263.5 M	\$0.8 M	\$11.5 M	\$0.0 M	\$282.1 M		
23	Roadway Surface	\$0.0 M	\$40.4 M	\$0.0 M	\$5.5 M	\$0.0 M	\$45.8 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	\$0.0 M	\$0.0 M	\$0.0 M	\$69.0 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	\$1.3 M	\$19.9 M	\$0.0 M	\$0.0 M	\$5.5 M	\$26.8 M	TC	SH
34	Capital Equipment	\$17.4 M	\$23.9 M	\$4.3 M	\$0.0 M	\$0.0 M	\$45.6 M	TC	SH
35	Maintenance Reserve Fund	\$27.7 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$27.7 M	TC	SH
36	Safety	\$6.4 M	\$11.4 M	\$1.5 M	-\$11.9 M	\$0.0 M	\$7.4 M		
37	Strategic Safety Program	\$6.4 M	\$11.4 M	\$1.5 M	-\$11.9 M	\$0.0 M	\$7.4 M	TC	FHWA / SH
38	Mobility	\$0.5 M	\$24.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$24.5 M		
39	Real-Time Traffic Operations	\$0.0 M	\$14.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$14.0 M	TC	SH
40	ITS Investments	\$0.5 M	\$10.0 M	\$0.0 M	\$0.0 M	\$0.0 M	\$10.5 M	TC	FHWA / SH
41	Multimodal Services	\$246.7 M	\$69.8 M	\$0.8 M	\$36.5 M	-\$29.1 M	\$325.7 M		
42	Mobility	\$246.7 M	\$69.8 M	\$0.8 M	\$36.5 M	-\$29.1 M	\$325.7 M		
43	Innovative Mobility Programs	\$19.1 M	\$11.1 M	\$0.0 M	\$0.0 M	-\$0.1 M	\$30.2 M	TC	FHWA / SH
***44	Strategic Transit and Multimodal Projects	\$202.0 M	\$50.0 M	\$0.0 M	\$22.0 M	-\$29.0 M	\$245.0 M	SL	SB 17-267
45	Rail Commission	\$1.2 M	\$0.4 M	\$0.8 M	\$14.5 M	\$0.0 M	\$17.7 M	SL	SL
46	Bustang	\$24.5 M	\$8.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$32.8 M	TC	SB 09-108 / Fare Rev.
47	Suballocated Programs	\$825.7 M	\$224.1 M	\$0.0 M	\$124.8 M	\$27.3 M	\$1,202.0 M		
48	Aeronautics	\$65.9 M	\$19.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$85.2 M	AB	SA
49	Aviation System Programs	\$65.9 M	\$19.3 M	\$0.0 M	\$0.0 M	\$0.0 M	\$85.2 M	AB	SA
50	Highway	\$314.2 M	\$126.5 M	\$0.0 M	\$0.0 M	\$0.3 M	\$441.0 M		
51	STP-Metro	\$219.7 M	\$56.0 M	\$0.0 M	\$0.0 M	-\$0.3 M	\$275.4 M	FR	FHWA / LOC
52	Congestion Mitigation and Air Quality	\$66.8 M	\$50.7 M	\$0.0 M	\$0.0 M	\$0.6 M	\$118.0 M	FR	FHWA / LOC
53	Metropolitan Planning	\$2.6 M	\$9.2 M	\$0.0 M	\$0.0 M	\$0.0 M	\$11.8 M	FR	FHWA / FTA / LOC
54	Off-System Bridge Program	\$25.2 M	\$10.6 M	\$0.0 M	\$0.0 M	\$0.0 M	\$35.8 M	TC / FR	FHWA / SH / LOC
55	Transit and Multimodal	\$445.6 M	\$78.4 M	\$0.0 M	\$124.8 M	\$27.0 M	\$675.8 M		
56	Recreational Trails	\$5.2 M	\$1.6 M	\$0.0 M	\$0.0 M	-\$1.6 M	\$5.2 M	FR	FHWA
57	Safe Routes to School	\$11.4 M	\$3.1 M	\$0.0 M	\$0.0 M	\$0.0 M	\$14.5 M	TC	FHWA
58	Transportation Alternatives Program	\$40.2 M	\$12.0 M	\$0.0 M	\$0.0 M	-\$0.4 M	\$51.8 M	FR	FHWA / LOC
59	Transit Grant Programs	\$320.3 M	\$61.7 M	\$0.0 M	\$0.0 M	\$0.0 M	\$382.0 M	FR / SL / TC	FTA / LOC / SB 09-108
***60	Multimodal Options Program	\$68.6 M	\$0.0 M	\$0.0 M	\$124.8 M	\$29.0 M	\$222.4 M	TC/SL	SB 19-125
61	Administration & Agency Operations	\$18.6 M	\$102.7 M	\$1.5 M	\$0.7 M	-\$1.2 M	\$122.4 M		
62	Agency Operations	\$15.4 M	\$62.6 M	\$1.5 M	\$0.3 M	-\$1.2 M	\$78.7 M	TC / AB	FHWA / SH / SA / SB 09-108
63	Administration	\$0.0 M	\$37.5 M	\$0.0 M	\$0.4 M	\$0.0 M	\$37.9 M	SL	SH
64	Project Initiatives	\$3.2 M	\$2.6 M	\$0.0 M	\$0.0 M	\$0.1 M	\$5.9 M	TC	SH
65	Debt Service	\$64.8 M	\$9.6 M	\$0.0 M	\$265.5 M	\$0.0 M	\$339.9 M		
66	Debt Service	\$64.8 M	\$9.6 M	\$0.0 M	\$265.5 M	\$0.0 M	\$339.9 M	DS	FHWA / SH
67	Contingency Reserve	\$118.5 M	\$0.0 M	-\$8.9 M	-\$12.7 M	\$147.5 M	\$243.5 M		
68	Contingency Fund	\$110.7 M	\$0.0 M	\$0.0 M	-\$12.0 M	\$0.0 M	\$98.7 M	TC	FHWA / SH
69	Reserve Fund	\$7.8 M	\$0.0 M	-\$8.9 M	-\$0.7 M	\$147.5 M	\$144.8 M	TC	FHWA / SH
70	Other Programs	\$44.2 M	\$24.8 M	\$0.0 M	\$1.0 M	\$5.7 M	\$75.7 M		
71	Safety Education	\$38.2 M	\$9.9 M	\$0.0 M	\$1.0 M	\$5.3 M	\$54.3 M	TC/FR	NHTSA / SSE
72	Planning and Research	\$6.0 M	\$14.7 M	\$0.0 M	\$0.0 M	\$0.4 M	\$21.2 M	FR	FHWA / SH
73	State Infrastructure Bank	\$0.0 M	\$0.2 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.2 M	TC	SIB
74	<b>TOTAL - CDOT</b>	<b>\$2,591.5 M</b>	<b>\$1,751.1 M</b>	<b>\$0.0 M</b>	<b>\$314.1 M</b>	<b>\$673.3 M</b>	<b>\$5,329.9 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	\$34.8 M	\$105.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$105.8 M		
78	Asset Management	\$34.8 M	\$105.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$105.8 M		
79	Bridge Enterprise Projects-CBE	\$34.8 M	\$105.8 M	\$0.0 M	\$0.0 M	\$0.0 M	\$105.8 M	BEB	SB 09-108
80	Maintenance and Operations	\$1.3 M	\$0.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.5 M		
81	Asset Management	\$1.3 M	\$0.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.5 M		
82	Maintenance and Preservation-CBE	\$1.3 M	\$0.5 M	\$0.0 M	\$0.0 M	\$0.0 M	\$0.5 M	BEB	SB 09-108
83	Administration & Agency Operations	\$6.4 M	\$1.9 M	\$0.0 M	\$0.0 M	\$0.0 M	\$1.9 M		
84	Agency Operations-CBE	\$6.4 M	\$1.9 M	\$0.0 M	\$0.0 M	\$0.0 M	\$1.9 M	BEB	SB 09-108
85	Debt Service	\$1.3 M	\$17.2 M	\$0.0 M	\$0.0 M	-\$17.2 M	\$0.0 M		
86	Debt Service-CBE	\$1.3 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>\$43.8 M</b>	<b>\$125.3 M</b>	<b>\$0.0 M</b>	<b>\$0.0 M</b>	<b>-\$17.2 M</b>	<b>\$152.0 M</b>		

88 HIGH PERFORMANCE TRANSPORTATION ENTERPRISE									
89	Maintenance and Operations	\$111.9 M	\$9.9 M	\$0.0 M	\$0.0 M	\$0.1 M	\$10.0 M		
90	Express Lanes Operations-HPTE	\$111.9 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	\$29.4 M	\$4.1 M	\$0.0 M	\$0.6 M	\$0.0 M	\$4.7 M		
92	Agency Operations-HPTE	\$29.4 M	\$4.1 M	\$0.0 M	\$0.6 M	\$0.0 M	\$4.7 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>\$141.3 M</b>	<b>\$22.7 M</b>	<b>\$0.0 M</b>	<b>\$0.6 M</b>	<b>\$0.1 M</b>	<b>\$164.7 M</b>		
96	<b>TOTAL - CDOT AND ENTERPRISES</b>	<b>\$2,776.6 M</b>	<b>\$1,899.2 M</b>	<b>\$0.0 M</b>	<b>\$314.7 M</b>	<b>\$656.2 M</b>	<b>\$5,646.6 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  
Attachment B – FY 2020-21 Revenue Reconciliation**

REVENUE SOURCE	FY 2020-21		
	Budgeted	Actual Revenue	Variance
<b>1 STATE FUNDS</b>			
2 HUTF Revenue to CDOT	\$ 435,691,797	\$ 422,712,184	\$ (12,979,613)
3 CDOT Miscellaneous Revenue	\$ 29,392,189	\$ 29,392,189	\$ 0
4 General Fund Revenue to CDOT	\$ 30,600,000	\$ 30,600,000	\$ -
5 State Infrastructure Bank	\$ 409,000	\$ 656,688	\$ 247,688
6 State Safety Education Funds	\$ 2,907,000	\$ 1,157,954	\$ (1,749,046)
7 Aeronautics Funds	\$ 32,954,170	\$ 16,577,178	\$ (16,376,992)
8 Bustang	\$ 2,900,000	\$ 1,938,126	\$ (961,874)
<b>9 TOTAL STATE FUNDS</b>	<b>\$ 534,854,156</b>	<b>\$ 503,034,319</b>	<b>\$ (31,819,837)</b>
<b>10 FASTER FUNDS</b>			
11 FASTER Safety - State Share to CDOT **	\$ 113,753,166	\$ 113,805,752	\$ 52,586
12 FASTER Safety - Local Share for Rail and Transit	\$ 5,000,000	\$ 5,000,000	\$ -
<b>13 TOTAL FASTER FUNDS</b>	<b>\$ 118,753,166</b>	<b>\$ 118,805,752</b>	<b>\$ 52,586</b>
<b>14 FEDERAL FUNDS</b>			
15 Federal Highway Administration - Flexible	\$ 381,284,413	\$ 359,330,897	\$ (21,953,515)
16 Federal Highway Administration - Inflexible	\$ 172,214,387	\$ 167,889,997	\$ (4,324,390)
17 Federal Transit Administration	\$ 108,063,086	\$ 73,794,316	\$ (34,268,770)
18 National Highway Traffic Safety Administration	\$ 9,235,000	\$ 9,141,646	\$ (93,354)
19 Federal Aviation Administration	\$ 45,829	\$ 36,898	\$ (8,931)
<b>20 TOTAL NON-EMERGENCY FEDERAL FUNDS</b>	<b>\$ 670,842,715</b>	<b>\$ 610,193,754</b>	<b>\$ (60,648,961)</b>
<b>21 LOCAL MATCHING FUNDS</b>			
22 Local Match for FHWA Funding	\$ 22,395,009	\$ 21,684,767	\$ (710,242)
23 Local Match for FTA Funding	\$ 14,217,667	\$ 12,711,243	\$ (1,506,424)
<b>24 TOTAL LOCAL MATCHING FUNDS</b>	<b>\$ 36,612,676</b>	<b>\$ 34,396,010</b>	<b>\$ (2,216,666)</b>
<b>25 Certificates of Participation</b>			
26 Certificates of Participation	\$ 620,559,397	\$ 620,559,397	\$ -
<b>27 Total Certificates of Participation</b>	<b>\$ 620,559,397</b>	<b>\$ 620,559,397</b>	<b>\$ -</b>
<b>28 Total Colorado Department of Transportation Revenue</b>	<b>\$ 1,981,622,111</b>	<b>\$ 1,886,989,233</b>	<b>\$ (94,632,878)</b>
<b>29 ADDITIONAL FEDERAL FUNDING OBLIGATION AUTHORITY - PERMANENT RECOVERY &amp; REDISTRIBUTION</b>			
30 Federal Highway Administration - Permanent Recovery	\$ -	\$ -	\$ -
31 Federal Highway Administration - Redistribution	\$ -	\$ 59,761,086	\$ 59,761,086
32 Federal Highway Infrastructure Program - Non-Urban	\$ 5,689,223	\$ 5,689,223	\$ -
33 Federal Highway Infrastructure Program - Urban	\$ 3,060,012	\$ 3,060,012	\$ -
	\$ 14,561,058	\$ 14,561,058	\$ -
<b>34 TOTAL ADDITIONAL FEDERAL OBLIGATION AUTHORITY</b>	<b>\$ 23,310,293</b>	<b>\$ 83,071,379</b>	<b>\$ 59,761,086</b>
<b>Total Colorado Department of Transportation Revenue &amp; Obligation Authority</b>	<b>\$ 2,004,932,404</b>	<b>\$ 1,970,060,612</b>	<b>\$ (34,871,792)</b>

**Notes:**

36 <i>Total CDOT Flexible Revenue &amp; Federal Obligation</i>	\$ 882,657,622	\$ 907,485,580	\$ 24,827,958
37 <i>Total CDOT Inflexible Revenue &amp; Federal Obligation</i>	\$ 1,152,874,782	\$ 1,093,175,032	\$ (59,699,750)

\* *Permanent Recovery Revenues included in FHWA Flexible amount (line 15).*

\*\* *Amount budgeted did not equal the FASTER revenue forecast for FY21 (line 11).*

\*\*\* *See breakdown (line 22)*

**Colorado Bridge Enterprise (CBE)**

REVENUE SOURCE	FY 2020-21		
	Budgeted	Actual Revenue	Variance
<b>38 STATE FUNDS</b>			
39 Interest Income - Exempt	\$ 280,000	\$ 3,391,670	\$ 3,111,670
40 Bond Interest Income-Exempt		\$ 190,433	\$ 190,433
41 Reimbursement of Expenditures		\$ 65,737	\$ 65,737
42 Miscellaneous/Local Project Contributions		\$ 100,000	\$ 100,000
<b>43 TOTAL STATE FUNDS</b>	<b>\$ 280,000</b>	<b>\$ 3,747,840</b>	<b>\$ 3,467,840</b>
<b>44 FASTER FUNDS</b>			
45 FASTER - Bridge Surcharge	\$ 112,000,000	\$ 106,403,060	\$ (5,596,940)
<b>46 TOTAL FASTER FUNDS</b>	<b>\$ 112,000,000</b>	<b>\$ 106,403,060</b>	<b>\$ (5,596,940)</b>
<b>47 FEDERAL FUNDS</b>			
48 Buy America Bonds Credit	\$ 5,148,202	\$ 5,169,100	\$ 20,898
49 Project & Debt Service			
50 Re-distributed FHWA for BE Projects			\$ -
<b>51 TOTAL FEDERAL FUNDS</b>	<b>\$ 5,148,202</b>	<b>\$ 5,169,100</b>	<b>\$ 20,898</b>
<b>52 Statewide Bridge Enterprise Revenue</b>	<b>\$ 117,428,202</b>	<b>\$ 115,320,000</b>	<b>\$ (2,108,202)</b>

**Colorado High Performance Transportation Enterprise (HPTE)**

REVENUE SOURCE	FY 2020-21		
	Budgeted	Actual Revenue	Variance
<b>53 STATE FUNDS</b>			
54 Tolling Fee/Fines	\$ 22,181,895	\$ 15,318,205	\$ (6,863,690)
55 Tolling Violations			
56 Managed Lanes	\$ 642,000	\$ 453,865	\$ (188,135)
57 Interest Income - 536		\$ 442,004	\$ 442,004
58 Interest Income		\$ 85,529	\$ 85,529
59 Miscellaneous Income	\$ 14,354,605	\$ 8,317,370	\$ (6,037,235)
60 Fee for Service	\$ 5,680,000	\$ 5,600,000	\$ (80,000)
<b>61 TOTAL STATE FUNDS</b>	<b>\$ 42,858,500</b>	<b>\$ 30,216,973</b>	<b>\$ (12,641,527)</b>
<b>62 High Performance Transportation Enterprise Revenue</b>	<b>\$ 42,858,500</b>	<b>\$ 30,216,973</b>	<b>\$ (12,641,527)</b>
<b>63 Total Transportation Revenue &amp; Federal Obligation</b>	<b>\$ 2,159,539,106</b>	<b>\$ 2,109,997,585</b>	<b>\$ (49,541,521)</b>

**64 Notes:**

\*Revenue is subject to change pending final audit.

<b>Attachment C - Revenue Reconciliation Adjustments by Program</b>			
<b>Revenue Source</b>	<b>Line</b>	<b>Program / Budget Line</b>	<b>Amount</b>
HUTF FASTER	14	Faster Safety Program	\$52,586
		<b>Total FASTER Revenue</b>	<b>\$52,586</b>
FHWA Inflexible	12	Railway-Highway Crossings Program	(\$25,517)
FHWA Inflexible	72	Planning and Research	(\$64,063)
FHWA Inflexible	19	National Highway Freight Program	(\$867,414)
FHWA Inflexible	51	STBG-Urban (STP-Metro)	(\$411,420)
FHWA Inflexible	52	Congestion Mitigation and Air Quality	(\$1,954,068)
FHWA Inflexible	53	Metropolitan Planning	(\$247,079)
FHWA Inflexible	54	Off-System Bridge Program	(\$243,166)
FHWA Inflexible	59	Transportation Alternatives Program	(\$511,665)
		<b>Total FHWA Inflexible Revenue</b>	<b>(\$4,324,392)</b>
FHWA Local Match	51	Local Match for STBG - Urban / STP Metro	(\$85,524)
FHWA Local Match	54	Local Match for Bridge Off System (BRO)	(\$60,792)
FHWA Local Match	52	Local Match for CMAQ	(\$406,203)
FHWA Local Match	53	Local Match for Metro Planning	(\$51,362)
FHWA Local Match	59	TAP Urban Areas > 200,000	(\$33,818)
FHWA Local Match	59	All Other TAP	(\$72,543)
		<b>Total FHWA Local Match</b>	<b>(\$710,242)</b>
Other State Revenue	46	Bustang	(\$961,874)
Other State Revenue	49	Aviation System Program	(\$16,376,992)
Other State Revenue	74	State Infrastructure Bank	\$247,688
Other State Revenue	71	Safety Education	(\$1,749,046)
		<b>Total Other State Revenue</b>	<b>(\$18,840,224)</b>





## FHWA Announces 2021 Redistribution

August Redistribution is an annual process that allows states who demonstrate they can use 100% or more of their annual obligation authority (“ob. limit”) to request additional funds if other states leave funding on the table or other USDOT funded programs, such as Infrastructure for Rebuilding America (INFRA), go unobligated during the year. CDOT is historically very successful at demonstrating that it will obligate 100% of the FHWA Formula funds and thus qualifies for FHWA August Redistribution.

## CDOT’s Previous Redistributions.

On August 30, 2021 CDOT was distributed \$59,761,086, the 3rd most ever for the state. Colorado’s share of the national total was 1.43%. The redistributed amount was Colorado’s sixth consecutive year receiving over \$40M. Although this amount is less than the previous year, it was significant due to a large portion of USDOT grants, (INFRA, BUILD, etc.) remaining unobligated as of the date of redistribution.

CDOT's Most Recent Redistribution Requests and Actuals Received					
Fiscal Year	CDOT Request	Actual Received	National Total	Colorado Share of Total	
2021	\$ 120,000,000	\$ 59,761,086	\$ 4,178,016,327	1.43%	
2020	\$ 119,000,000	\$ 77,044,157	\$ 4,762,052,903	1.62%	
2019	\$ 107,000,000	\$ 50,710,089	\$ 3,972,743,240	1.28%	
2018	\$ 119,000,000	\$ 69,573,361	\$ 4,183,936,196	1.66%	
2017	\$ 123,000,000	\$ 44,872,399	\$ 3,137,048,104	1.43%	
2016	\$ 106,000,000	\$ 48,047,076	\$ 2,832,803,208	1.70%	
2015	\$ 121,000,000	\$ 27,786,142	\$ 1,906,572,178	1.46%	
2014	\$ 40,000,000	\$ 31,769,903	\$ 2,117,694,862	1.50%	
2013	\$ 40,000,000	\$ 25,515,737	\$ 1,595,648,530	1.60%	
2012	\$ 15,000,000	\$ 15,000,000	\$ 1,400,464,387	1.07%	

## Redistribution Timeline

**August 30:** Final Notice signed & issued; released Obligation Authority is redistributed to States as additional formula OA

**September 17:** Deadline for regional budget actions

**September 28:** All FY21 formula funds including redistribution shall be obligated

**September 30:** End of federal fiscal year

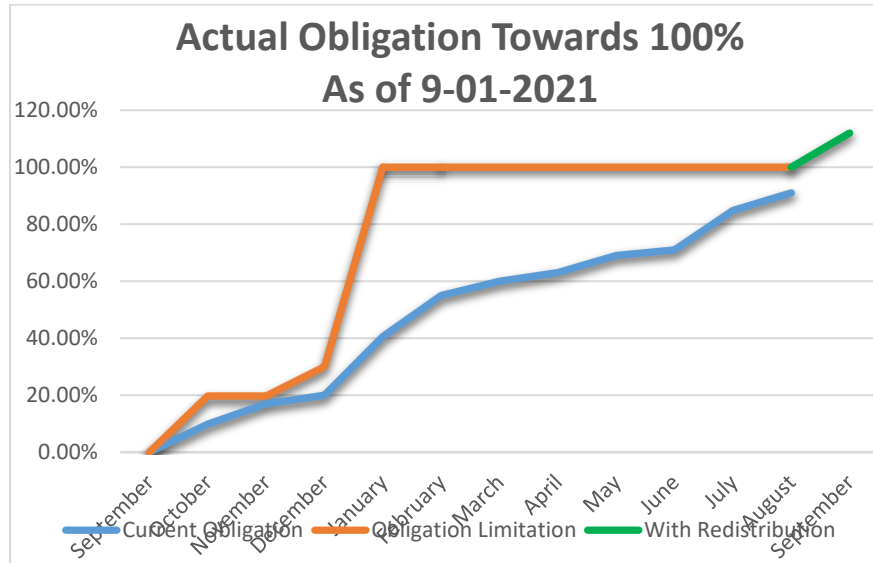
**October 8:** Anticipated FHWA reopening for FY22 business.

## What will CDOT do with the additional \$59.7 million?

Federal Obligation Authority is the ability to commit FHWA participation and subsequent cash reimbursement to the DOT for eligible expenditures. A prerequisite for qualifying for redistribution of additional authority is that the DOT must demonstrate that the funds will be obligated prior to the end of the federal fiscal year on September 30<sup>th</sup>. Due to the short turnaround required it is advantageous for the DOT to have a pipeline of previously authorized federally eligible projects ready to consume this funding.

CDOT utilizes a cash management tool known as “advance construction” to leverage future anticipated federal revenues in order to start construction projects prior to the the beginning of that fiscal year. CDOT applies the additional current fiscal year revenues toward these projects thereby increasing cash reimbursements for the year (immediate and deferred).

This equates to additional recognized revenues and therefore creates increased Budget Authority for CDOT.



The increased Budget Authority created by redistribution is provided along with other revenue adjustments to the Transportation Commission through the Program Reserve Fund and will remain in reserve until a decision for allocation to programs or initiatives is made.



Projects **AUTHORIZED** by FHWA can proceed to construction advertisement if they are in the Statewide Transportation Improvement Program (STIP), have an environmental clearance, and reviewed by an FHWA engineer and financial analyst prior to project advertisement.

**OBLIGATED** projects are those that FHWA has formally agreed to reimburse CDOT for incurred eligible expenditures. CDOT is capped in the amount it can obligate (and therefore seek reimbursement) by the annual Appropriations Act (plus any redistribution received). CDOT employees often refer to this as the “Ob. Limit” and it is precious due to its limited nature.

**ADVANCE CONSTRUCTION** is a provision granted by FHWA in order to aid DOTs “cash manage” projects by leveraging not just current year obligation limit, but also future projected obligation limit. Projects in **ADVANCE CONSTRUCTION** cannot be reimbursed by FHWA until they are “converted” to **OBLIGATED** the following year. In the meantime, DOTs use their state funds to cover the contractor payments.

Therefore, CDOT Finance staff strategically **OBLIGATES** projects with incurred expenses in order to maximize cash inflows from FHWA.



**COLORADO**

Department of Transportation

# FY21 Revenue Reconciliation and FY22 Budget Amendment

October 21, 2021  
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## Agenda:

- Fiscal Year 2020-21
  - Revenue Reconciliation
- Fiscal Year 2021-22
  - Budget Amendment
- TC Program Reserve Reconciliation
- Anticipated Timeline





# FY 21 Revenue Reconciliation

Inflexible Revenues	Amount
FY 21 HUTF FASTER Revenue (Inflexible)	\$ 52.6 thousand
FY 21 Local Matching Funds	\$ (2.2) million
FY 21 Other State Revenue	\$ (18.8) million
FY 21 Other Federal Revenue (FTA)	\$ (34.4) million
FY 21 FHWA Revenue	\$ (4.3) million
<b>TOTAL</b>	<b>\$ (59.7) million</b>

The over/(under) for inflexible revenues are passed through to the Programs funded by those specific sources

Flexible Revenues	Amount
FY 21 HUTF Revenue (Flexible)	\$ (12.9) million
FY 21 FHWA Redistribution	\$ 59.8 million
FY 21 FHWA Revenue	\$ (21.9) million
<b>TOTAL</b>	<b>\$ 24.8 million</b>

The over/(under) for flexible revenues are addressed by utilizing the Program Reserve



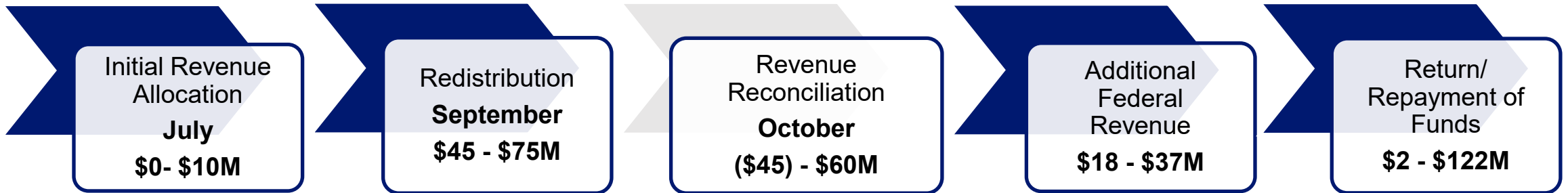
# TC Program Reserve Reconciliation

<b>October Beginning Balance</b>	<b>\$16.2 million</b>
<b>Residual SHF from Cost Centers</b>	<b>\$20.9 million</b>
<b>Revenue Reconciliation</b>	<b>\$24.8 million</b>
FY 21 Flexible HUTF	(\$12.9) million
FY21 Flexible FHWA	(\$21.9) million
FY 21 FHWA Redistribution	\$59.8 million
<b>Total</b>	<b>\$61.9 million</b>
FY 22 SHF Budget Amendments	(\$8.9) million
<b>TOTAL</b>	<b>\$53.0 million</b>

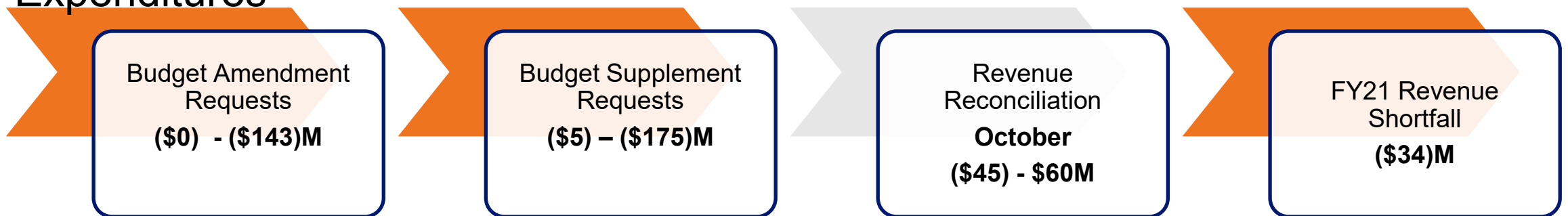


# FY 18-22 TC Program Reserve Cyclical Activity

## Deposits

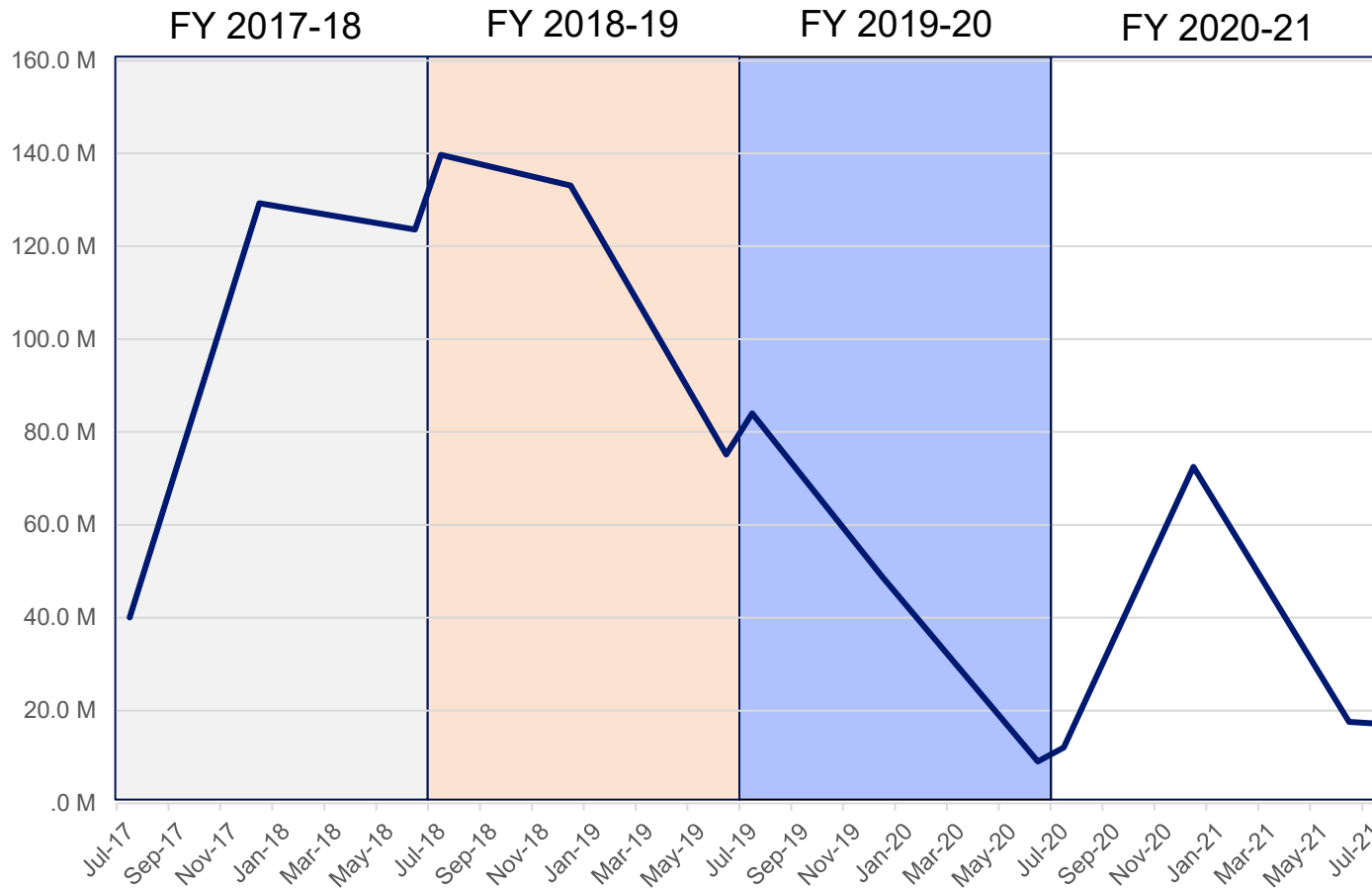


## Expenditures





# FY 18-22 Program Reserve History



## Major Deposits

	FY18	FY19	FY20	FY21
Redistribution	\$44.9	\$69.6	\$50.7	\$77.0
Rev Recon	\$15.5	\$9.9	\$24.2	\$60.0
Add'l Federal	\$17.8	\$37.2	\$19.1	\$23.3

## What is Program Reserve?

A reserve account established by the Commission to fund unanticipated, non-emergency needs including matches to federal grants, shortfalls on major projects, and supplemental requests for additional program funding.

It is used as a clearing account to reconcile revenues on an annual basis, reflecting additional or shortfalls prior to allocation decisions

## Typical Transfers From Program Reserve

- Strategic projects
- Program plus ups
- Match to federal grants
- New or one-time initiatives





# Budget Amendment

## \$500,000 - Strategic Safety Program (Line 37)

- The Operations Evaluation and Bottleneck Reduction programs addresses low-cost needs in partnership with all the regions that improve the flow of traffic and improve the safety of our roadways. Bottleneck reduction projects and safety/operations evaluations result in improvements that include realignment, striping improvements, signing, signal time, access control, and other intersection design improvements.
- This program has been funded at the \$500,000 level for the past several years. As increasingly more opportunities are identified for these low-cost/high-benefit projects, an increase in the existing level of funding is being requested in order to meet some of the demand for additional improvements.

## \$1,000,000 - Strategic Safety Program (Line 37)

- This request is to purchase MASH Guardrail and End Treatments to have a ready supply depot for Maintenance to promptly replace damaged sections and end treatments.
- This depot will increase the safety of the roadways by allowing CDOT to have materials on hand, reducing repair time.
- The depot will also allow for more cost effective purchases of guardrail and end treatments and reduce the burden of replacement currently falling on Maintenance Sections.



# Budget Amendment

- ✓ This request is safety/operational based (Crew and traveler safety and maintenance operations efficiency)
- ✓ PD 1502.1 requires Traffic and Maintenance crew performing lane closures and highway maintenance functions to use an attenuator truck
- ✓ Planned to equip each HWY and traffic patrol with a mobile attenuator truck
- ✓ We are currently short 77 attenuator trucks to achieve this goal



## International Fire (Pumper) Truck



- ✓ This request is operational (Crew and Traveler Safety and Tunnel Operations)
- ✓ EJMT has a traditional fire engine (34 years old), no available repair parts
- ✓ HLT has a traditional fire engine (26 years old), limited repair parts
- ✓ Replacement will be based on our current tandem snow plow platform

1988 Pierce Dash (E4019) 750 gallon water tank / 1000 gpm pump with 125 gallons of foam.



Eisenhower/Johnson Memorial Tunnel Station 1

## Tandem (Snow Plow) Replacement



- ✓ This request is operational based
- ✓ During debris flow clean up in GWC a tandem incident resulted in a bent frame during off loading. This vehicle is a complete loss due to frame damage.
- ✓ Lost of this tandem will reduce winter operational capabilities within R4 (Colo Spgs)



# Budget Amendment

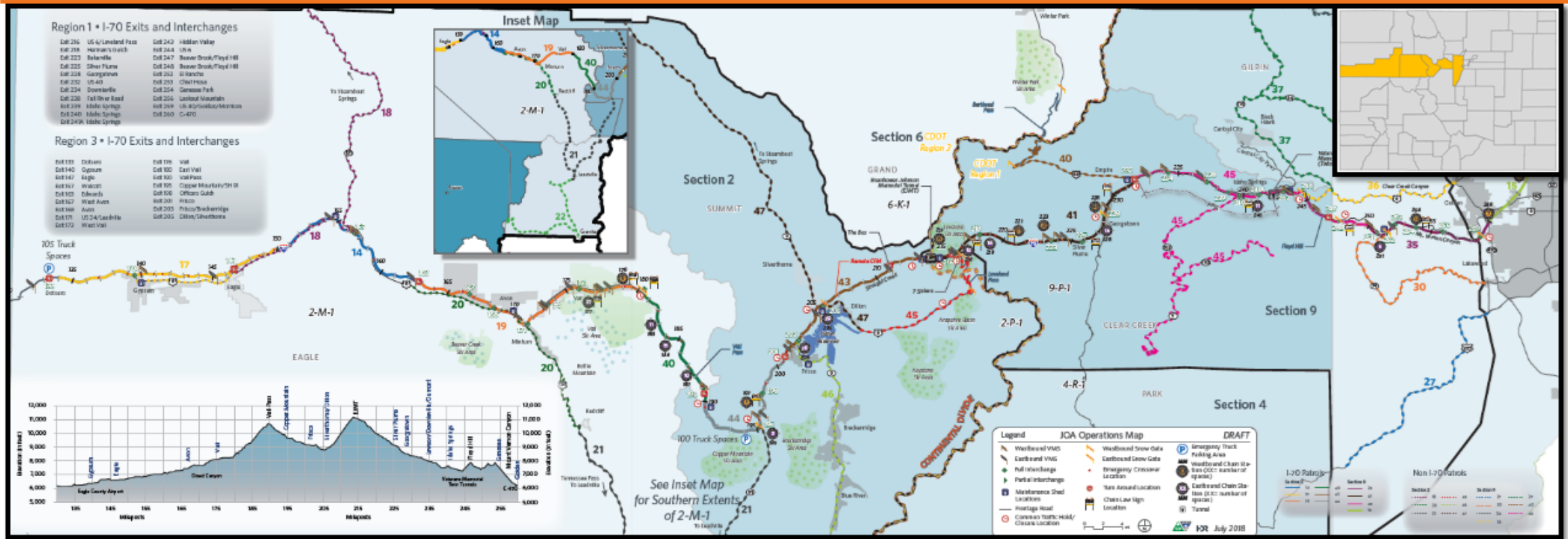
- ✓ This request is operational based to support winter maintenance operations
- ✓ Each year CDOT has to replace approx. 10-15 older style steel or plastic Magnesium Chloride Storage Tanks
- ✓ Each new tank has a unit cost of \$13,500 to \$15,000 depending on location
- ✓ Currently CDOT has almost 150 Tank Farms throughout the state each with 2-8 tanks at each location
- ✓ Currently there is no funding source for replacements



## Magnesium Chloride Storage Fiberglass Tanks



# Budget Amendment



- ✓ This request supports JOA augmented personnel for Winter Season 21/22
- ✓ This request is phasing out, but needed as we build and staff the new maintenance patrol and support Section 2 and 9's JOA personnel.
- ✓ This \$1.5M fund will cover temporary lodging, augmented personnel per diem, and JOA pro-pay/over time.



# Budget Amendment

## \$809,688 - Maintenance Program Areas (Line 22)

- Region 1 Section 5 (Denver Metro Area) relies on a contract with CCI to supplement staff, given a large number of maintenance vacancies. This contract includes debris removal, fence repair, and vegetation control. Sufficient funds were not identified in FY 22 and the section now faces a funding shortfall on this contract if additional funding is not identified.

## \$2,800,000 - Capital Construction Program Indirect Budget

- The indirect budget is a subcomponent of the Capital Construction program and as such the approval of additional indirect budget results in the reallocation of funds within the Capital Construction program and does not require the commitment of additional funds from another source (i.e. TC Program Reserve.)
- CDOT's efforts to modernize estimation, construction (SiteManager) and materials (LIMS) software systems have been ongoing over the past year with the creation of quick action teams in each respective area to help address and evaluate solutions.
- The additional indirect budget is needed for one time implementation and license costs associated with implementing new estimation, construction payment and materials software.



# Next Steps



- November 2021 – Staff will adjust FY 2021-22 budget allocations for programs with inflexible revenue sources to reconcile to actual revenue received.
- January 2022 – The next revenue forecast update is scheduled to occur in December 2021 and staff plan to provide an update in January.





**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CHIEF FINANCIAL OFFICER  
BETHANY NICHOLAS, BUDGET DIRECTOR  
**DATE:** OCTOBER 20, 2021  
**SUBJECT:** FY 2022-23 PROPOSED ANNUAL BUDGET

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**Purpose**

To review the FY 2022-23 Proposed Annual Budget, set for approval in November.

**Action**

The Division of Accounting and Finance (DAF) is requesting Transportation Commission (TC) review of the FY 2022-23 Proposed Annual Budget Allocation Plan, and feedback to the Department in preparation for the approval of the FY 2022-23 Proposed Annual Budget Allocation Plan in November 2021. Staff will return in February 2022 to present the draft Final Budget Allocation Plan and the TC will be asked to adopt the final budget after the revenue forecast is updated in March 2022.

**FY 2022-23 Proposed Annual Budget Allocation Plan:**

The draft FY 2022-23 Proposed Annual Budget Allocation Plan is available on the Department's website: <https://www.codot.gov/business/budget/cdot-budget>. The Proposed Budget Allocation Plan is a comprehensive annual budget that includes a Budget Narrative, Revenue Allocation Plan, Spending Plan, and supplemental reports.

- The Budget Narrative includes current program descriptions and funding detail supporting the annual budget.
- The Revenue Allocation Plan (Attachment A), often called the "one-sheet budget", shows how one year of revenue is allocated to CDOT's programs, including cost centers and program pools.
- The Spending Plan estimates operating and capital program expenditures during the fiscal year using new revenue and cash balances rolled forward from previous fiscal years. (This report will be available for review in November 2021.)

The FY 2022-23 Proposed Annual Budget is balanced using the September 2021 revenue forecast, which reflects \$1,484.9 million in total revenue that is available for programming in FY 2022-23 for CDOT and the enterprises. This includes an estimated \$29.3 million in net new revenue for CDOT as a result of the passage of SB 21-260 Sustainability of the Transportation System. Revenues specific to a program that are considered inflexible (i.e., Fast Act and State mandated programs such as safety education and Aeronautics) have been automatically adjusted based on the FY 2022-23 revenue forecast. Asset Management and Maintenance programs are funded according to the FY 2022-23 Asset Management Planning Totals, approved by the TC in August 2017. All other program revenues are flexible and are initially set based on the FY 2021-22 budget amounts as adopted by the TC in March 2021 (and amended in July, August and September 2021), with some exceptions.

**FASTER Revenue Shortfall**

Senate Bill 21-260 temporarily reduces the Road Safety Surcharge fee for two years. For all registration periods between January 1, 2022, and January 1, 2024, the amount of each Road Safety Surcharge is



reduced by \$5.55, resulting in a projected revenue shortfall of approximately \$37.0 million for FY 2022-23 (attributable to the fee reduction and other factors). FASTER revenue is statutorily required to fund the FASTER Safety Program and any reduction to FASTER revenue must be taken directly from this program. For FY 2022-23, that would result in a nearly 50% reduction to the program's allocation; therefore, the draft FY 2022-23 Revenue Allocation Plan (see Attachment A) currently includes a \$34.4 million backfill of state funds to keep the program's budget whole at \$69.2 million. Staff will continue to monitor the forecast for FASTER revenue and determine if that amount needs to be adjusted during the budget development process.

#### **Maintenance Reserve Fund and Contingency Fund**

In order to provide the backfill in state funds for the FASTER Safety Program above, staff is not immediately allocating new revenue to the Maintenance Reserve Fund or Contingency Fund lines (Lines 35 and 69). It is anticipated that these lines will have roll forwards from FY 2021-22 of approximately \$12 million and \$25 million, respectively, which should provide an adequate budget for FY 2022-23. Staff will monitor reserve balances during FY 2021-22, as well as future revenue forecasts, to determine if that needs to be adjusted during the budget development process.

#### **Debt Service**

Senate Bills 21-260 and 21-265 provided a combined total of \$265 million to cover debt service on SB 17-267 COPs beginning in FY 2021-22. Combined with the \$62 million that was rolled forward for debt service from FY 2020-21, the total budget available for debt service in FY 2021-22 is \$327 million. After covering debt service payments in FY 2021-22, staff anticipates that \$223.5 million will roll forward and be available to cover debt service obligations in FY 2022-23; therefore, staff is not allocating new revenue for the Debt Service line (Line 67) in FY 2022-23.

#### **TC Program Reserve**

The draft FY 2022-23 Revenue Allocation Plan currently reflects a surplus of \$3.4 million which is temporarily placed in the TC Program Reserve line (Line 70), pending future allocation decisions. This amount is available for increases to statewide common policies, decision items, or other balancing adjustments that need to be made during the budget development process.

#### Potential Changes to the FY 2022-23 Proposed Budget Allocation Plan

DAF identified the following outstanding issues or questions that will likely result in further changes to the FY 2022-23 Annual Budget Allocation Plan:

- *Decision Items:* During the FY 2022-23 budget-building process, CDOT divisions and regions can request decision items, which are requests for funding that represent a significant change to a division's current program (eg. new or expanded programs or investments). In accordance with Policy Directive (PD) 703.0, decision item requests of less than \$1 million are reviewed and subject to approval by the EMT, while decision items of \$1 million or greater are reviewed by the EMT and then forwarded to the TC for consideration, with final approval with the Final Annual Budget Allocation Plan in March 2022. The TC will have an opportunity to review any potential decision item requests during the February 2022 Budget Workshop, prior to the March adoption of the Final FY 2022-23 Annual Budget Allocation Plan.
- *SB 21-260 Implementation:* The Revenue Allocation Plan does not currently reflect program allocations for the Clean Transit Enterprise and the Non-attainment Area Air Pollution Mitigation Enterprise. Staff has revenue estimates for both enterprises, but allocations will not be established until the Boards are elected and have an opportunity to vote on budget allocations for



FY 2022-23. Therefore, the revenue that is estimated for both enterprises is included in a line called “TBD” as a placeholder until allocations are set. There may be additional changes to the Revenue Allocation Plan during the budget development process as staff continues to implement and operationalize the new funding and programs resulting from SB 21-260.

- *Administration (Line 64)*: Legislative and Office of State Planning & Budget (OSPB) actions during the budget-building cycle may force changes in Administration spending for CDOT. The Administration line currently reflects the budget request that will be submitted to the legislature as part of the Governor’s November 1 budget; however, staff anticipates further adjustments prior to November 1 as statewide common policies are finalized. There will likely be additional adjustments throughout the legislative budget process and the Administration line will be updated accordingly.

### **Anticipated Timeline**

In November 2021, DAF will:

- Update the Administration budget (line 64) based on final Common Policy updates provided by the Governor’s Office. This update may alter other line items, including Agency Operations (line 63) and TC Program Reserve (line 70).
- Present the FY 2022-23 Proposed Annual Budget Allocation Plan for TC approval, including any changes related to topics discussed during October, for submission to the OSPB on or before December 15, 2021.

After November, DAF will continue to address the following items for the FY 2022-23 Annual Budget:

- In January 2022, the FY 2022-23 Proposed Annual Budget Allocation Plan may be updated to reflect the most recent revenue forecast.
- In February 2022, the TC will be asked to review and approve any decision items of \$1 million or more, and additional changes related to common policy updates, or updated forecasts of revenues. The TC will also be asked to review and approve any final actions to balance the budget based on decision items, and the most recent revenue forecast.
- In March 2022, the TC will be asked to review and adopt the FY 2022-23 Final Annual Budget Allocation Plan.

### **Attachments**

Attachment A - Draft FY 2022-23 Revenue Allocation Plan

Attachment B - Presentation





**COLORADO**

Department of Transportation

# FY 2022-23 Budget Workshop: Proposed Annual Budget Allocation Plan



- FY23 Revenue Forecast
- FY23 Proposed Budget Allocation Plan
  - Revenue Allocation Plan
  - Spending Plan
  - Budget Narrative and Other Budget Appendices
- Budget Development Process
- Additional Adjustments Coming
- Timeline and Next Steps





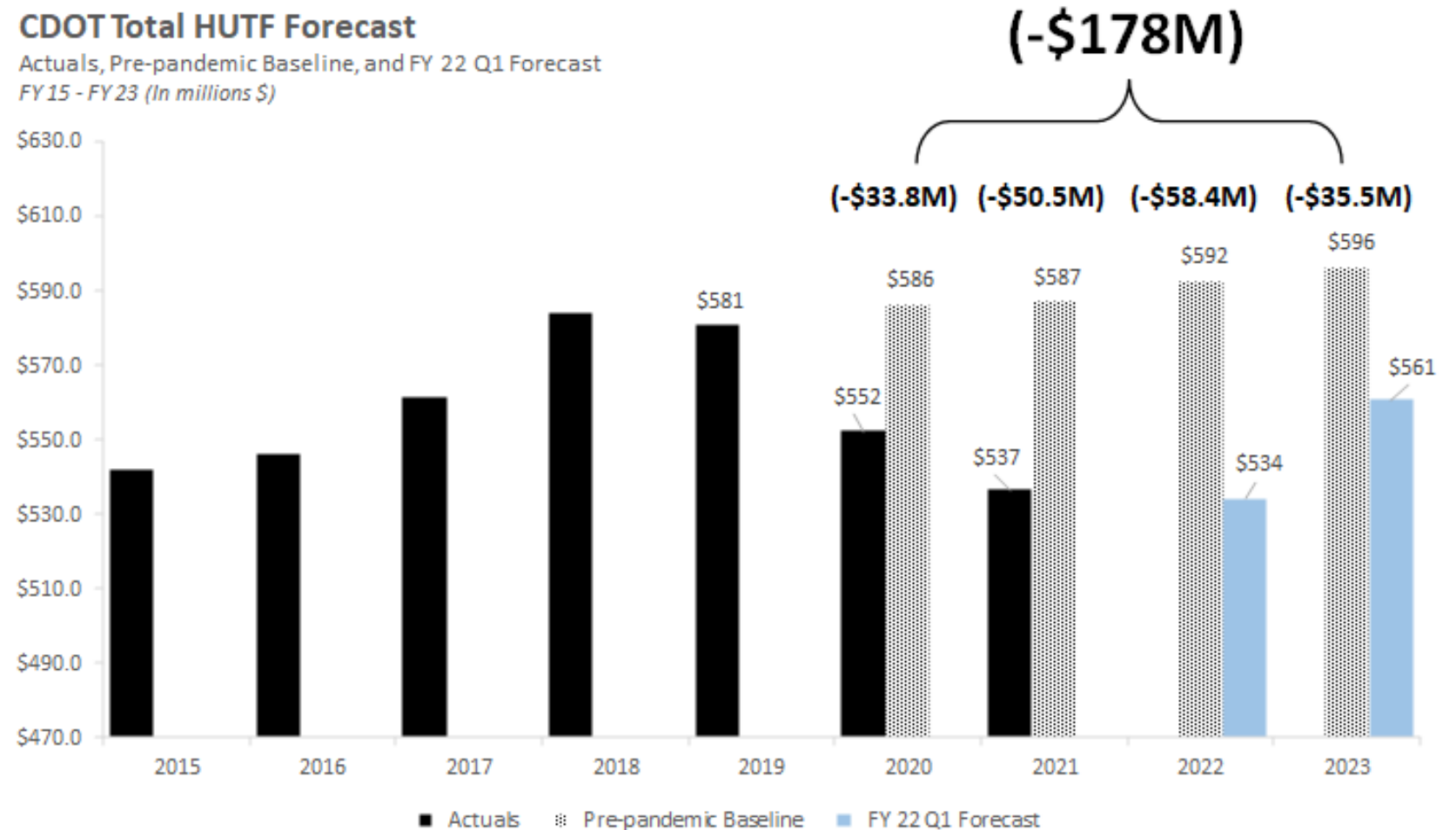
# HUTF Revenue Forecast Update

Actual HUTF losses since the start of the pandemic have amounted to about (\$84M) between FY 20 & FY 21.

The combined effect of the economic disruption, as well as other factors in the short-term, could result in (\$178M) less potential revenue to the Department by the end of FY 23.

## CDOT Total HUTF Forecast

Actuals, Pre-pandemic Baseline, and FY 22 Q1 Forecast  
FY 15 - FY 23 (In millions \$)





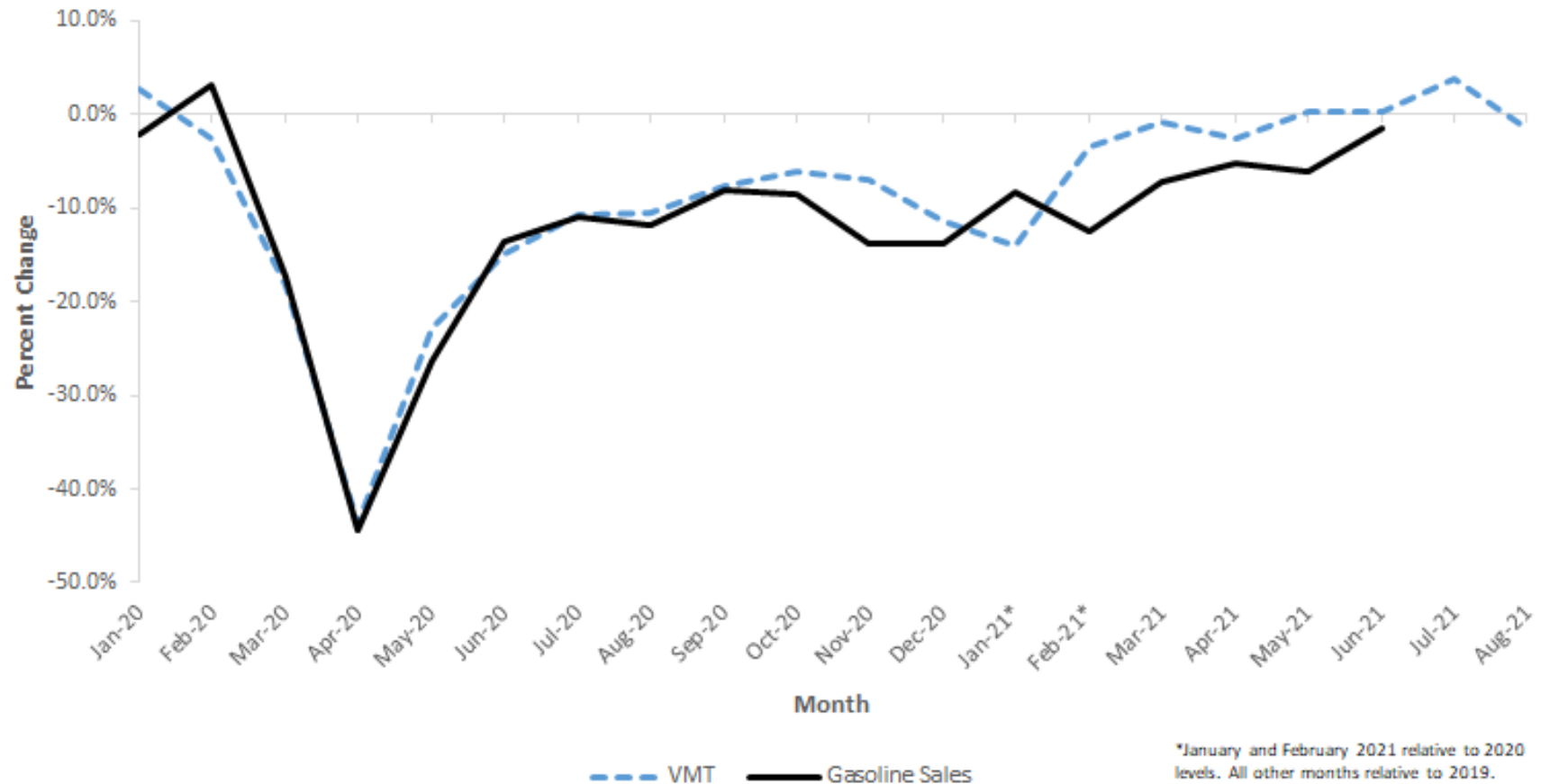
# Forecasted Motor Fuel Consumption

VMT in FY 21 was down on average about 6.1% compared to pre-pandemic levels, and gross gallons of gasoline sold was down about 8.8% overall.

Although VMT and fuel sales are slowly recovering, continued volatility and uncertainty suggest motor fuel collections in FY 22 will still remain less than FY19.

**YoY Gasoline Consumption and VMT Patterns**  
 Monthly VMT and Gasoline Sales Compared to Pre-pandemic Levels  
 January 2020 - August 2021

Source: Division of Transportation Development & Department of Revenue



\*January and February 2021 relative to 2020 levels. All other months relative to 2019.



# FY 2022-23 Revenue Forecast

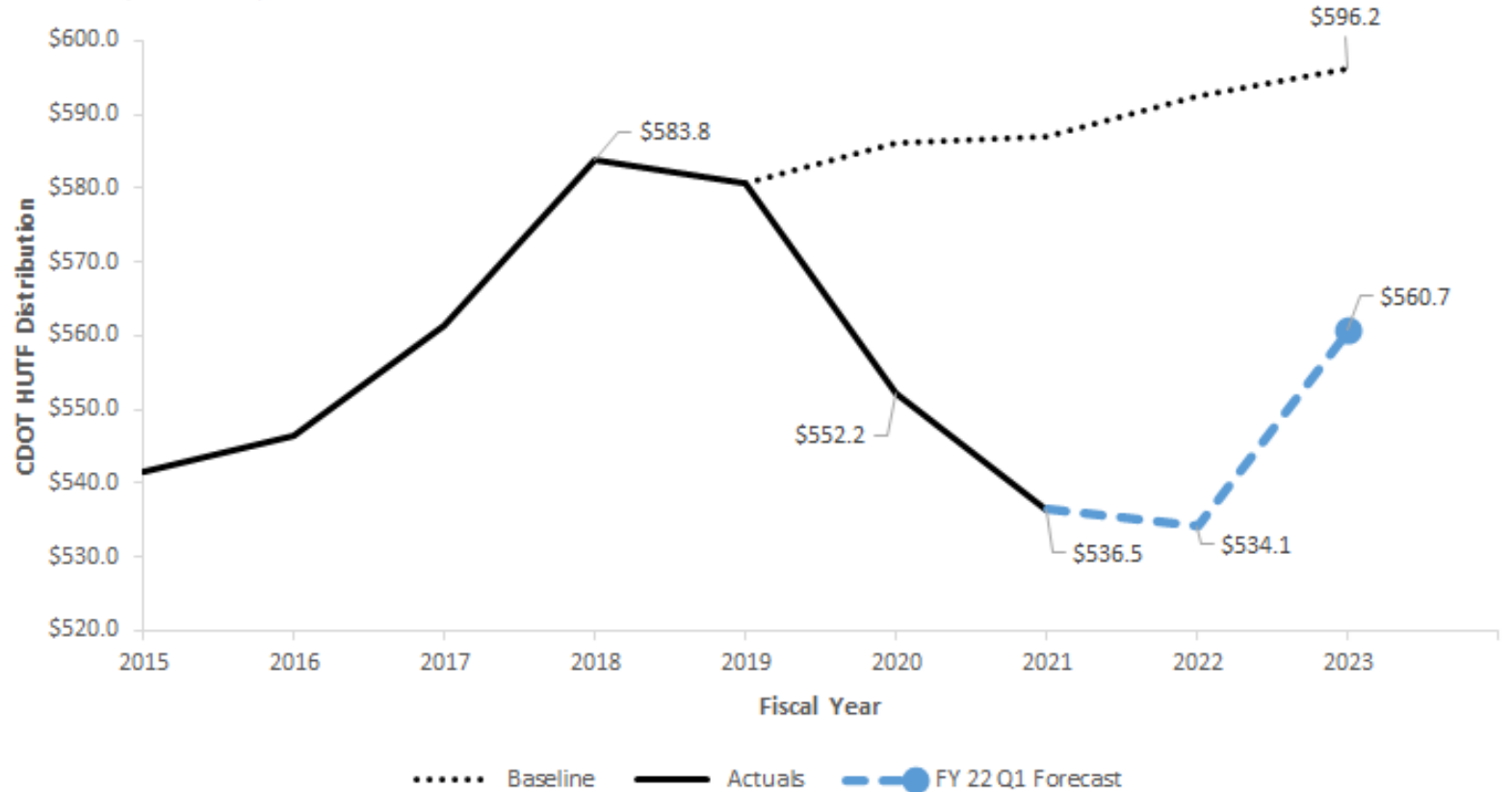
The FY23 Annual Budget is balanced using the September 2021 revenue forecast (FY22 Q1), which reflects a budget shortfall of (\$35.5) million (relative to revenue that was forecasted for FY23 prior to the COVID-19 pandemic).

The June 2021 revenue forecast anticipated a budget shortfall of (\$26.2) million for FY23. The updated forecast illustrates an overall decline largely due to reduced FASTER revenues as a result of fewer expected vehicle rentals, and in spite of a slightly improved outlook on flexible HUTF funding following a larger rebound in travel now anticipated during FY 22.

The revenue forecast includes new funding from the passage of SB 21-260.

## CDOT HUTF Distribution Outlook

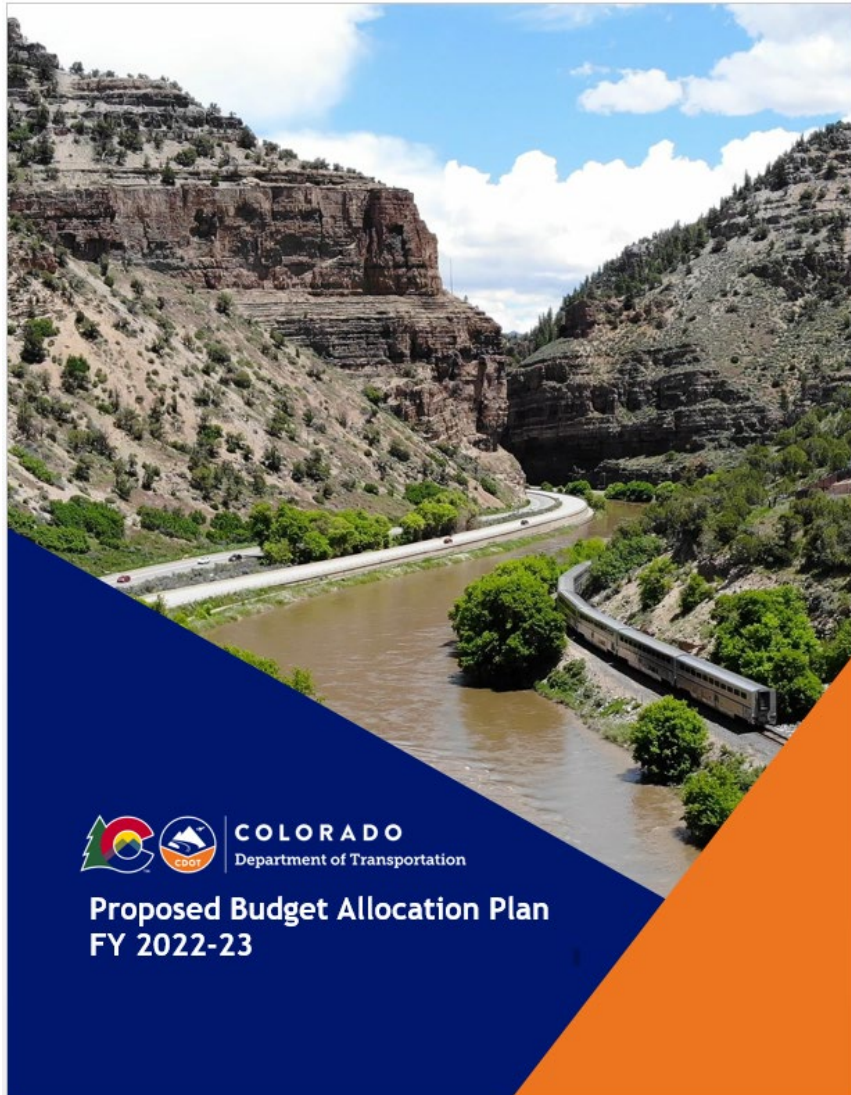
FY 22 Q1 Forecast, Actuals, & Pre-pandemic Baseline  
 FY 15 - FY 23 (in millions \$)







# Narrative and Other Budget Appendices



## Review the Narrative and Revenue Allocation Plan on CDOT's Website:

<https://www.codot.gov/business/budget/cdot-budget>

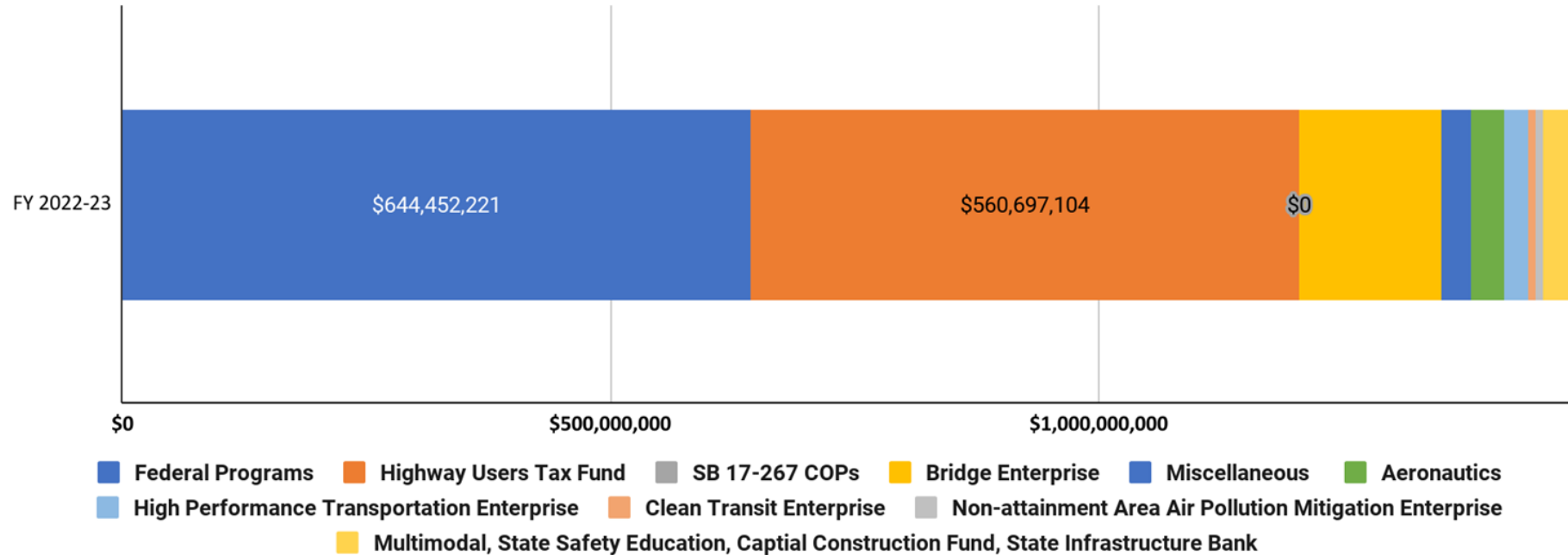
### Other Budget Appendices will be available in November:

- Appendix B - Spending Plan
- Appendix C - Open Projects and Unexpended Project Balances
- Appendix D - Planned Projects
- Appendix E - Total Construction Budget
- Appendix F - Project Indirect Costs and Construction Engineering
- Appendix G - CDOT Personnel Report



# FY 2022-23 Sources of Revenue

FY 2022-23 Sources

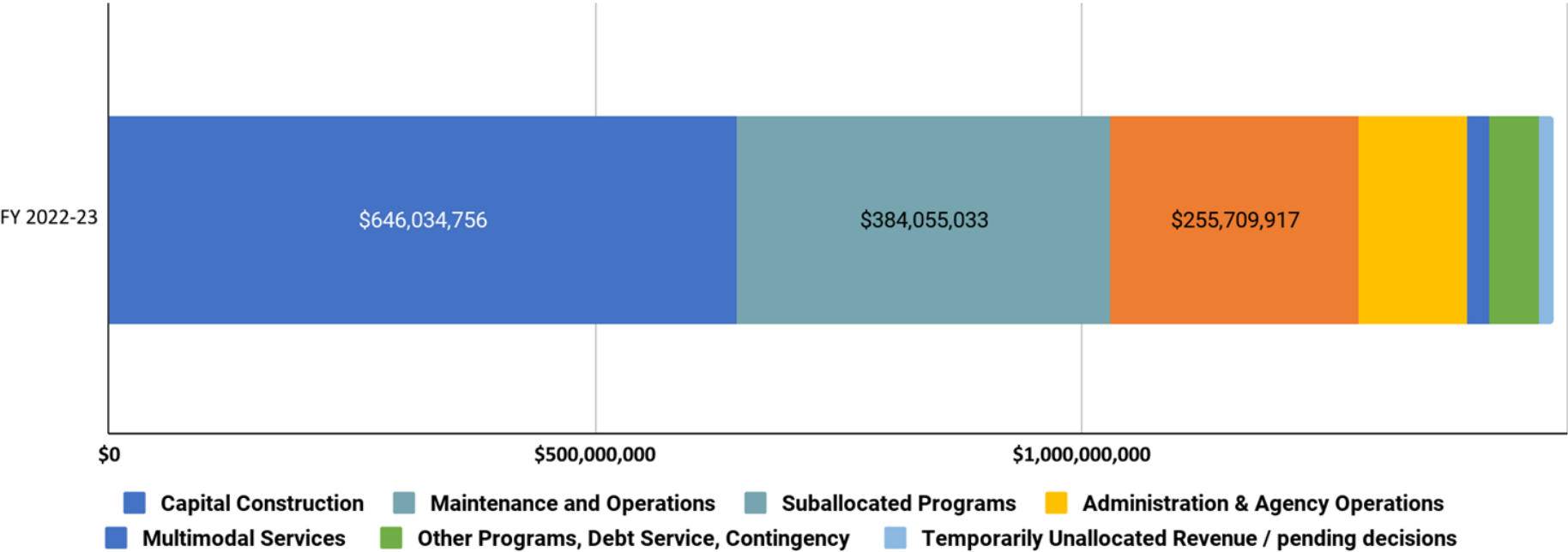


Total -  
**\$1,484,893,040**



# FY 2022-23 Uses of Revenue

FY 2022-23 Uses



Total -  
**\$1,484,893,040**



# FY 2021-22 Revenue Allocation Plan (Allocation Plan Appendix A)

FY 2022-23 Revenue Allocation Plan

Line	Budget Category / Program	Estimated Rollforward from FY 2021-22	FY 2022-22 Final Allocation Plan	FY 2022-23 Proposed Allocation Plan	Directed By	Funding Source
<b>1 COLORADO DEPARTMENT OF TRANSPORTATION</b>						
2	Capital Construction	\$0.0 M	\$972.3 M	\$495.4 M		
3	Asset Management	\$0.0 M	\$386.1 M	\$382.2 M		
4	Surface Treatment	\$0.0 M	\$223.3 M	\$225.1 M	TC	FHWA / SH / SB 09-308
5	Structures	\$0.0 M	\$61.9 M	\$61.9 M	TC	FHWA / SH / SB 09-308
6	System Operations	\$0.0 M	\$34.3 M	\$26.9 M	TC	FHWA / SH
7	Geohazards Mitigation	\$0.0 M	\$10.1 M	\$10.0 M	TC	SB 09-308
8	Permanent Water Quality Mitigation	\$0.0 M	\$6.5 M	\$6.5 M	TC	FHWA / SH
9	Emergency Relief	\$0.0 M	\$0.0 M	\$0.0 M	FR	FHWA
10	Safety	\$0.0 M	\$115.9 M	\$96.7 M		
11	Highway Safety Improvement Program	\$0.0 M	\$33.1 M	\$32.9 M	FR	FHWA / SH
12	Railway/Highway Crossings Program	\$0.0 M	\$1.8 M	\$1.8 M	FR	FHWA / SH
13	Hot Spots	\$0.0 M	\$2.2 M	\$2.2 M	TC	FHWA / SH
14	FASTER Safety	\$0.0 M	\$69.2 M	\$44.6 M	TC	SB 09-308
15	ADA Compliance	\$0.0 M	\$7.2 M	\$7.2 M	TC	FHWA / SH
16	Mobility	\$0.0 M	\$520.9 M	\$72.5 M		
17	Regional Priority Program	\$0.0 M	\$48.4 M	\$50.0 M	TC	FHWA / SH
18	Strategic Projects	\$0.0 M	\$450.0 M	\$0.0 M	SL	SB 17-267 / SB 19-262
19	National Inlandwater Freight Program	\$0.0 M	\$27.5 M	\$27.5 M	FR	FHWA / SH
20	Maintenance and Operations	\$0.0 M	\$342.7 M	\$369.5 M		RNAME?
21	Asset Management	\$0.0 M	\$312.3 M	\$377.5 M		
22	Maintenance Program Areas	\$0.0 M	\$263.5 M	\$267.8 M		
23	Roadway Surface	\$0.0 M	\$40.4 M	\$40.4 M	TC	SH
24	Roadside Facilities	\$0.0 M	\$21.4 M	\$21.4 M	TC	SH
25	Roadside Appearance	\$0.0 M	\$9.8 M	\$9.8 M	TC	SH
26	Structure Maintenance	\$0.0 M	\$5.4 M	\$5.4 M	TC	SH
27	Tunnel Activities	\$0.0 M	\$4.0 M	\$4.0 M	TC	SH
28	Snow and Ice Control	\$0.0 M	\$79.1 M	\$81.4 M	TC	SH
29	Traffic Services	\$0.0 M	\$69.0 M	\$69.0 M	TC	SH
30	Materials, Equipment, and Buildings	\$0.0 M	\$17.5 M	\$17.5 M	TC	SH
31	Planning and Scheduling	\$0.0 M	\$16.8 M	\$16.8 M	TC	SH
32	Express Lane Corridor Maintenance and Operation	\$0.0 M	\$5.0 M	\$6.3 M	TC	SH
33	Property	\$0.0 M	\$19.9 M	\$27.9 M	TC	SH
34	Capital Equipment	\$0.0 M	\$23.9 M	\$21.5 M	TC	SH
35	Maintenance Reserve Fund	\$0.0 M	\$0.0 M	\$12.0 M	TC	SH
36	Safety	\$0.0 M	\$12.8 M	\$11.4 M		
37	Strategic Safety Program	\$0.0 M	\$11.4 M	\$11.4 M	TC	FHWA / SH
38	Mobility	\$0.0 M	\$24.0 M	\$26.7 M		
39	Real-Time Traffic Operations	\$0.0 M	\$34.0 M	\$10.7 M	TC	SH
40	ITS Investments	\$0.0 M	\$10.0 M	\$10.0 M	TC	FHWA / SH
41	Multimodal Services	\$0.0 M	\$69.8 M	\$19.9 M		
42	Mobility	\$0.0 M	\$69.8 M	\$19.9 M		
43	Innovative Mobility Programs	\$0.0 M	\$11.1 M	\$11.6 M	TC	FHWA / SH
44	Strategic Transit and Multimodal Projects	\$0.0 M	\$50.0 M	\$0.0 M	SL	SB 17-267, SB 21-260
45	Rail Commission	\$0.0 M	\$0.4 M	\$0.0 M	SL	SL
46	Rustling	\$0.0 M	\$6.3 M	\$6.3 M	TC	SB 09-308 / Fare Rev.
47	Subsidized Programs	\$0.0 M	\$234.3 M	\$238.5 M		
48	Aerospacials	\$0.0 M	\$19.3 M	\$22.1 M		
49	Aviation System Program	\$0.0 M	\$19.3 M	\$12.1 M	AB	SA
50	Highway	\$0.0 M	\$126.5 M	\$126.9 M		
51	STBG-Urban	\$0.0 M	\$56.0 M	\$55.9 M	FR	FHWA / LOC
52	Congestion Mitigation and Air Quality	\$0.0 M	\$50.7 M	\$50.7 M	FR	FHWA / LOC
53	Metropolitan Planning	\$0.0 M	\$9.2 M	\$9.2 M	FR	FHWA / FTA / LOC
54	Off-System Bridge Program	\$0.0 M	\$10.6 M	\$11.2 M	TC / FR	FHWA / SH / LOC
55	Transit and Multimodal	\$0.0 M	\$78.4 M	\$76.5 M		
56	Recreational Trails	\$0.0 M	\$1.6 M	\$1.6 M	FR	FHWA
57	Safe Routes to School	\$0.0 M	\$3.1 M	\$3.1 M	TC	FHWA
58	Transportation Alternatives Program	\$0.0 M	\$12.0 M	\$12.1 M	FR	FHWA / LOC
59	Transit Grant Programs	\$0.0 M	\$61.7 M	\$62.0 M	FR / SL / TC	FTA / LOC / SB 09-308
60	Multimodal Options Program	\$0.0 M	\$0.0 M	\$0.0 M	SL	SB 21-260
61	Revitalizing Main Streets Program	\$0.0 M	\$0.0 M	\$0.7 M	SL / TC	SB 21-260
62	Administration & Agency Operations	\$0.0 M	\$102.7 M	\$102.7 M		
63	Agency Operations	\$0.0 M	\$62.6 M	\$62.6 M	TC / AB	FHWA / SH / SA / SB 09-308
64	Administration	\$0.0 M	\$37.5 M	\$37.5 M	SL	SH
65	Project Initiatives	\$0.0 M	\$2.6 M	\$2.6 M	TC	SH
66	Debt Service	\$0.0 M	\$9.6 M	\$9.0 M		
67	Debt Service	\$0.0 M	\$9.6 M	\$9.0 M	DS	SH
68	Contingency Reserve	\$0.0 M	\$0.0 M	\$15.0 M		
69	Contingency Fund	\$0.0 M	\$0.0 M	\$15.0 M	TC	FHWA / SH
70	Reserve Fund	\$0.0 M	\$0.0 M	\$0.0 M	TC	FHWA / SH
71	Other Programs	\$0.0 M	\$24.8 M	\$24.8 M		
72	Safety Education	\$0.0 M	\$9.9 M	\$10.5 M	TC/FR	NHTSA / SSE
73	Planning and Research	\$0.0 M	\$14.7 M	\$14.0 M	FR	FHWA / SH
74	State Infrastructure Bank	\$0.0 M	\$0.0 M	\$0.0 M	TC	SB
75	TOTAL CDOT	\$0.0 M	\$1,711.1 M	\$1,714.6 M		

- Balanced using September 2021 revenue forecast
- Flexible revenue allocated based on FY22 budget amounts adopted by TC in March 2021 (and subsequently amended), with some adjustments to balance
- Inflexible revenue automatically adjusted based on FY23 revenue forecast
- Asset Management and Maintenance programs funded according to the FY23 Asset Management Planning Totals, approved by the TC in August 2017.
- The FY23 Revenue Allocation Plan reflects a surplus of \$3.4 million that is currently placed in the Program Reserve line as a placeholder, pending further allocation decisions.



# Developing the Revenue Allocation Plan



## Programs with Dedicated Revenue Sources

Examples include  
HSIP (line 11)  
CMAQ (line 52)  
Metropolitan  
Planning (line 53)

## Programs with Pre-Established Funding Levels

Can be modified  
by Commission  
request or a  
decision item.  
Examples include  
Innovative  
Mobility and RPP

## Programs Based on CDOT Internal Budget Process

These are  
typically annual  
operating  
budgets,  
including Agency  
Operations and  
Administration

## Programs Based on a Set Schedule

Example includes  
Debt Service

## Asset Management

Approved by the  
Commission in  
August 2017



# Budget Shortfall FASTER Revenue

SB 21-260 temporarily reduces the Road Safety Surcharge fee for two years. For all registration periods between January 1, 2022, and January 1, 2024, the amount of each Road Safety Surcharge is reduced by \$5.55, resulting in a projected revenue shortfall of approximately \$64.3 million combined between FY 2021-22 and FY 2022-23. The shortfall is attributable to the fee reduction and other factors.

- These funds are inflexible and the reduction must be taken from the FASTER Safety Program. For FY 2021-22, \$18M in federal stimulus funds from SB21-260 were used to partially backfill this loss.
- For FY 2022-23, this would reduce the FASTER Safety Program to \$34.8 million - a nearly 50% reduction to the program.

*Amounts relative to  
FY 21 Q1 revised  
forecast*

Fiscal Year	Total HUTF Difference	FASTER Inflexible Revenues	Net Flexible HUTF Revenue
FY 2021-22 <i>Forecast</i>	(\$12.8) million	(\$27.3) million	\$14.5 million
FY 2022-23 <i>Forecast</i>	\$16.8 million*	(\$37.0) million	\$13.3 million
<b>TOTAL</b>	<b>\$4.0 million</b>	<b>(\$64.3) million</b>	<b>\$27.8 million</b>

\*The FY 21 Q1 revised forecast was made prior to the enactment of SB 21-260. The new forecast for FY 23 includes new fees created by SB 21-260.



# FASTER Safety Program Budget

	<b>Pre-pandemic / Baseline Revenue Forecast for FY 2022-23</b>	<b>Current Forecast (September 2021) for FY 2022-23</b>
Forecast for FASTER Revenue	\$121.8 million	\$84.8 million
Off the top deduction for Asset Management	(\$40.0) million	(\$40.0) million
Off the top deduction for Transit	(\$10) million	(\$10) million
<b>Budget for FASTER Safety Program</b>	<b>\$71.8 million</b>	<b>\$34.8 million</b>

With a forecasted revenue decline of \$37 million, the FASTER Safety Program will be nearly cut in half for FY 2022-23.

The Department would like to restore the Program’s budget to the FY 2021-22 funding level, which was \$69.2 million. This requires a backfill of \$34.4 million in state funds.



# FASTER Safety Program Backfill

The Revenue Allocation Plan currently reflects a budget of \$69.2 million for the FASTER Safety Program which includes a backfill in state funds of \$34.4 million.

Where did that budget come from?

Line	Budget Line	Initial Allocation	Adjustment	Current Allocation
<b>14</b>	<b>FASTER Safety</b>	<b>\$34.8 million</b>	<b>\$34.4 million</b>	<b>\$69.2 million</b>
35	Maintenance Reserve Fund	\$12.0 million	(\$12) million	\$0
67	Debt Service	\$9.0 million	(\$9.0) million	\$0
69	Contingency Fund	\$15.0 million	(\$15) million	\$0
70	Reserve Fund	\$1.8 million	\$1.6 million	\$3.4 million

The initial \$9.0 million allocation for Debt Service was for HQ Building COPs. Of the \$9.0 million, \$7.4 million was used to increase the FASTER Safety Program Budget and the remaining \$1.6 million was allocated to the TC Program Reserve (Reserve Fund). The total allocation of \$3.4 million is available for future allocation decisions.





# Anticipated FY 2021-22 Roll Forwards

Staff anticipates that FY 2021-22 roll forwards will be available to fund the following budget lines in FY 2022-23:

Line	Budget Line	FY 2021-22 Estimated Roll Forward	FY 2022-23 Proposed Allocation Plan	<b>FY 2022-23 Total Proposed Available Budget</b>
35	Maintenance Reserve Fund	\$12.0M	\$0	<b>\$12.0M</b>
67	Debt Service	\$223.5M	\$0	<b>\$223.5M</b>
69	Contingency Fund	\$25.0M	\$0	<b>\$25.0M</b>
70	Reserve Fund	\$25.0M	\$3.4	<b>\$28.4M</b>



# Additional Adjustments Coming

## Still to come....

- **Decision items** - Per PD 703.0, requests of less than \$1 million are reviewed and subject to approval by the Executive Management Team (EMT), while decision items of \$1 million or greater are reviewed by the EMT and then forwarded to the TC for consideration, with final approval with the Final Annual Budget Allocation Plan in March 2022. The TC will have an opportunity to review any potential decision item requests during the February 2022 Budget Workshop, prior to the March adoption of the Final FY 2022-23 Annual Budget Allocation Plan.
- **SB 21-260 Implementation** - The Revenue Allocation Plan does not currently reflect program allocations for the Clean Transit Enterprise and the Non-attainment Area Air Pollution Mitigation Enterprise. Staff has revenue estimates for both enterprises, but allocations will not be established until the Boards are elected and have an opportunity to vote on budget allocations for FY 2022-23. There may be additional changes to the Revenue Allocation Plan during the budget development process as staff continues to implement and operationalize the new funding and programs resulting from SB 21-260.
- **Administration Budget** - Legislative and Office of State Planning & Budget (OSP) actions during the budget-building cycle may force changes in Administration spending for CDOT. There will likely be additional adjustments throughout the legislative budget process and the Administration line will be updated accordingly.
- **Other potential changes**, including updates after the next revenue forecast in December 2021.



# Timeline and Next Steps

In November 2021, DAF will:

- Update the Administration budget based on final statewide common policies (changes may impact other lines).
- Present the FY 2022-23 Proposed Annual Budget Allocation Plan for TC approval.

After November, DAF will continue to address the following items for the FY 2022-23 Annual Budget:

- January 2022: The Proposed Annual Budget Allocation Plan may be updated to reflect the most current revenue forecast.
- February 2022: The TC will be asked to review and approve any decision items of \$1 million or more, and additional changes as necessary.
- March 2022: The TC will be asked to review and adopt the FY 2022-23 Final Annual Budget Allocation Plan.



FY 2022-23 Revenue Allocation Plan

Line	Budget Category / Program	Estimated Rollforward from FY 2021-22*	FY 2021-22 Final Allocation Plan	FY 2022-23 Proposed Allocation Plan	FY 2022-23 Total Proposed Available Budget	Directed By	Funding Source
<b>1</b>	<b>COLORADO DEPARTMENT OF TRANSPORTATION</b>						
<b>2</b>	<b>Capital Construction</b>	<b>\$0.0 M</b>	<b>\$972.3 M</b>	<b>\$520.4 M</b>	<b>\$520.4 M</b>		
<b>3</b>	<b>Asset Management</b>	<b>\$0.0 M</b>	<b>\$336.1 M</b>	<b>\$332.6 M</b>	<b>\$332.6 M</b>		
4	Surface Treatment	\$0.0 M	\$223.3 M	\$225.6 M	\$225.6 M	TC	FHWA / SH / SB 09-108
5	Structures	\$0.0 M	\$61.9 M	\$63.7 M	\$63.7 M	TC	FHWA / SH / SB 09-108
6	System Operations	\$0.0 M	\$34.3 M	\$26.9 M	\$26.9 M	TC	FHWA / SH
7	Geohazards Mitigation	\$0.0 M	\$10.1 M	\$10.0 M	\$10.0 M	TC	SB 09-108
8	Permanent Water Quality Mitigation	\$0.0 M	\$6.5 M	\$6.5 M	\$6.5 M	TC	FHWA / SH
9	Emergency Relief	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	FR	FHWA
<b>10</b>	<b>Safety</b>	<b>\$0.0 M</b>	<b>\$115.3 M</b>	<b>\$115.3 M</b>	<b>\$115.3 M</b>		
11	Highway Safety Improvement Program	\$0.0 M	\$33.1 M	\$32.9 M	\$32.9 M	FR	FHWA / SH
12	Railway-Highway Crossings Program	\$0.0 M	\$3.6 M	\$3.8 M	\$3.8 M	FR	FHWA / SH
13	Hot Spots	\$0.0 M	\$2.2 M	\$2.2 M	\$2.2 M	TC	FHWA / SH
14	FASTER Safety	\$0.0 M	\$69.2 M	\$69.2 M	\$69.2 M	TC	SB 09-108
15	ADA Compliance	\$0.0 M	\$7.2 M	\$7.2 M	\$7.2 M	TC	FHWA / SH
<b>16</b>	<b>Mobility</b>	<b>\$0.0 M</b>	<b>\$520.9 M</b>	<b>\$72.5 M</b>	<b>\$72.5 M</b>		
17	Regional Priority Program	\$0.0 M	\$48.4 M	\$50.0 M	\$50.0 M	TC	FHWA / SH
18	Strategic Projects	\$0.0 M	\$450.0 M	\$0.0 M	\$0.0 M	SL	SB 17-267 / SB 19-262
19	National Highway Freight Program	\$0.0 M	\$22.5 M	\$22.5 M	\$22.5 M	FR	FHWA / SH
<b>20</b>	<b>Maintenance and Operations</b>	<b>\$24.0 M</b>	<b>\$347.7 M</b>	<b>\$365.8 M</b>	<b>\$377.8 M</b>		
<b>21</b>	<b>Asset Management</b>	<b>\$24.0 M</b>	<b>\$312.3 M</b>	<b>\$333.7 M</b>	<b>\$345.7 M</b>		
22	Maintenance Program Areas	\$12.0 M	\$263.5 M	\$271.3 M	\$271.3 M		
23	Roadway Surface	\$0.0 M	\$40.4 M	\$40.6 M	\$40.6 M	TC	SH
24	Roadside Facilities	\$0.0 M	\$21.4 M	\$21.9 M	\$21.9 M	TC	SH
25	Roadside Appearance	\$0.0 M	\$9.8 M	\$10.1 M	\$10.1 M	TC	SH
26	Structure Maintenance	\$0.0 M	\$5.4 M	\$5.6 M	\$5.6 M	TC	SH
27	Tunnel Activities	\$0.0 M	\$4.0 M	\$4.9 M	\$4.9 M	TC	SH
28	Snow and Ice Control	\$0.0 M	\$79.1 M	\$83.5 M	\$83.5 M	TC	SH
29	Traffic Services	\$0.0 M	\$69.0 M	\$70.1 M	\$70.1 M	TC	SH
30	Materials, Equipment, and Buildings	\$0.0 M	\$17.5 M	\$17.8 M	\$17.8 M	TC	SH
31	Planning and Scheduling	\$0.0 M	\$16.8 M	\$16.9 M	\$16.9 M	TC	SH
32	Express Lane Corridor Maintenance and Operations	\$0.0 M	\$5.0 M	\$13.0 M	\$13.0 M	TC	SH
33	Property	\$0.0 M	\$19.9 M	\$27.9 M	\$27.9 M	TC	SH
34	Capital Equipment	\$0.0 M	\$23.9 M	\$21.5 M	\$21.5 M	TC	SH
**35	Maintenance Reserve Fund	\$12.0 M	\$0.0 M	\$0.0 M	\$12.0 M	TC	SH
<b>36</b>	<b>Safety</b>	<b>\$0.0 M</b>	<b>\$11.4 M</b>	<b>\$11.4 M</b>	<b>\$11.4 M</b>		
37	Strategic Safety Program	\$0.0 M	\$11.4 M	\$11.4 M	\$11.4 M	TC	FHWA / SH
<b>38</b>	<b>Mobility</b>	<b>\$0.0 M</b>	<b>\$24.0 M</b>	<b>\$20.7 M</b>	<b>\$20.7 M</b>		
39	Real-Time Traffic Operations	\$0.0 M	\$14.0 M	\$10.7 M	\$10.7 M	TC	SH
40	ITS Investments	\$0.0 M	\$10.0 M	\$10.0 M	\$10.0 M	TC	FHWA / SH
<b>41</b>	<b>Multimodal Services</b>	<b>\$0.0 M</b>	<b>\$69.8 M</b>	<b>\$22.1 M</b>	<b>\$22.1 M</b>		
<b>42</b>	<b>Mobility</b>	<b>\$0.0 M</b>	<b>\$69.8 M</b>	<b>\$22.1 M</b>	<b>\$22.1 M</b>		
43	Innovative Mobility Programs	\$0.0 M	\$11.1 M	\$11.6 M	\$11.6 M	TC	FHWA / SH
44	Strategic Transit and Multimodal Projects	\$0.0 M	\$50.0 M	\$2.6 M	\$2.6 M	SL	SB 17-267, SB 21-260
45	Rail Commission	\$0.0 M	\$0.4 M	\$0.0 M	\$0.0 M	SL	SL
46	Bustang	\$0.0 M	\$8.3 M	\$7.9 M	\$7.9 M	TC	SB 09-108 / Fare Rev.
<b>47</b>	<b>Suballocated Programs</b>	<b>\$0.0 M</b>	<b>\$224.1 M</b>	<b>\$255.7 M</b>	<b>\$255.0 M</b>		
<b>48</b>	<b>Aeronautics</b>	<b>\$0.0 M</b>	<b>\$19.3 M</b>	<b>\$34.3 M</b>	<b>\$34.3 M</b>		
49	Aviation System Program	\$0.0 M	\$19.3 M	\$34.3 M	\$34.3 M	AB	SA
<b>50</b>	<b>Highway</b>	<b>\$0.0 M</b>	<b>\$126.5 M</b>	<b>\$126.9 M</b>	<b>\$126.9 M</b>		
51	STBG-Urban (STP-Metro)	\$0.0 M	\$56.0 M	\$55.9 M	\$55.9 M	FR	FHWA / LOC
52	Congestion Mitigation and Air Quality	\$0.0 M	\$50.7 M	\$50.7 M	\$50.7 M	FR	FHWA / LOC
53	Metropolitan Planning	\$0.0 M	\$9.2 M	\$9.2 M	\$9.2 M	FR	FHWA / FTA / LOC
54	Off-System Bridge Program	\$0.0 M	\$10.6 M	\$11.2 M	\$11.2 M	TC / FR	FHWA / SH / LOC
<b>55</b>	<b>Transit and Multimodal</b>	<b>\$0.0 M</b>	<b>\$78.4 M</b>	<b>\$94.5 M</b>	<b>\$93.8 M</b>		
56	Recreational Trails	\$0.0 M	\$1.6 M	\$1.6 M	\$1.6 M	FR	FHWA
57	Safe Routes to School	\$0.0 M	\$3.1 M	\$3.1 M	\$3.1 M	TC	FHWA
58	Transportation Alternatives Program	\$0.0 M	\$12.0 M	\$12.1 M	\$12.1 M	FR	FHWA / LOC
59	Transit Grant Programs	\$0.0 M	\$61.7 M	\$62.0 M	\$62.0 M	FR / SL / TC	FTA / LOC / SB 09-108
60	Multimodal Options Program	\$0.0 M	\$0.0 M	\$15.0 M	\$15.0 M	SL	SB 21-260
61	Revitalizing Main Streets Program	\$0.0 M	\$0.0 M	\$0.7 M	\$0.7 M	SL / TC	SB 21-260
<b>62</b>	<b>Administration &amp; Agency Operations</b>	<b>\$0.0 M</b>	<b>\$102.7 M</b>	<b>\$105.4 M</b>	<b>\$105.4 M</b>		
63	Agency Operations	\$0.0 M	\$62.6 M	\$62.6 M	\$62.6 M	TC / AB	FHWA / SH / SA / SB 09-108
64	Administration	\$0.0 M	\$37.5 M	\$40.2 M	\$40.2 M	SL	SH
65	Project Initiatives	\$0.0 M	\$2.6 M	\$2.6 M	\$2.6 M	TC	SH
<b>66</b>	<b>Debt Service</b>	<b>\$223.5 M</b>	<b>\$9.6 M</b>	<b>\$0.0 M</b>	<b>\$223.5 M</b>		
67	Debt Service	\$223.5 M	\$9.6 M	\$0.0 M	\$223.5 M	DS	SH
<b>68</b>	<b>Contingency Reserve</b>	<b>\$50.0 M</b>	<b>\$0.0 M</b>	<b>\$3.4 M</b>	<b>\$53.4 M</b>		
69	Contingency Fund	\$25.0 M	\$0.0 M	\$0.0 M	\$25.0 M	TC	FHWA / SH
70	Reserve Fund	\$25.0 M	\$0.0 M	\$3.4 M	\$28.4 M	TC	FHWA / SH
<b>71</b>	<b>Other Programs</b>	<b>\$0.0 M</b>	<b>\$24.8 M</b>	<b>\$27.5 M</b>	<b>\$27.5 M</b>		
72	Safety Education	\$0.0 M	\$9.9 M	\$13.3 M	\$13.3 M	TC/FR	NHTSA / SSE
73	Planning and Research	\$0.0 M	\$14.7 M	\$14.0 M	\$14.0 M	FR	FHWA / SH
74	State Infrastructure Bank	\$0.0 M	\$0.2 M	\$0.3 M	\$0.3 M	TC	SIB
<b>75</b>	<b>TOTAL - CDOT</b>	<b>\$297.5 M</b>	<b>\$1,751.1 M</b>	<b>\$1,300.4 M</b>	<b>\$1,585.2 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

<b>76 COLORADO BRIDGE &amp; TUNNEL ENTERPRISE</b>						
77	Capital Construction	\$0.0 M	\$105.8 M	\$125.6 M	\$125.6 M	
78	Asset Management	\$0.0 M	\$105.8 M	\$125.6 M	\$125.6 M	
79	Bridge Enterprise Projects	\$0.0 M	\$105.8 M	\$125.6 M	\$125.6 M	BEB SB 09-108
80	Maintenance and Operations	\$0.0 M	\$0.5 M	\$0.5 M	\$0.5 M	
81	Asset Management	\$0.0 M	\$0.5 M	\$0.5 M	\$0.5 M	
82	Maintenance and Preservation	\$0.0 M	\$0.5 M	\$0.5 M	\$0.5 M	BEB SB 09-108
83	Administration & Agency Operations	\$0.0 M	\$1.9 M	\$1.9 M	\$1.9 M	
84	Agency Operations-CBE	\$0.0 M	\$1.9 M	\$1.9 M	\$1.9 M	BEB SB 09-108
85	Debt Service	\$0.0 M	\$17.2 M	\$17.2 M	\$17.2 M	
86	Debt Service-CBE	\$0.0 M	\$17.2 M	\$17.2 M	\$17.2 M	BEB FHWA / SH
87	<b>TOTAL - BRIDGE &amp; TUNNEL ENTERPRISE</b>	<b>\$0.0 M</b>	<b>\$125.3 M</b>	<b>\$145.2 M</b>	<b>\$145.2 M</b>	

<b>88 HIGH PERFORMANCE TRANSPORTATION ENTERPRISE</b>						
89	Maintenance and Operations	\$0.0 M	\$9.9 M	\$19.9 M	\$19.9 M	
90	Express Lanes Operations	\$0.0 M	\$9.9 M	\$19.9 M	\$19.9 M	HPTEB Tolls / Managed Lanes Revenue
91	Administration & Agency Operations	\$0.0 M	\$4.1 M	\$4.1 M	\$4.1 M	
92	Agency Operations - HPTE	\$0.0 M	\$4.1 M	\$4.1 M	\$4.1 M	HPTEB Fee for Service
93	Debt Service	\$0.0 M	\$8.7 M	\$0.0 M	\$0.0 M	
94	Debt Service- HPTE	\$0.0 M	\$8.7 M	\$0.0 M	\$0.0 M	HPTEB Fee for Service
95	<b>TOTAL - HIGH PERFORMANCE TRANSPORTATION ENTERPRISE</b>	<b>\$0.0 M</b>	<b>\$22.7 M</b>	<b>\$23.9 M</b>	<b>\$23.9 M</b>	

<b>96 CLEAN TRANSIT ENTERPRISE</b>						
97	Maintenance and Operations	\$0.0 M	\$0.0 M	\$8.3 M	\$8.3 M	
98	tbd	\$0.0 M	\$0.0 M	\$8.3 M	\$8.3 M	HPTEB Tolls / Managed Lanes Revenue
99	Administration & Agency Operations	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	
100	Agency Operations - Clean Transit	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	HPTEB Fee for Service
101	Debt Service	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	
102	Debt Service - Clean Transit	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	HPTEB Fee for Service
103	<b>TOTAL - CLEAN TRANSIT ENTERPRISE</b>	<b>\$0.0 M</b>	<b>\$0.0 M</b>	<b>\$8.3 M</b>	<b>\$8.3 M</b>	

<b>104 NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE</b>						
105	Maintenance and Operations	\$0.0 M	\$0.0 M	\$7.1 M	\$7.1 M	
106	tbd	\$0.0 M	\$0.0 M	\$7.1 M	\$7.1 M	HPTEB Tolls / Managed Lanes Revenue
107	Administration & Agency Operations	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	
108	Agency Operations - Nonattainment	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	HPTEB Fee for Service
109	Debt Service	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	
110	Debt Service - Nonattainment	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M	HPTEB Fee for Service
111	<b>TOTAL - NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE</b>	<b>\$0.0 M</b>	<b>\$0.0 M</b>	<b>\$7.1 M</b>	<b>\$7.1 M</b>	
112	<b>TOTAL - CDOT AND ENTERPRISES</b>	<b>\$297.5 M</b>	<b>\$1,899.2 M</b>	<b>\$1,484.9 M</b>	<b>\$1,769.7 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 2023 budget, and updated after the close of FY 2022.

\*\* \$10M of the FY22 Maintenance Reserve roll forward budget is specifically allocated for Snow and Ice Control.



**DATE:** October 20, 2021  
**TO:** Transportation Commission  
**FROM:** Rebecca White, Director, Division of Transportation Development  
Jeff Sudmeier, Chief Financial Officer  
**SUBJECT:** 10-Year Plan Update and Fiscal Constraint

### Purpose

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

### Action

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

### Background

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

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

### Details

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

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

In the next four years (year 5-8, or FY 23-FY 27), this totals approximately \$2 billion or \$500 million/year on average through CDOT, Bridge and Tunnel Enterprise, High Performance

Transportation Enterprise, and the Non-Attainment Enterprise, with resources split relatively evenly between CDOT and the Enterprises. This estimate incorporates both “net new” revenue through SB 21-260 (i.e. revenues above FY 22 baseline levels, after accounting for debt service due on SB 17-267 Certificates of Participation (COPs), as well as anticipated incremental revenue (above FAST Act levels) included in the proposed federal Infrastructure Investment and Jobs Act. Additionally, the estimate of available revenues has been reduced to “set aside” an amount estimated to be required to “keep up” with inflation in Maintenance and Operations programs. Specific sources in the estimate include:

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

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

#### **Next Steps:**

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

#### **Attachments**

10-Year Plan Anticipated Funding Presentation

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# 10-YEAR PLAN: REVENUE OUTLOOK AND UPDATE APPROACH

OCTOBER 2021





## Background-Need for Plan Update

- Progress delivering years 1-4 of the 10-Year Plan (reviewed last month).
- New funding provided by SB 260 along with expected dollars should the federal infrastructure bill pass (**today's focus**).
- New SB 260 requirements, primarily the new standard for reduced greenhouse gas emissions.

# BUILDING THE UPDATED 10-YEAR PLAN

- **The 10-Year Plan “pipeline” was built around two primary staging periods:**
  - Years 1-4: Prioritized projects for near-term delivery
  - Years 5-10: Out year projects
- **Looking across the entire time period of the current plan, we are transitioning from completing the last year of the original 4-yr priority list to determining the next set of projects and possibly adding additional years to the plan.**
- **Approached this way, and comprehensively considering the flow of dollars from SB260 and the federal bill, there are three periods of revenue.**

~\$3.0 billion including Enterprises (\$750 M/year)

Years 1 – 4 (FY 19 – FY 22)

~\$2.0 billion including Enterprises (\$500 M/year)

Years 5 – 8 (FY 23 – FY 26)

~\$0.8 billion including Enterprises (\$200 M/year)

Years 9 – 12 (FY 27 – FY 30)

# 10 Year-Plan FY 19 - FY 22

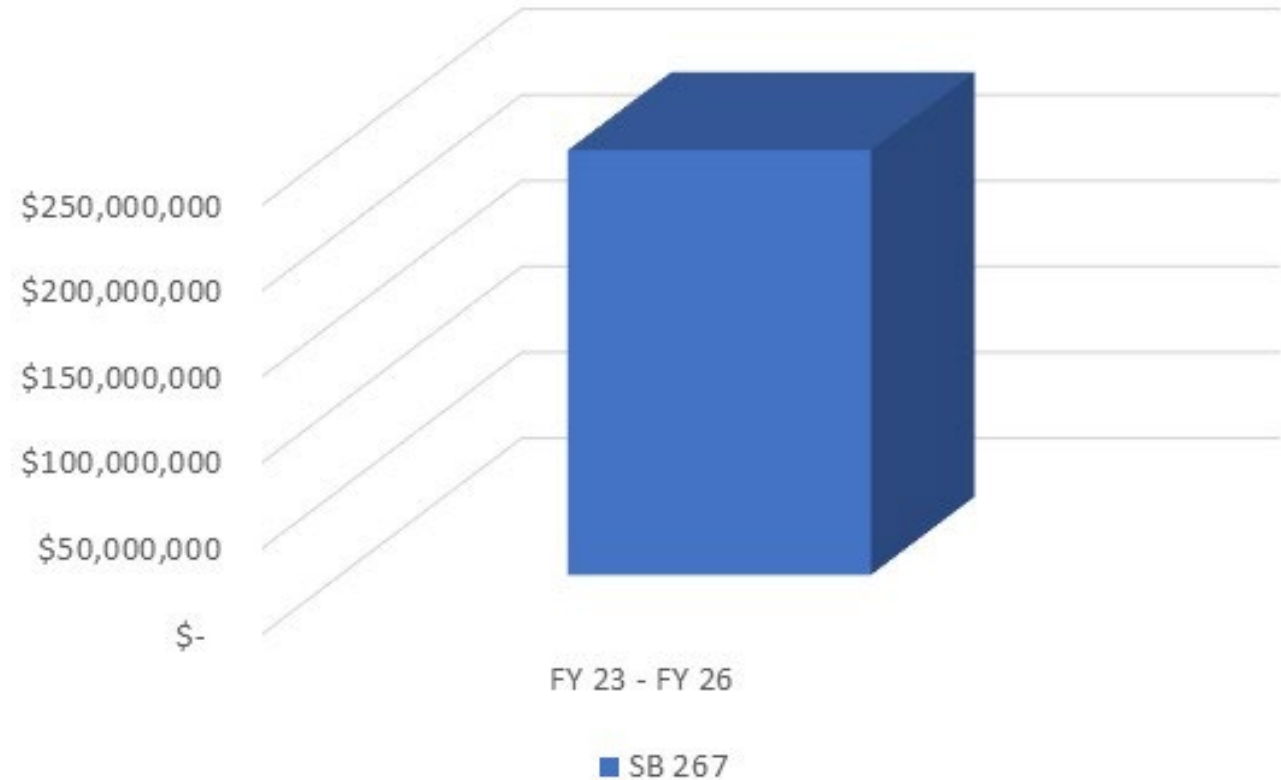
- The first four years of the CDOT 10 Year Plan (10YP) (FY 19FY 22) incorporated funding from a variety of sources, including:
  - SB 267 COPs
  - SB 1 General Fund Transfers
  - SB 260 General Fund Transfer
  - Supplemental allocations from the TC Program Reserve
  - Federal Coronavirus Recovery and Relief funds
- These sources leveraged a significant amount of additional funding from Bridge Enterprise, HPTE, local contributions, and discretionary grants

# 10 Year-Plan FY 23 - FY 26

- Funding for the next four years of the 10YP (FY 23 – FY 26) will also come from a variety of sources, including:
  - SB 267 COPs
  - SB 260 revenue from the HUTF and the MMOF
  - Federal Infrastructure Investment and Jobs Act (if passed by Congress), including new Risk and Resiliency Programs and new bridge program
- These sources will leverage a significant additional funding from Bridge and Tunnel Enterprise, HPTE, and Non-Attainment Enterprise

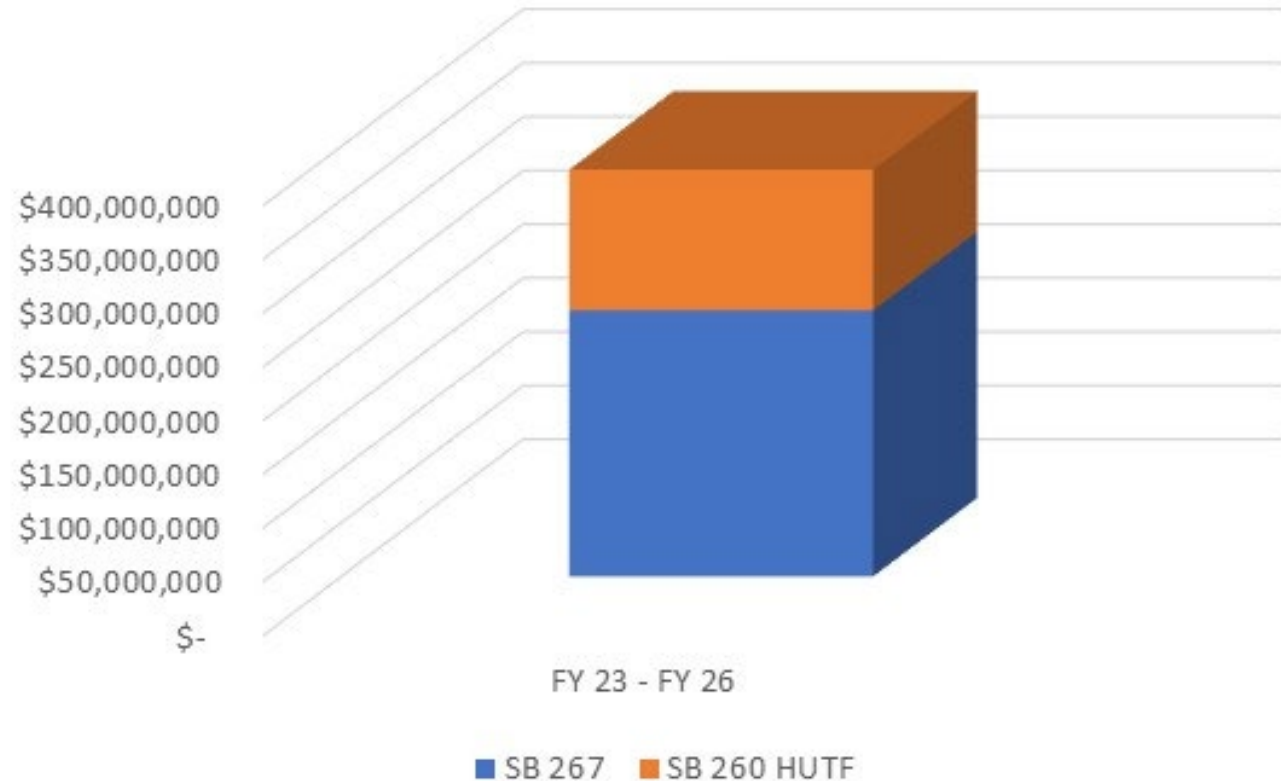
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- SB 267 - ~\$250 M
  - Assuming \$600 M in proceeds for the fourth and final tranche plus \$30 M in interest earned on proceeds to date.
  - Approximately \$380 M of remaining Proposed Year 4 projects, leaves an estimated \$250 M available for the next four years of the 10YP (FY 23 – FY 26).



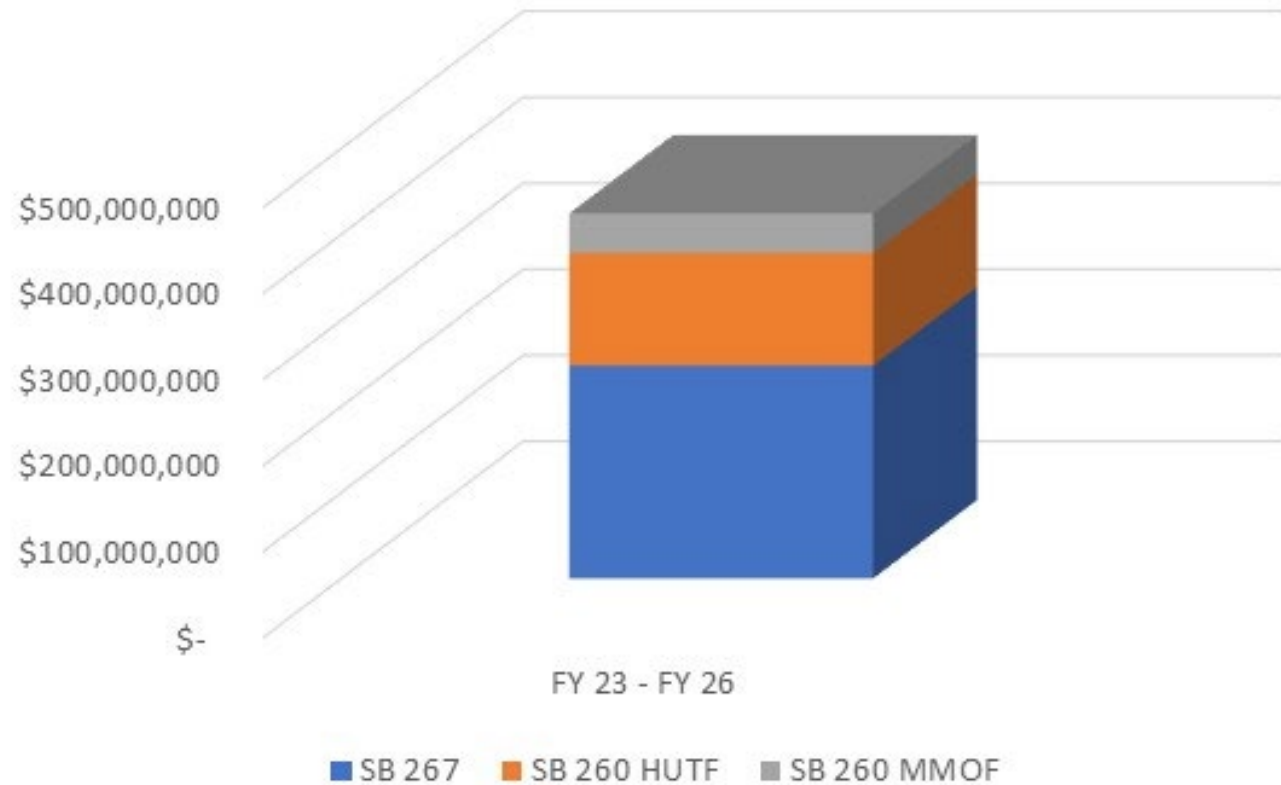
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- SB 260 HUTF - ~\$130 M
  - HUTF revenue increases over the decade as new fees phase in.
  - Amount is reduced in early years due to temporary reduction of FASTER fees.
  - While totaling an estimated \$740 M over the next four years, the majority of that amount is needed to pay debt service on SB 267 COPs, leaving an estimated \$130 M available.



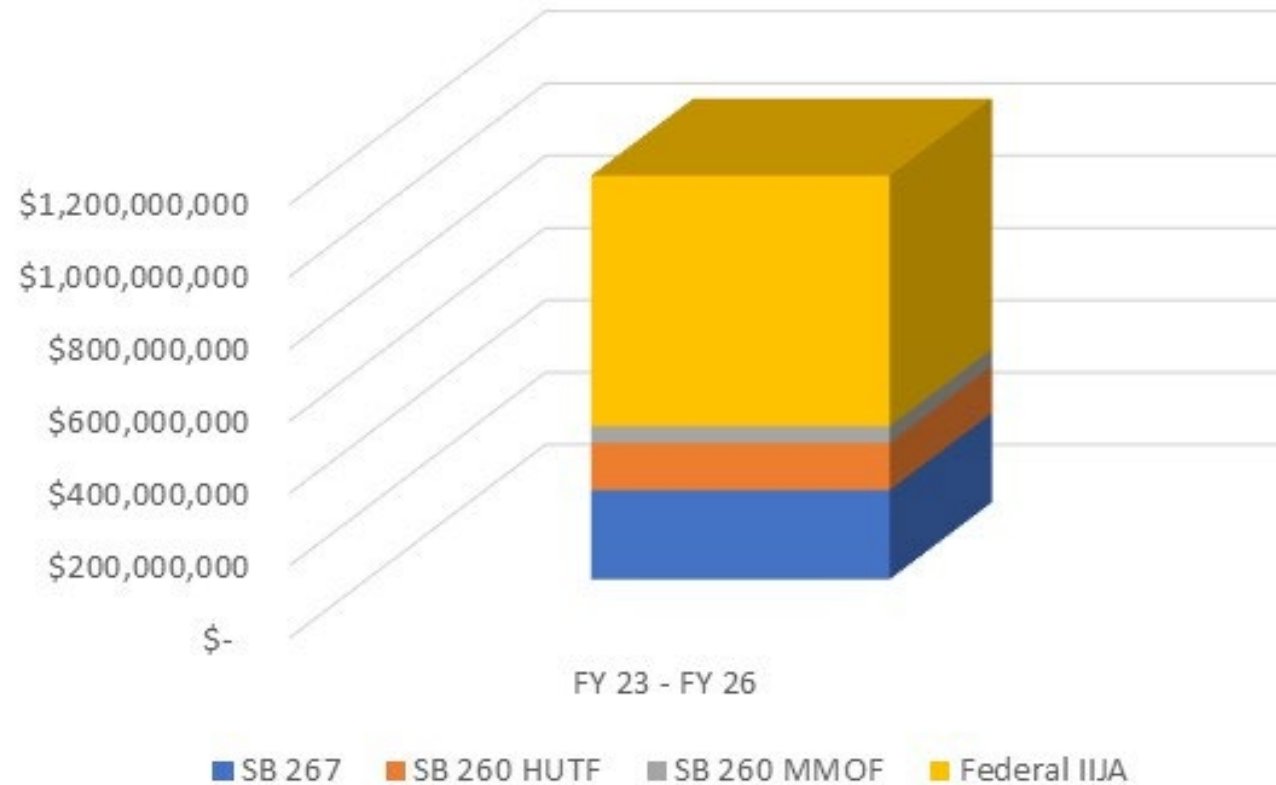
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- SB 260 MMOF - ~\$50 M
  - 15% of Multimodal and Mitigation Options Fund revenues are directed by CDOT and are anticipated to total nearly \$50 M through FY 26.



# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

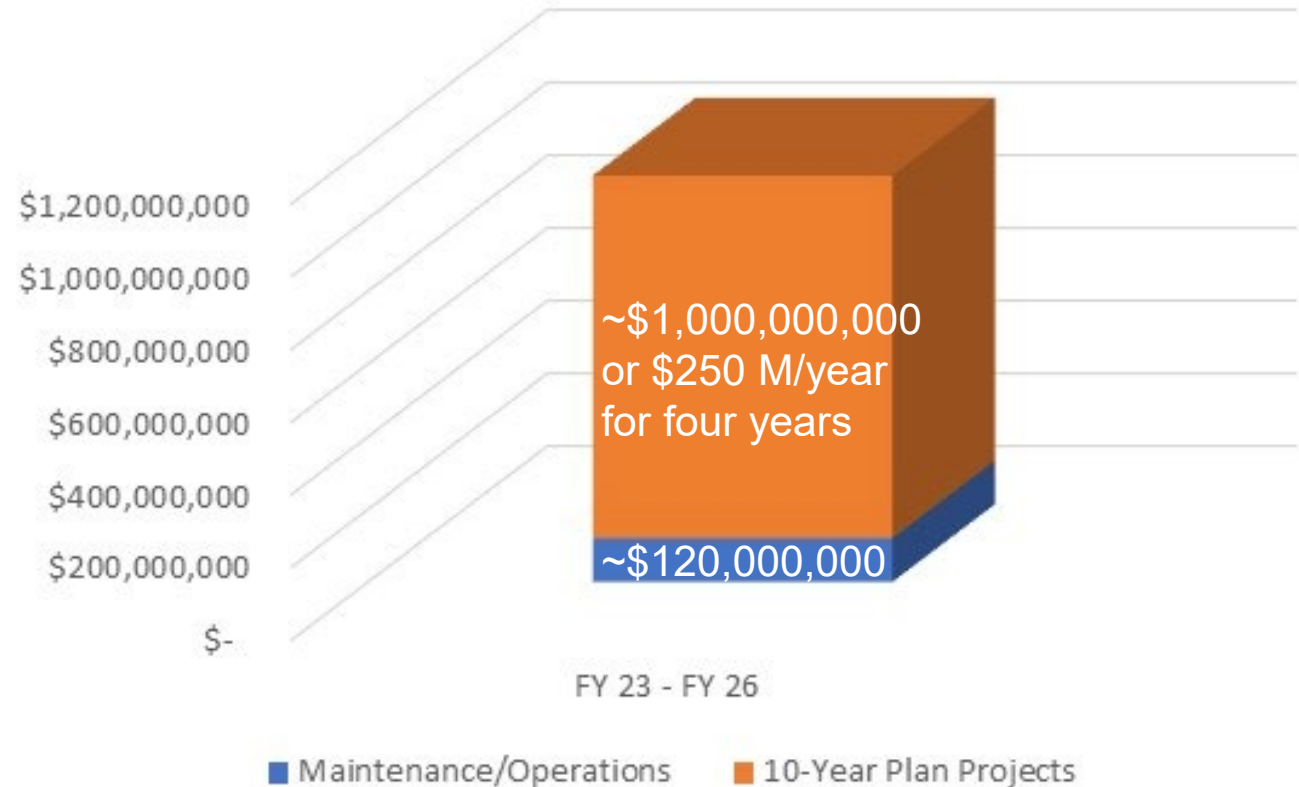
- Federal Infrastructure Investment and Jobs Act ~\$700 M
  - The Infrastructure Investment and Jobs Act is anticipated to bring nearly \$380 M in additional, flexible revenue to CDOT through FY 26 (above FAST Act levels), an additional \$90 M in a new Risk and Resiliency Program, and an additional \$225 M in a new bridge program





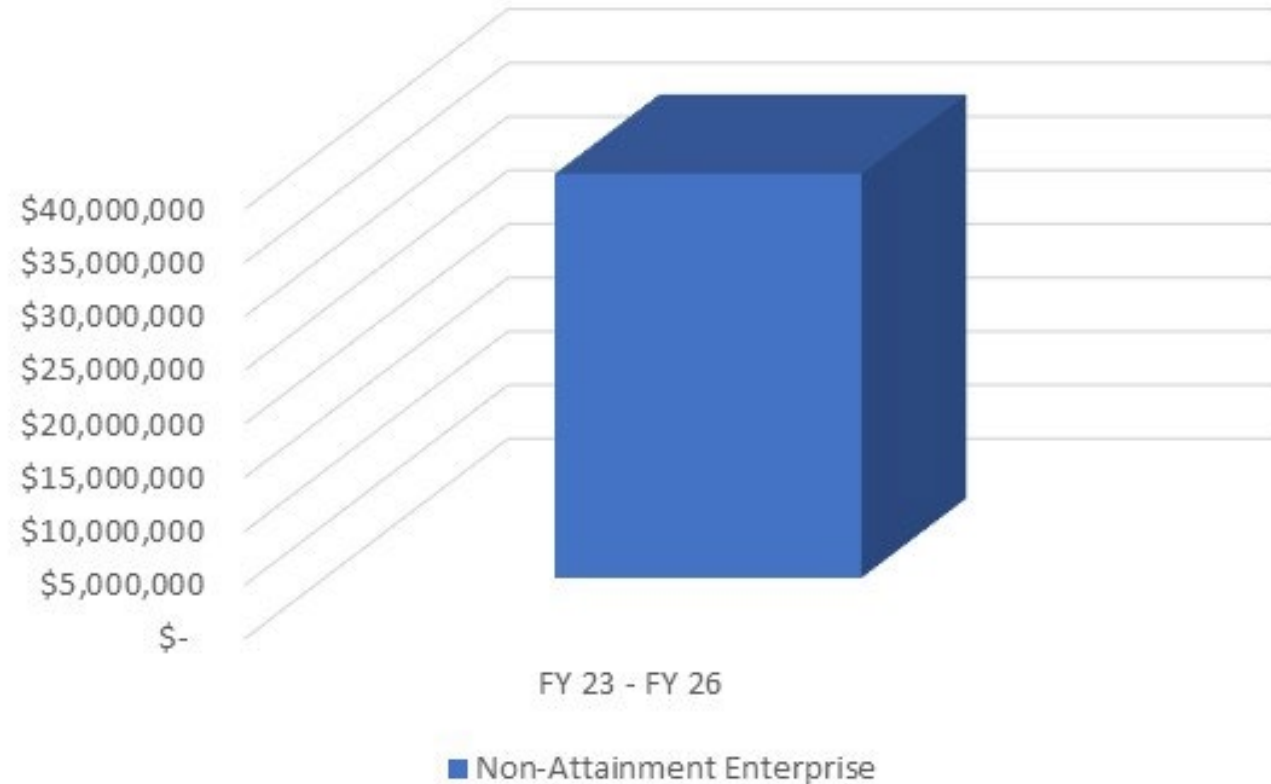
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- In addition to funding 10-Year Plan projects, available incremental revenue must also support escalating costs in base programs, in particular Maintenance and Operations programs.
- Approximately \$1 B or nearly \$250 M/year is estimated to be available for 10YP projects over the next four years, after accounting for these costs, plus funding through the Enterprises....



# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

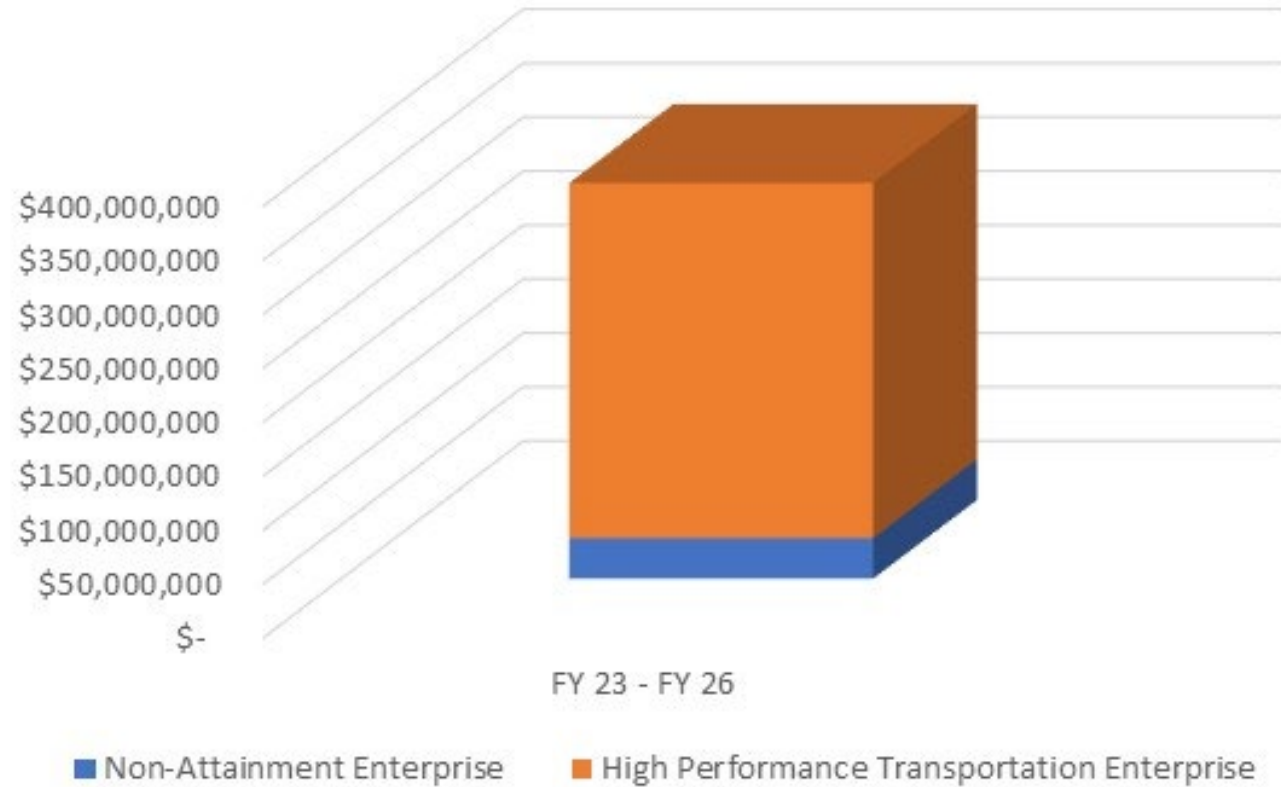
- Non-Attainment Enterprise - ~\$40 M
  - Approximately \$40 M is estimated to be available through FY 26 for projects that mitigate air quality impacts in the Front Range Non-Attainment area.



# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

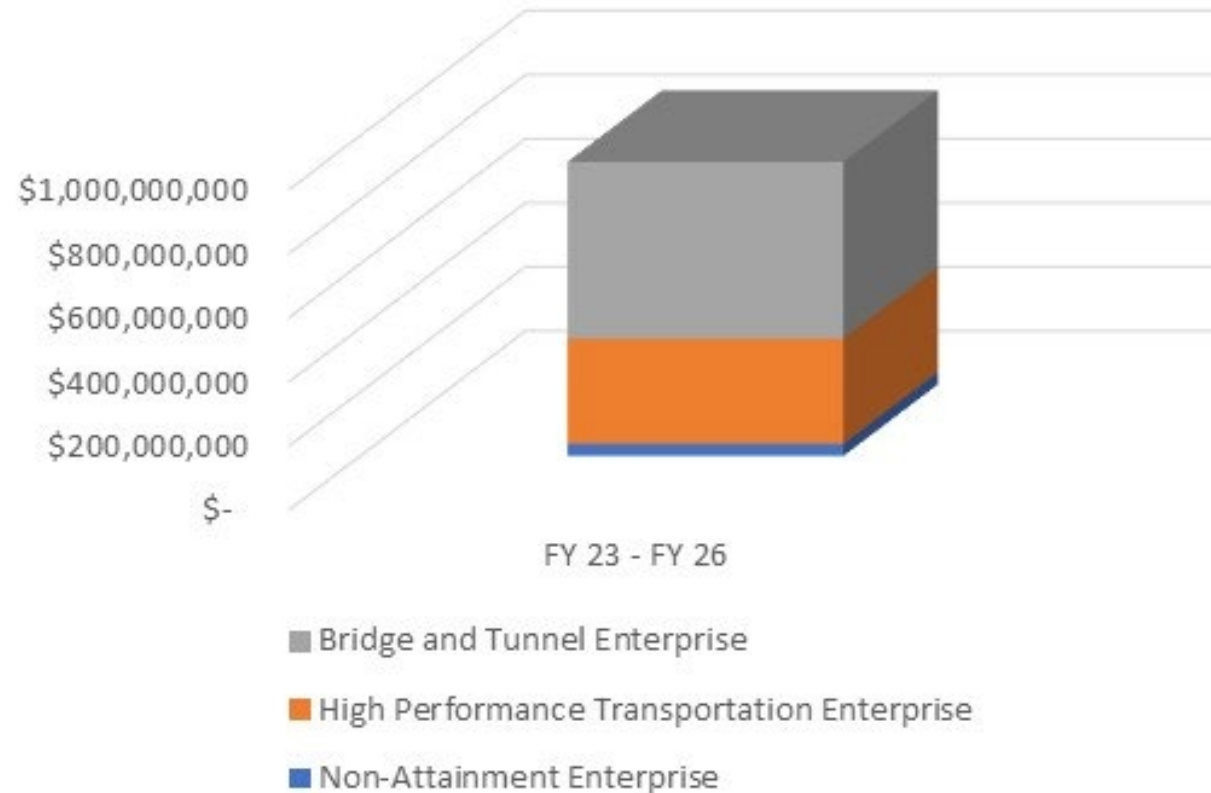
- High Performance Transportation Enterprise - ~\$325 M\*
  - Approximately \$325 M in financing is anticipated through the HPTE for 10YP projects in the next four years (I-70 Floyd Hill, I-270, I-25 N).

\*HPTE revenue is based on sketch level traffic and revenue studies and is subject to change based on more in-depth studies that are currently ongoing.



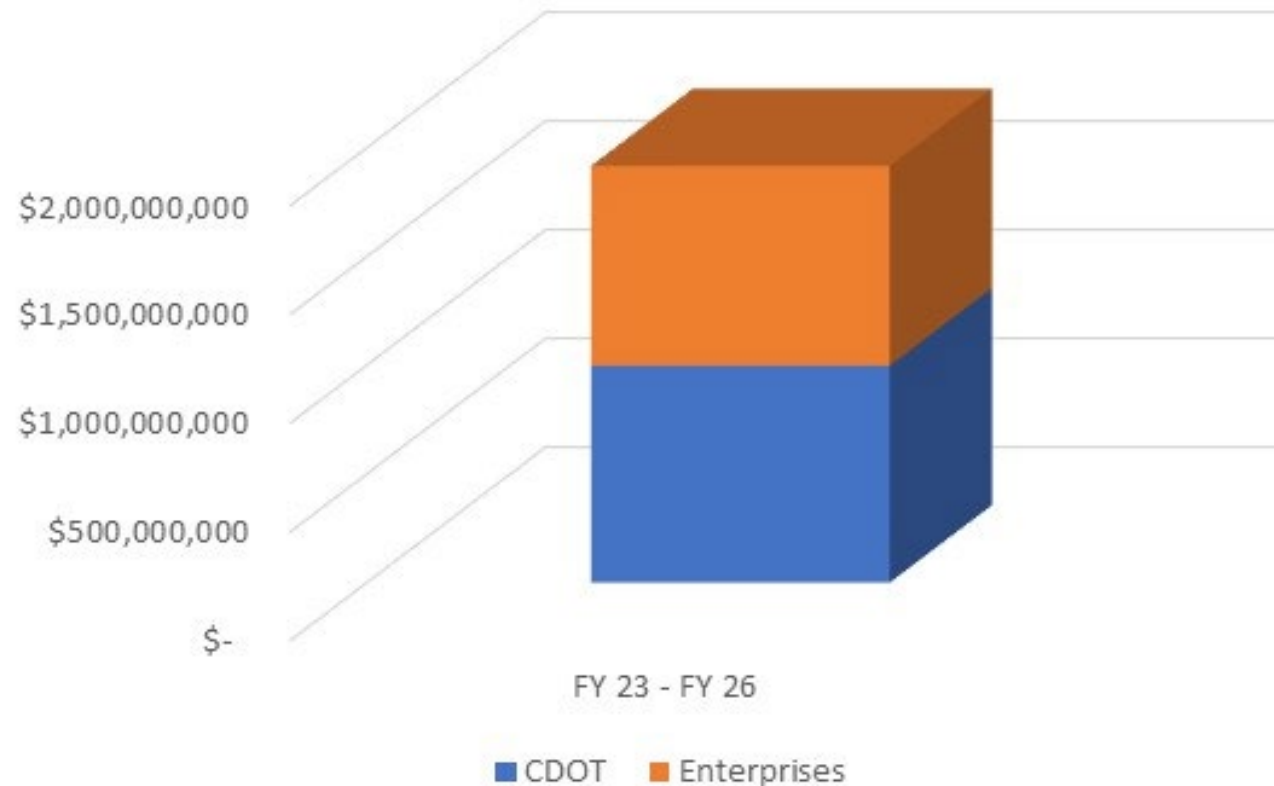
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- Bridge and Tunnel Enterprise - ~\$550 M
  - Up to \$550 M may be available for 10-YP projects over the next four years through pay-go and financing, including anticipated commitments on I-70 Floyd Hill, I-270, Vail Pass, and EJMT.
  - This is supported in part through new SB 260 revenue to the BTE, anticipated to exceed \$500 M over the course of a decade.



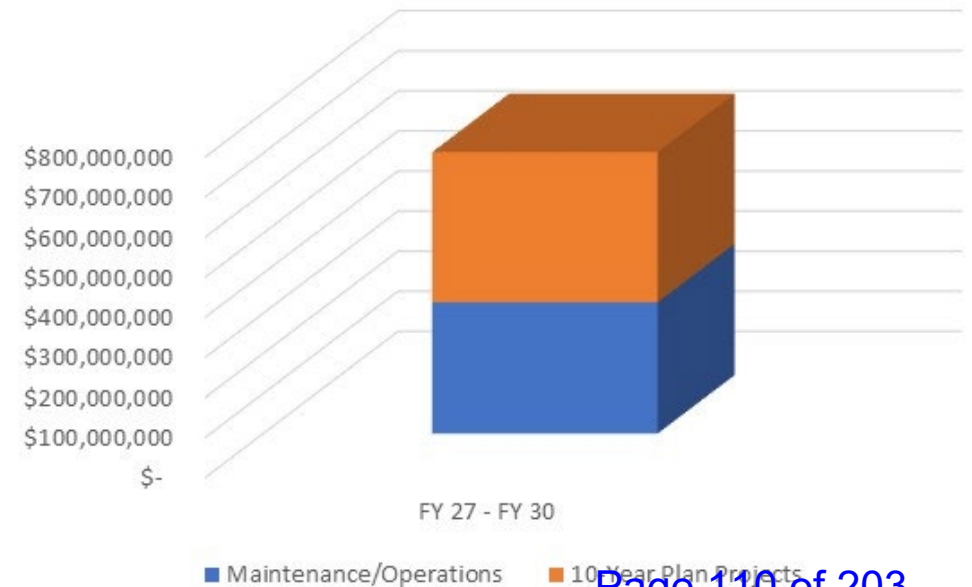
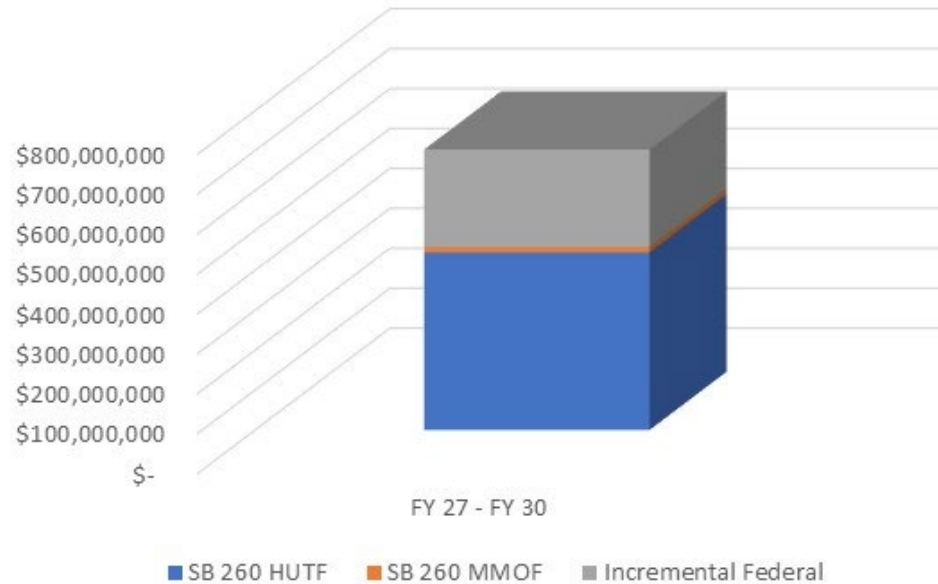
## 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- Combined CDOT and Enterprise resources available for the next four years of the 10YP are estimated to approach \$2 B.
- On average, this equates to approximately \$250 M/year for 4 years in CDOT funding, leveraging a similar amount of Enterprise funding for a total of \$450-\$500 M/year.
- The first projects will move forward with residual SB 267 funding later this FY, with projects pulled forward from the 10YP as revenues become available.



# 10-YEAR PLAN REVENUE SOURCES FY 27 – FY 32

- Revenues available for 10YP projects in the “out years” will be lower, around \$100 M/year plus funding through the Enterprises.
- While SB 260 revenues will be “ramping up,” SB 267 will be in the rear view mirror, as will the federal stimulus/reauthorization (Infrastructure Investment and Jobs Act).
- Additionally, the cost of keeping up with inflation on Maintenance and Operations will mean a growing proportion of incremental resources will be required to keep up with costs.



# 10-YEAR PLAN REVENUE

~\$3.0 billion including Enterprises (\$750 M/year)

Years 1 – 4 (FY 19 – FY 22)

~\$2.0 billion including Enterprises (\$500 M/year)

Years 5 – 8 (FY 23 – FY 26)

~\$0.8 billion including Enterprises (\$200 M/year)

Years 9 – 12 (FY 27 – FY 30)

# KEY VARIABLES AND CONSIDERATIONS

- Infrastructure Investment and Jobs Act
  - If not passed and federal funding levels remain flat, revenues available for the next 4 years of 10YP projects are reduced significantly.
- “Base” HUTF Revenue
  - Forecasting of “base” HUTF revenue remains highly variable as the pandemic continues, and as long-term impacts to travel and VMT remain unknown. When “base” HUTF revenues fall, less SB 260 revenue is “net new.”
- SB 260 Fee Revenue
  - As new fees with no history of collections, forecast uncertainty is very high and collections could prove substantially higher or lower than forecasted.
  - Revenue from EV fees are not “net new,” but rather offset what would otherwise be a loss to “Base” HUTF revenue.
  - Reductions to FASTER fees will significantly reduce the FASTER Safety program over the next few fiscal years, absent committing other funds to backfill and may require committing funds that would otherwise be available for 10 YP projects.
- Enterprise Revenue
  - Enterprise revenue is subject to approval by Enterprise Boards and in the case of HPTE and Bridge and Tunnel Enterprise are tied to specific projects (i.e. I-70 Floyd Hill, I-270, etc.) rather than a formulaic equity allocation.
- SB 267 COPs
  - Actual proceeds are a function of interest rates and will not be known until time of issuance.



## Next Steps in the Planning Process

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

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

## October 2021

- TC and STAC discusses fiscal constraint for the updated 10-Year Plan
- TC Project Selection Criteria Discussion
- Region staff continues to refine project scopes and budgets from 5–10-year list

## November 2021

- Round 1: MPO /TPRs prioritization meetings
- MPO/TPRs will review existing projects in years 5-10 and additional projects.

## December 2021

- Some continued Round 1 MPO/TPRs discussion (In-person/virtual)
- Coordination with MPOs for prioritization discussions
- TC considers adoption of final GHG rule

## January 2022

- Round 2 MPO/TPRs prioritization meetings (if needed)
- Discussions with stakeholder groups (Both Metro Area and Environmental stakeholders)

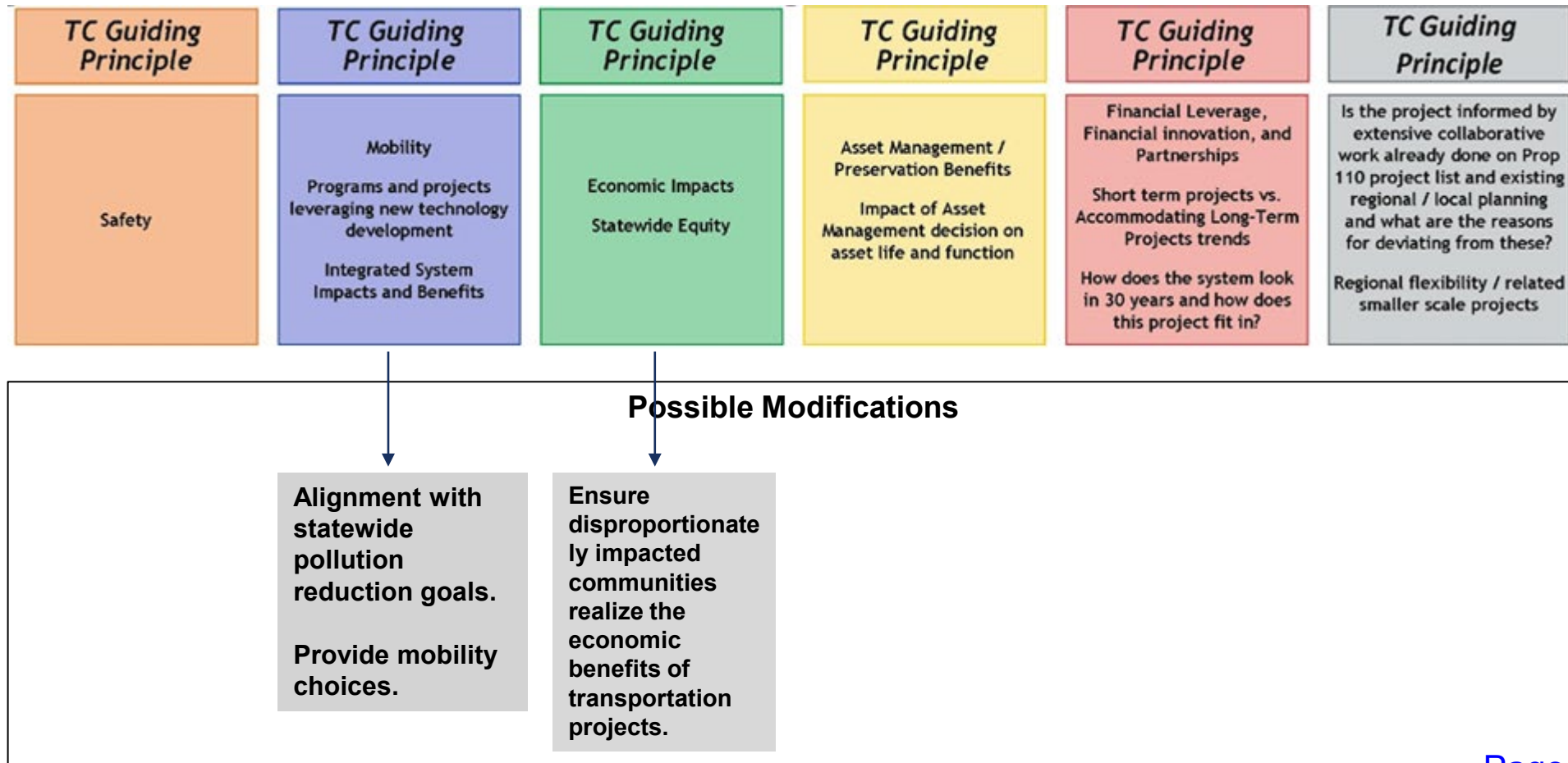
## February 2022

- **Draft Updated 10-Year Plan Developed and Available for Review**
- Initial GHG results shared with STAC and TC
- Additional stakeholder outreach if needed

## March 2022

- STAC advises and TC reconfirms updated 10-Year Plan

# Transportation Commission Project Selection Framework





**DATE:** October 14, 2021

**TO:** Transportation Commission

**FROM:** Herman Stockinger, Deputy Director  
Rebecca White, Director, Division of Transportation Development  
Theresa Takushi, Greenhouse Gas Climate Action Specialist

**SUBJECT:** GHG Pollution Reduction Standard for Transportation Planning Rulemaking

**Purpose**

This memo provides an update on the status of the Greenhouse Gas (GHG) Pollution Reduction Standard for Transportation Planning rulemaking and stakeholder engagement process.

**Action**

N/A

**Background**

The draft rule was noticed by the Secretary of State on August 13, 2021, followed by a 60-day written comment period and nine public hearings held across the state.

CDOT on behalf of the Transportation Commission of Colorado filed a Miscellaneous Rulemaking Notice with the Colorado Secretary of State to extend the public comment period to November 18, 2021 at 12:00pm (noon). Along with an extension of the public comment period to November 18, 2021, CDOT intends to issue an updated rule and provide additional supplementary materials relevant to the rule. These documents will be provided for public review early next week.

**Comments received to date**

Formal comments are posted on CDOT's Rules website, and are available for public review. As of October 14, 2021 CDOT has received over 95 formal written comments on this rule. CDOT has completed nine public Rulemaking Hearings across the state. The hearings were held in a hybrid format with a virtual and in-person option. Over 100 oral public comments were made during the 9 hearings. Over 75% of comments received to date support the rule with the main themes including the call for Colorado to be a leader on transportation planning, clarity on the GHG Reduction Level tables, equity considerations, and encouraging increased multimodal transit and vehicle electrification, expanding public transit, and investing in bicycling and pedestrian infrastructure. Several commenters requested more time to review the rule.

At the TC Workshop on October 20, 2021, staff will provide a more complete update on the comments received and next steps.

**Next Steps**

CDOT staff will provide monthly updates throughout the rulemaking process.



# PROPOSED Greenhouse Gas Pollution Standard For Transportation Planning



**COLORADO**

Department of Transportation

Transportation Commission

October 20, 2021

Page 117 of 203



# Agenda

1. Background
2. Summary of public input period
3. Updated Draft Rule
4. Mitigation Measures
5. Technical Modeling Support Memo
6. Next Steps



Draft rule issued Aug 13 for 60+ day review

Along with draft rule, CDOT provided

- Cost/Benefit Analysis
- Fact Sheet
- Q/A document
- Spanish translation of key materials, including the rule

Press release, e-blast and social media to reach stakeholders and members of the public

Commitment to hold 9 public hearings across the state during the public comment period



# Updated Rulemaking Timeline

subject to change and refinement due to TC action and rulemaking development

## Authorize Rulemaking

Transportation Commission authorize staff to commence rulemaking and delegates a Hearing Officer to conduct rulemaking hearing.

July 15, 2021

## 9 Rulemaking Hearings

Opportunity for Public Testimony

August 13, 2021

September 14, 2021\*

December 16, 2021

## Rule Effective

Rule becomes effective.

February 14, 2022

## Notice Rulemaking

Notice the rulemaking with Secretary of State and public comment period begins.

## Adopt Rule

The Transportation Commission considers Proposed Rule for Adoption.

*\*Hearings may be held on or after September 14, 2021. Hearings to be a mix of virtual/in-person and held in multiple locations around the state.*



**60 Day Written Comment Period  
Starts 8/13 and Ends 10/15**

**Comment Period Extended 30  
Days to 11/18**





# Hearing Process

- Format was a formal public hearing under the Administrative Procedure Act
- Several adaptations to encourage broad engagement
  - Each hearing held in dual format (virtual and in-person)
  - Extended hearing times to allow for after-work participation
  - Spanish translation
  - Pre-recorded, plain-language overview of the rule (also translated) provided on website to watch at a convenient time
  - Hearings live-streamed on YouTube and full recordings available on website
  - Regional facebook ads

- ✓ Grand Junction, 9/17
- ✓ Denver, 9/23
- ✓ CO Springs, 9/24
- ✓ Littleton, 9/27
- ✓ Limon, 9/29
- ✓ Fort Collins, 9/30
- ✓ Glenwood Springs, 10/4
- ✓ Firestone, 10/5
- ✓ Durango, 10/7



# Hearing--lessons learned

- Virtual engagement is strongly preferred
- Commenters prefer to take full advantage of a virtual format (having scheduled comment window)
- Spanish translation in a hybrid format provides extreme technical challenges; especially when held in community centers



# Comments Received to Date (still receiving daily)

- Comments received to date
  - 100+ oral comments from public testimony at one of the 9 hearings
  - 95+ written comments have been received
    - Posted on our website
    - More have been coming in this past week
  - Over 75% of comments supportive of the Rule
- 200 sets of comments, which together include thousands of comments and suggested edits, ranged from broader statements on the rule itself to very specific line edits to requests for substantive changes.
- The revised rule reflects this input and includes many minor wording changes that provide clarity and more significant changes to improve implementation and intent.



# General topics heard from oral and written testimony

(includes comments received to date)

- Personal impacts due to climate change
  - Fires, air quality impacts
- Safety of all users - bike/ped included
- Call for Colorado to be a leader
- Need to consider equity as part of this rule
- Clear, measurable GHG reductions
- Strong enforcement
- Waiver - use sparingly
- Emphasis on multimodal



# Other comments heard from oral and written testimony

(includes comments received to date)

- Request more time
  - Review rule
  - Understand modeling
- Precedence of action
- Impact on future projects
- Urban/rural differences (rule/mitigations)
- Impacts to tourist economy
  - More affordable for tourists to not have to rent a car
  - Preserve climate and natural beauty



# Rule-Specific Comments

(includes comments received to date)

- Remove “baseline” and Table 2 from rule itself
- Inclusion of VMT
- Changes to waiver and enforcement provisions
- More clarity on mitigation measures
- MPO requirements for 2025
- Greater consideration of disproportionately impacted communities
- Timing of review/approvals



# Revised Draft Rule



# Key Provisions that Remain the Same

- **GHG Reduction Levels**
  - The new draft retains the total GHG reduction levels as originally proposed
    - Some small adjustments to Table 1 to ensure “total” row is accurate.
- **Provisions that Acknowledge Regional Differences Across the State**
  - The rule was drafted to focus on regionally significant projects (e.g. interstate widening, new interchanges) which occur predominantly in urban areas. This focus remains.
  - PPACG, PACOG, and GVMPO were given more time in the rule to comply with reduction levels, recognizing the importance of longer lead time to build modeling and technical capacities. This flexibility was not changed.
- **Overall implementation and compliance structure**
  - However clarity and fairness of provisions improved due to MPO input.





- New language was added to expand on the process for developing mitigations at the time a project is submitted into a plan.
  - Specific example of interchange access requests and the incorporation of induced demand analysis.
  
- Added a list of “core principles” for the selection and delivery of mitigations:
  - Valuing benefits to Disproportionately Impacted Communities;
  - Geographic nexus with impacts;
  - Holistic air quality planning;
  - Verification;
  - and Reasonable scale.



1. **Approved Air Quality Model** has been clarified to specify EPA's MOVES model or its successor (1.03)
1. Since specific **Baseline** numbers are no longer in the table, the definition was changed with an explanation of how the baseline should be calculated (1.05)
1. **GHG** has been clarified by using the statutory definition. This definition identifies more gases but those additions do not affect modeling outcomes (1.17)
1. **Regionally Significant** has been further defined to allow modifications with the approval of the Interagency Consultation Team (1.42)



# Non Section 8 Changes

- Equity and Disproportionately Impacted (DI) Communities
  - Numerous comments were received that noted, historically, DI communities have been impacted unequally by transportation project construction.
  - The rule (and associated PDs on mitigations) will require that significant projects be mitigated within the same region as the project
  - Future versions of CDOT plans will contain analysis of DI communities.
  - These changes will become part of a larger transportation equity framework once CDOT's Environmental Justice branch is established.
- Added new language better incorporating the involvement of disproportionately impacted communities in the planning process. (4.02.1, 4.02.5.2, 4.02.5.4, 4.03.6)
  - Providing translation of documents into languages spoken in various communities
  - Requires planning process to consider impacts and opportunities to promote equity and economic justice



# Changes to Section 8.01: Emissions Requirements

- Removed baseline columns from Table 1 and the related explanation of how to do the analysis. Instead this information and guidance is now included in the Modeling Technical Support Memo. (8.01.2)
- Ensured columns in Table 1 “add up” properly by adding “significant digits” to the Table. (8.01.2)
- Removed Table 2. (8.01.3)



# Changes to Section 8.02: Process for Compliance

- By including the words “at a minimum” to the section requiring modeling for Regionally Significant Projects, allows for non-regionally significant projects that can be modelled to be included as part of the initial compliance determination rather than as a Mitigation Measure. (8.02.1)
- Created a new section that allows the State Interagency Consultation Team to “meet as needed to address any question on the classification of projects as Regionally Significant, modeling assumptions, and projects that reduced GHG emissions.” (8.02.3)



# Changes to Section 8.02: Process for Compliance

- In a non-compliance situation (8.02.6.1, 8.02.6.1.2)
  - For MPO Areas: Removed the provision that restricted CDOT 10-Year Plan funds only to “Regionally Significant Projects”
    - Change treats CDOT 10-Year Plan funds the same as MPO funds.
  - For Non MPO Areas: Maintains the restriction on only Regionally Significant Projects
- Clarified that the funding restriction does not apply to funds where “a project was advertised for construction with funding identified prior to the adoption of the Applicable Planning Document.” (8.02.6.1.3)



# Changes to Section 8.03: Mitigation Measures

- Added rural examples (8.03.1, 8.03.10, 8.03.10) such as:
  - Transit for commuting to areas where individuals work
  - School bus/school carpool programs
  - Electrifying loading docks



# Changes to Section 8.05: Compliance (Previously Enforcement)

- Re-named the “Enforcement” section “Compliance” (8.05)
- Language was added that requires the TC to act on a GHG Transportation Report within a specified period of time (30 days or the next TC meeting, whichever is later) (8.05)
- Removed the language that stated if the TC did not act on a waiver request within the specified time period it would be “deemed denied” (but did not add language that it would be “deemed approved.”) (8.05.2.3)





# Changes to Section 8.06: Reporting

- Amended the provision that a publicly available progress report must be made to the TC every 5 years. It is now every three years and the report is made to the AQCC as well as the TC. (8.06.1)
- Added specific provisions for VMT reporting to the TC (8.06.2)
  - VMT per capita for each calendar year.
- Added a provision that the TC shall consider revisions to the rule if there is no decrease in VMT per capita in one or more areas after 3 years of data. (8.06.2.1)



Documents that are being released in tandem:

1. Mitigation Policy Framework
1. Technical Modeling Support Memo



# Draft Mitigation Framework

- Drafted mitigation policy framework to provide more detail, with final versions expected to be complete by April 2022
- Establishes key principles to guide development of a Mitigation Policy Directive and Mitigation Measure Procedural Directive:
  - Benefits to Disproportionately Impacted Communities
  - Geographic nexus with impacts
  - Holistic air quality planning
  - Verification
  - Reasonable scale
- The public will have the opportunity to propose ideas for other mitigations



# Draft Mitigation Framework (cont'd)

- Also includes detail on:
  - Establishing a GHG Mitigation Advisory Group to continuously update the policies and review proposed measures.
  - Initial eligible and ineligible mitigation measures
  - Guidance on how Mitigation Action Plans must be developed and what must be included
  - Guidance for documenting impacts and benefits to Disproportionately Impacted Communities
- Begins to establish how to quantify and/or score measures based on GHG reductions, and summarizes resources to inform a more detailed approach.
- Invites comment on how to quantify/score and suggested resources.



# Modeling Technical Support Memo

- Goal is for a collaborative, consistent, defensible process
- CDOT will establish a Statewide Model Coordination Group (SMCG)
  - The group will have representatives from every MPO, CDOT, and CDPHE;
  - The SMGC will meet quarterly or on an as-needed basis;
  - The group will draft a GHG Modeling Guidelines Technical Memo;
    - e.g., what constitutes acceptable modeling;
  - And develop an outline for a technical support document to accompany all GHG evaluations for the Commission
- Detailed process for how modeling must be conducted in support of GHG Transportation Reports submitted to the Commission.



## Next Steps

- Filed a Notice of Extension of Comment Period to November 18, 2021
- Updated rule posted on Tuesday, following Ad Hoc Committee consensus decision
- Also released Mitigation Framework and Modeling Technical memo
- A final (virtual only) public hearing will be held on **November 10**
- Continued, monthly Commission workshops
- Final rule presented for adoption at the December Meeting
  - If adopted, the Rule will go into formal effect on Feb. 14, 2022

The Transportation Commission Workshops and annual road trip took place on Wednesday, September 15, 2021, and the Regular Meeting was held on Thursday, September 16, 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 invited to participate via streaming, in an abundance of caution due to the COVID-19 pandemic.

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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 Workshops

Wednesday, September 15, 2021, 9:00 am – 11:30 am

### Call to Order, Roll Call:

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

### GHG Rulemaking (Rebecca White and Theresa Takushi)

**Purpose:** This workshop will provide an update on the status of the Greenhouse Gas (GHG) Pollution Reduction Standard for Transportation Planning rulemaking and stakeholder engagement process.

**Action:** N/A

### **Discussion:**

- Commissioner Lisa Hickey announced that the public hearings are about to begin related to the GHG Rulemaking process. We are looking forward to receiving comments in writing would be best, and hopefully early in the process, and there will be at least one Transportation Commissioner present at all the public hearings.
  - These are new concepts covered in the and new procedures with the intention to make the rules as predictable as possible while providing flexibility, which is a balancing act. The TC is under pressure to adopt the rules, due to statutory deadlines that fall next year, and requires coordination with other regional agencies to comply with SB260. Time is of the essence not only to address the transportation sectors impact on climate change, but also the desire is to provide the agencies with as much notice as possible during this process, and why we published the rule occurred when we did. We recognize there are requests asking for more time and more data.
  - The TC agrees data-based decision making and transparency are important, while we keep in mind the time constraints. We look forward to hearing from as many stakeholders as is possible.
- Rebecca White, CDOT Director of the Division of Transportation Development (DTD), provided a brief update on the public comment period. Several comments received and there will be nine public hearings across the state during the 60-day comment period that started August 13 and will end October 12. All information related to the GHG Rulemaking process is available at: <https://www.codot.gov/programs/environmental/greenhousegas>.
- Theresa Takushi, CDOT GHG Climate Action Specialist, provided a summary of comments received to date. They are posted on the CDOT GHG Rulemaking website highlighted above.
- Rebecca White spoke about the Cost Benefit Analysis available to accompany this rule meeting an APA required deadline to be developed 10 days prior to the first Public Hearing. It was developed in compliance with administrative procedures and was posted on September 7<sup>th</sup>. We did receive a request for this information.
- Commissioner Comments

- Commissioner Stanton requested an additional column be added to the reductions table to highlight the factors CDOT has no control over for air quality, such as the California wildfires that may be part of Colorado's new normal now, and in the future. Rebecca will give this more thought, but the policy generally covers emissions from travel on the transportation system in Colorado.
- Executive Director Lew noted the intention is to try to look at impacts that we can control and compare it to the denominator of what we can control. Acknowledging a global context, we are framing the rules in a way that talks about the space where we have action, and the ability to have impacts on reduction of emissions in that space.
- Commissioner Stanton suggested instead including a statement that covers this topic of influences on GHG emissions that are not under the TC's control and provide the data in terms of the amount of GHG emissions this represents. Director Lew noted that Colorado has the same impact on other states, with our wildfires.
- Rebecca noted that the rule includes CDOT submitting a report every 5 years evaluating the effectiveness of the rule.
- Commissioner Vasquez noted that this issue is a forestry issue and a source to obtain the impacts may be the US Forest Service.
- Commissioner Garcia noted the benefit totals going down for decades four and five in the benefits table. Rebecca noted because the travel you're taking off the roads is more likely to be clean travel (EVs) you see a little bit of a reduced benefit over time, and that is the dynamic playing out, and an interesting aspect of this.
- Commissioner Beedy asked if the cost to the public, via the increased electricity infrastructure that will be required to support EVs, was considered in the benefit cost analysis for the rule. For example, the Regional Transportation District (RTD) has already negotiated to not have to pay rates for peak service times.
- Executive Director Lew explained that this rule is meant not to compete with other EV policies, but to offer Coloradans more transportation options/modes that do not emit GHGs. The electrification of vehicles is to be taken care of by other policies borne out of the Governor's Climate Strategy. This policy is not supposed to be about electrification.
- Commissioner Bracke, asked about the format for the Public Hearing and time afforded providing comments. Herman Stockinger, CDOT Deputy Executive Director, noted the public hearings range from three to four hours long, and the time is three minutes per person for comment for the first round. A second round occurs with the same time restriction per person, and a third round for additional comments with no time restriction per person follows.

### **Policy Directive 14 Report Card (Rebecca White)**

**Purpose:** To report on progress made towards achieving Policy Directive 14.0 (PD-14) performance objectives for Safety, Asset Management, and Mobility goal areas for fiscal/calendar year 2020.

**Action:** Review of performance objectives and targets in preparation for the annual budget process. To align the annual budget setting process with PD-14 objectives and targets, the Commission reviews the performance of PD-14 objectives for the Safety, Asset Management, and Mobility goal areas to determine if there is a need to modify objectives or realign resources to meet an objective(s). At this time, Staff will not request any adjustments to PD-14 objectives.

#### **Discussion:**

- William Johnson, Performance and Asset Management Branch Manager, noted the purpose of this presentation is to inform the TC on the status of meeting PD -14 objectives for Asset Management related to the 2020 targets.
- Darius Pakbaz, CDOT Performance Program Manager, provided an overview of the status of 2020 performance targets for assets.
- Commissioner Garcia, asked about for bridges like Glenwood Canyon event, and how that might impact performance goals.



- Executive Director Lew noted it may not impact the status of performance as it will be fixed before reporting occurs next time.
- Commissioner Beedy asked about how drivability life is impacted by treating roads based on traffic volumes. It was explained by the Steve Harelson, the CDOT Chief Engineer, that Director Lew approved the rural paving program in 10-Year Plan to correct the fact the paving model was not picking up these roadways. A hard year ahead is anticipated with the lack of workforce (truck drivers and maintenance staff) available to do much of this work.
  - Craig Wieden, CDOT Materials and Geotechnical Branch Manager/State Materials Engineer responded that:
    - We are evaluating minor rehab for low traffic roadways. We are beginning to look at that now.
  - Commissioner Beedy appreciated learning that, as costs for fixing these has increased by the delay of treatment for lower volume roads.
  - William Johnson noted that the results of the rural pavement program will not be reflected until the next reporting period.

### **10 Year Plan Update (Rebecca White, Marissa Gaughan, and Amber Blake)**

**Purpose:** With the near completion of the first four years of the 10-Year Plan Strategic Pipeline of Projects, it is now time to prioritize and advance projects from the out years of the plan considering the sustainable funding provided by SB 260. CDOT and its planning partners want to be responsive to the funding provided by SB 260, plus the federal level infrastructure funding that may be coming to Colorado. Lastly, we need to amend the 10-Year Plan to address the SB 260 requirements, including compliance with the new standard for reduced greenhouse gas emissions.

**Action:** No action is required. Information only.

#### **Discussion:**

- Marissa Gaughan, CDOT Multimodal Planning Branch Manager, provided an overview of the 10-year Plan in terms of background, and the project status, with many projects for years 1-4 either completed or under construction.
- Rebecca White explained the need to update 10-year Plan is prompted by additional dollars coming into the Department getting more projects completed - Stimulus dollars, 4<sup>th</sup> year of SB267, SB 260 funding and passage of the federal infrastructure bill, along with GHG rule requirements.
- Commissioner Beedy asked if money will be put towards getting projects ready. Steve Harelson noted that some funds will go to getting projects shovel ready.
- Commission Stuart asked for an estimate on the percentage of projects remaining that would be considered regionally significant projects under the GHG emission reduction rule. Rebecca responded that was a phenomenal question that would need further evaluation to respond to. Director Lew responded that she would estimate anywhere from 30 – 50 % of projects fall under this category, but we will confirm if this is correct.
- Commissioner Stuart then asked more about shovel ready projects. The mitigation treatments could change the status of shovel ready projects if the rule requires adding mitigation elements to them. Chief Engineer Harelson responded that shovel ready is defined differently by different people. But CDOT is committed to the GHG mitigation measures, and we will pick up the shovel when the projects are ready. Director Lew noted that conversations need to run their course to be able to make sure projects are ready to start. Larger projects take longer conversations, but the asset management resurfacing or bridge repair do not take as long.
- Commissioner Bracke commented that shovel ready term could be changed to shovel worthy. Thank you to staff for reframing the information for the 10-year Plan. Commissioner Bracke suggested that for the TC guiding principles, and the TC should consider adding equity or sustainability. Or maybe fold it in under Mobility, or a separate column in the criteria table. One question raised was if for the project list related to transit, are these projects only focused on capital improvements, or also operations funding for transit.

- The response from Amber Blake was that CDOT is primarily focusing on the capital piece but operating could be integrated and included, and we are exploring that option.
- Commissioner Hickey suggested forming or creating a drafting of new criteria by committee, as it is difficult for TC to do during meetings and workshops, she would rather see this be delegated to a standing committee to work on criteria changes.
- Commissioner Vasquez wonders about how to integrate environmental justice (EJ) for this plan. Chief Engineer Harelson noted the new Diversity, Equity, and Inclusion group will ensure this is considered and will build off of existing practices to ensure EJ.

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

#### ***FY 2020-21 Budget Roll Forward Requests***

**Purpose:** This workshop provides an opportunity for the Transportation Commission (TC) to review the FY 2020-21 budget roll forwards that were approved in accordance with Policy Directive (PD) 703.0.

**Action:** No action regarding budget roll forwards is being requested at this time. No roll forwards requested this month require TC approval.

#### **Discussion:**

- Jeff Sudmeier, CDOT Chief Financial Officer, provided an overview of FY 2020-2021 budget roll forwards.
- Commissioner Vasquez asked about roll forwards in terms of the TC has had some disbursements from TC contingency plans to maintenance and operation to see that there's a roll forward raises the question whether it was needed. Jeff responded that I think you are referring to maintenance and operations and the \$28 million and roll forward, and so, if the dollars are rolling forward, why did we have to allocate additional dollars. The maintenance and operations budget category includes a number of programs one major one being Maintenance Level of Service (MLOS), and that is the program where majority of the \$28 million is going among others.
- Commissioner Garcia asked about the admin and agency operation rollover and what would be an example of what is rolling over. Jeff responded that that category is operating portion of the accounting, human resources, personnel operating costs. Cost center roll overs include admin and agency operation. Bethany looking into this, will follow up on this. The full-time employee (FTE) topic will be brought up next month with a workshop.
- Jeff noted that state highway fund cost center dollars – some roll forwards are automatic others have discretion, with EMT approved roll forwards. None require TC approval for this year, but often TC approval can be something that is required. Next month we will review revenue reconciliation, updated revenue forecast and budget amendment requests.
- Commissioner Vasquez noted that much work to reduce expenditures due to COVID 19, and asked if there are any plans to reinstate some of that back into the budget. Jeff responded that where we had to make choices that we didn't necessarily want to in order to balance against shortfalls in revenues in light of the pandemic, I think, going into FY 2023 where things are looking right now is that we aren't going to be in that same position, but we plan to continue to keep a focus on trying to be efficient. We won't need to cut funds from programs, but be able to maintain the existing planned levels of funding.
- Commissioner Beedy asked about the status of the fuel tax and how it is trending. Jeff noted that yes, some information is available, but that he will work with Rebecca and get an exact number. There was an initial drop in VMT and tax revenues, we estimate we are closer to 7 to 10% on fuel tax collection side moving towards becoming flush/at pre-pandemic levels.

#### ***FY 2022 3rd Budget Amendment***

**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 third amendment to the FY 2021-22 Annual Budget. The third amendment consists of one item that requires TC approval, described below, resulting in the reallocation of \$1.62 million from TC Program Reserve to the Rail Commission to provide matching funds for the Front Range Passenger Rail (FRPR) Corridor Development Study.

**Discussion:**

- Bethany Nichols, CDOT Budget Director, provided an overview of the amendment request.
- Commissioner Stuart asked why funds out of TC Reserve vs. DTR funds? David Singer, CDOT Passenger Rail Program Manager, responded that there are no other unexpended funds in DTR to pay for this. Now that we work with Federal Rail Administration (FRA) we have a federal partner and they've said that in order to do this right, we really need to make a larger commitment and investment in dollars to in order for us to begin this federal oversight process.
- Commissioner Bracke asked when the work for this begins.
- Commissioner Stanton asked about critical resource and what are the specifics. Commissioner Hall also asked what this money is for. David Singer explained that ridership forecasts and modeling operations, along with understanding how we interact with freight stationary locations, and preliminary design, and funding and financing to understand the cost benefit, some initial environmental work and CDOT has the expertise to perform the majority of these tasks in house, this money would also fund some consultant assistance. It will allow the Rail Commission to continue for the next two years.
- David answered Commissioner Beedy's question on whether the Rail Commission work extends beyond passenger rail, noting the focus is passenger rail only at this time.
- Commissioners Hall and Vasquez requested a workshop next month to get more details on the request, as the Rail Commission has six months' worth of operating funds.
- Commissioner Stuart asked about partners supporting the Rail Commission work. David noted there is an MOU between RTD, CDOT and Front Range Rail Commission. Get money from Rail Commission and FRA is planned. Grants being held up until we can ensure our continuation.
- Commissioner Stuart noted the expenditure related to Burnham Yard that plays into this and this is complicated and confusing and supported the concept of a TC workshop on this next month.
- Commissioner Stanton noted Burnham Yard funds funnel to cover this? How much more time to keep CRISI grant in place? FRA has not yet awarded \$685K that was announced eight to nine months ago.
- Commissioner Hart mentioned that he graduated from the Rail Commission to this Commission. Generally supportive of this. The state administration, legislature and customers are impatient and ready to get/keep this project moving. Will fit into GHG emissions reduction project. CDOT has national attention from AMTRAK – identified four new lines in the U.S. and are prioritizing funding for, and tout Colorado as the number one project in the country, because of our planning and aggressive schedule. David agreed to get more line items for the \$1.62 million to the TC before they head out on their road trip today.
- Commissioner Beedy stressed the importance to evaluate how passenger rail will influence the transportation system overall.
- Commissioner Hickey asked about the preparation to get this project on a ballot, and understand how much CDOT will be contributing to this large costly project.

***FY 2023 Budget Development***

**Purpose:** To review the FY 2023 Draft Budget process

**Action:** None.

**Discussion:**

- Bethany Nichols, CDOT Budget Director, provided an overview of the budget allocation plan for FY 2021-2022 and other budget documents – revenue and spending plans, and an overview how the FY 2022 budget process will occur. Next month will bring more specifics on the FY 2023 Budget overview.

- Commissioner Beedy asked for data on dollars spent on asphalt miles and develop a program for surface treatment and preservation on a five-year average to preserve our assets, and what percentage of asphalt is treated annually. Steve Harelson noted for rural pavement it is an issue CDOT is looking into.
- Commissioner Bracke asked about the process for rural road paving and if it is separate from this. Jeff responded related to the budget, funds fall into asset management category. The Commissioner would like to understand how the planning and budgeting processes are joined and how the conversations tie together. Rebecca and Jeff suggested that they will put something together to answer this question, and part of the FY 2023 Budget workshop next month.
- A Commissioner asked about a discussion next month on the TC guiding principles also.
- Commissioner Stanton asked for TC program reserve workshop. Jeff noted this is part of the workshop on reconciliation to take place next month.

### **Project Site Visits and Discussions for Transportation Commission Road Trip:**

- Floyd Hill Project
- I-70Peak Period Should Lane (PPSL) Project
- Eisenhower Johnson Memorial Tunnel Tour
- Vail Pass Project
- Glenwood Tours
- Glenwood Canyon and Hanging Lake Tunnel Damage

## **Transportation Commission Regular Meeting Thursday, September 16, 2021, 9:00 am to 10:30 am**

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

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

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

No public comments were taken at this meeting. Three written comments were provided to the commission:

Comment 1: regarding GHG Rule Making – this comment was sent to the CDOT GHG Rulemaking team for archiving.

Comment 2: Name: JP no affiliation indicated.

Emissions standards in Colorado have many loopholes, including the fact that only vehicles 8 years or older need to be tested, testing is every other year, and is only required in 5 counties and parts of 4 other counties. These standards need to be applied universally, requiring all vehicle owners throughout the state to undergo vehicle emissions tests every year in order to register their vehicles, which will prevent the biggest polluters and “coal rollers” from legally using the roads.

Comment 3: Name: BD, no affiliation indicated

Given that much of what is done to facilitate mobility is created and implemented at the local community government level, the Commission should look at what incentives and requirements should be part of the approval process for CDOT funding. Such incentives and requirements should focus on climate actions that provide a net reduction in GHG emissions towards the achievement of the State's GHG emission reduction goals.

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

- Commissioner Stuart – Thank you to Jennifer Uebelher and all of the CDOT staff for putting this trip together.
- Commissioner Hart - Echoed Comments of Commissioner Stuart.
- Commissioner Holguin – Thanked CDOT for this trip and is looking forward to more onboarding information and activities.
- Commissioner Vasquez – No comments.
- Commissioner Garcia – Thanks everyone for putting this trip together and for the warm welcome to the Commission.
- Commissioner Hickey – No comments.
- Commissioner Bracke – Thanks for the road trip, it was enjoyable learning about the different projects and seeing them firsthand.
- Commissioner Beedy – Commented that there were four teens recently killed in his region, after being struck by a semi-truck on a rural road. There needs to be more safety improvements on these rural roads.
- Commissioner Stanton (Vice Chair) - Discussed how there have been a lot of injuries and fatalities lately affecting. There were three fatalities in one day recently including a pedestrian, a flagger, and a driver. We need to continue to find ways to make the roads safer and eliminate the safety concerns.
- Commissioner Hall (Chair) – Thanked everyone for coming along on the road trip, appreciated County Commissioners from Eagle and Garfield Counties coming to discuss options for resiliency. Encourages ongoing meetings with local communities to identify solutions – looking forward to tours later in the day. Discussed the Grand Avenue Bridge collaboration. Great to see the bridge in action. Impressed with how CDOT and Region 3 worked with the community well in advance to get everyone working together to make the bridge reconstruction project work.

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

- None.

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

- Comments related to his book club and vacation – Shared story about Iceland’s bridges and tunnel system – one lane is built intentionally to be able to wash out and then be rebuilt in a week due to unpredictable water flows. Trying to learn about ways to build tunnels cheaper from Iceland. They have soil in Iceland that is easier to get through than some of our soil here in Colorado.

## **High Performance Transportation Enterprise (HPTE) Director’s Report (Nick Farber)**

- None.

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

- None.

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

- Colorado Federal Funding – STAC sent a letter to congress stating how important the money is to Colorado in terms of getting back what they put into via taxes, the letter was signed yesterday will be sent to Congress.
- GHG Rulemaking:
  - Public Hearings/meetings continue, would like to see cost benefit analysis for vehicle operations, social costs, cost of carbon, safety, air pollution, traffic delay and physical inactivity. It is important to think about savings and safety. It is difficult to measure and get accurate data especially for the rural areas of the state. The MPOs are looking to get data needed and can’t put plans together without it.
  - STAC recommended an extension of 30 days for comments on the data driven aspect of GHG rulemaking. Need extensions in the schedule so that MPOs can get the needed data.

- Multimodal Transportation Mitigation Options Fund (MMOF). The question is whether or not we will use same formula and steps as last time. A committee will convene to discuss this. Concerns were expressed regarding the inclusion of seniors and disabled populations. Need to understand a criterion for reducing match requirements for disadvantaged communities. Process was time consuming when needing approval from TC, and CDOT staff is seeking to revamp this process.
- 10-year Plan Strategic Pipeline of Projects - Most projects for years one to four are set, but years five to ten need to be revisited. STAC wants to know what a good definition of a Regionally Significant Project is. Discussed how projects should be selected and prioritized for the update. Need to synchronize plans for the update. Concerns with focus on the large interstate projects that lack geographic equity. A STAC suggestion was to create separate pot of money for larger projects that don't affect local priorities. "6<sup>th</sup> pot" funds may be needed to help with equity. Several Commissioners are interested in learning more about the 6<sup>th</sup> pot concept and requested more information on this approach. The TC also asked for definition of regional significant project next month.
- Jeff Sudmeier noted that the 10-year plan conversation will include determining how to address equity and these other issues.
- Commissioner Stuart noted that the 6<sup>th</sup> Pot concept is not clear cut and might take much longer than a month for Jeff and Rebecca to sort out. Agreed that this conversation needs to happen but want to give staff sufficient time to process this and not rush.
- Vince commented that we need to look at the different projects, make a list of statewide significant projects and determine which get included. It takes several months to do this.
- Commissioner Vasquez would like to get written suggestions on how to sharpen the definitions in the rule.

**Act on Consent Agenda – Passed unanimously on September 16, 2021. Motion by Commissioner Beedy, and Second by Commissioner Bracke.**

- Proposed Resolution #1: Approve the Regular Meeting Minutes of August 18, 2021 (Herman Stockinger)
- Proposed Resolution #2: IGA Approval >\$750,000 (Steve Harelson)
- Proposed Resolution #3: Confirmation of Committee Assignments (Herman Stockinger)
- Proposed Resolution #4: Devolution: Hwy 14C, Hwy 6Z, Hwy 6J & Hwy 138Z Sterling (Heather Paddock)
- Proposed Resolution #5: Multimodal Transportation and Mitigation Options Fund (MMOF) Match Reduction (Rebecca White)
  - Herman – Noted that it is anticipated that a MMOF workshop with the TC will be scheduled for November with action potentially requested in December.

**Discuss and Act on Proposed Resolution #6: 3rd Budget Supplement of FY 2022 (Jeff Sudmeier) – No Budget Supplement Requested for September 2021.**

**Discuss and Act on Proposed Resolution #7: 3<sup>rd</sup> Budget Amendment of FY 2022 (Jeff Sudmeier) – Tabled**

- TC members requested a workshop on this topic for October, to discuss this further before being requested to take action.

**Recognitions:**

- None.

**Other Matters:**

- There was a question about condemnation from August – it has not yet been filed; negotiation have continued.
- It was announced that the first GHG Rulemaking Public Hearing is scheduled to occur in Grand Junction tomorrow Friday, September 17, 2021.
- Commissioner Beedy expressed his concern with personnel requirements related to COVID vaccines and mask mandates, that may lead to loss of personnel. Lots of resignations are starting to come in with the new mandates. Was curious to know if there is something the Commission can do to help?

- John Lorme, CDOT Director of the Division of Maintenance and Operations, noted that CDOT maintenance is currently 25% understaffed and that they may experience greater losses with mask mandates, personal protection equipment (PPE), and vaccine requirements. Right now, CDOT is seeing one to two people leaving at a time, but this may increase as time goes on.
- Commissioner Stanton requested CDOT staff to keep their eyes open for losses, and requested a report to the TC next month on the Maintenance and Operations staff losses. John Lorme will provide such a report.
- Commissioner Beedy requested a weekly report on maintenance staff losses.
- Commissioner Vasquez would like to see overall picture of railroads and rail crossings over state highways, more specifically, CDOT facilities within rail right-of-way (ROW).
- Commissioner Bracke –Appreciated the CDOT the Division of Transit and Rail Director, Amber Blake, for the agenda item to highlight transit progress.
- Commissioner Beedy referred to a letter from the Upper Front Range Transportation Planning Region (TPR) letter about the I-76 and BSNF Railway project. The letter highlights need for statewide planning for freight. Not necessarily just the 10-year plan, but need to consider freight components within all CDOT plans.

#### The Transportation Commission Ad Hoc Agency

Monday, September 13, 2021, 1:30 p.m. – 2:30 p.m., and Tuesday, September 14, 1:00 p.m. – 2:30 p.m.

The Coordination Committee met on September 13 and September 14 to discuss the anticipated amendment to the Transportation Commission's planning rules to address pollution reduction and to prepare for upcoming rulemaking public hearings.

On May 20, 2021, the TC Chair established a TC Ad Hoc Committee to study and discuss how to amend the TC planning rules to incorporate pollution reduction standards as required by recently passed legislation. On September 13 and 14, 2021, Committee members Commissioner Hickey, Commissioner Stuart, and Commissioner Vasquez met with counsel from the Attorney General's Office and CDOT staff to discuss the upcoming public hearings on the proposed rule and to prepare for these hearings.



**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: October 6, 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





**DATE:** October 8, 2021  
**TO:** Transportation Commission  
**FROM:** Stephen Harelson, P.E. Chief Engineer  
**SUBJECT:** US 285 & US 50 (Parcel 3-EX) - Disposal

### Purpose

CDOT Region 5 is proposing to dispose of ~113,256 sq. ft. (2.60 acres) of right of way that is no longer needed for transportation or maintenance purposes. The property will be conveyed at fair market value.

### Action

CDOT Region 5 is requesting a resolution approving the disposal of ~113,256 sq. ft. (2.60 acres) of right of way that is no longer needed for transportation or maintenance purposes.

### Background

The parcel was acquired in the 20's or 30's as part of the old highway alignment and used as a flyway. After constructing a signalized intersection in 2014 the property was vacated. Parcel 3-EX contains ~113,256 sq. ft. (2.60 acres) and is outside of the right of way necessary for US 285 and US 50.

### Details

The adjacent property owner is interested in purchasing Parcel 3-EX. CDOT Region 5 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 Parcel 3-EX will be at fair market value.

### Key Benefits

CDOT will be relieved of maintenance responsibilities and liability associated with this parcel. CDOT will also obtain revenue from the sale of the parcel that will be applied to future transportation projects in accordance with 23 CFR 710.403(d).

### Next Steps

Upon approval of the Transportation Commission, CDOT will convey Parcel 3-EX 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 Chaffee Clerk and Recorder.

### Attachments

Exhibits Depicting the Disposal Parcel

**EXHIBIT "A"**

**PROJECT CODE: 23156  
PROJECT NUMBER: CC 0502-087  
PARCEL NUMBER 3-EX**

**PONCHA SPRINGS US 50 & US 285 FLYWAY DISPOSAL TO 10100 HWY 50, LLC**

**DESCRIPTION**

A tract or parcel of land No. 3-EX of the Department of Transportation, State of Colorado, Project Number CC 0502-087, containing 2.60 acres or 113,256 square feet, more or less, located in the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$  NW $\frac{1}{4}$ ) and in the Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$  NW $\frac{1}{4}$ ) of Section 10, Township 49 North, Range 8 East of the New Mexico Principal Meridian, in the Town of Poncha Springs, Chaffee County, Colorado, and including portions of Block 27 and the alley in said Block, portions of Block 20 and the alleys in said Block, and portions of Main Street and Alabama Street, said blocks, alleys and streets being located within Burnett's Addition to the Town of Poncha Springs, all being more particularly described as follows:

Beginning a point on the northerly right-of-way boundary of U.S. Highway 50, said right-of-way boundary being the "F" line of State Highway FAP 259G (1), from whence P.T. Station 1005+82.2 on the northerly boundary of said "F" line bears North 85°54'06" East 186.13 feet, and also from whence the Center-west 1/16<sup>th</sup> corner (¾-inch rebar with a 2 ½-inch aluminum cap stamped PLS 19883) of said Section 10 bears South 44°22'18" West 577.84 feet;

Thence proceeding around the tract herein described, South 79°24'27" West 615.63 feet to the beginning of a curve to the right, said curve having a central angle of 95°32'19", a radius of 45.0 feet and a chord which bears North 52°41'07" West 66.64 feet;

Thence along the arc of said curve a distance of 75.04 feet to the beginning of a curve to the left, said curve having a central angle of 14°27'00", a radius of 1980.0 feet and a chord which bears North 10°14'40" West 498.03 feet;

Thence along the arc of said curve a distance of 499.35 feet to the northeasterly right-of-way boundary of the aforementioned "F" line of FAP 259G (1) being a point on a curve to the left, said curve having a central angle of 56°27'44", a radius of 905.0 feet and a chord which bears South 60°48'01" East 855.42 feet;

Thence along the arc of said curve a distance of 891.84 feet to the point of beginning.

Containing 2.60 Acres or 113,256 square feet, more or less.

Basis of Bearings: Bearing used in the calculations of the description above are based on a grid bearing of North 33°19'18" East between recovered survey control monuments at NGS 'G421 1984' (5/8-inch aluminum rod in monument box) and at NGS 'Poncha 1935' (3½-inch brass cap in concrete base).

Units of measure are U.S. Survey feet.

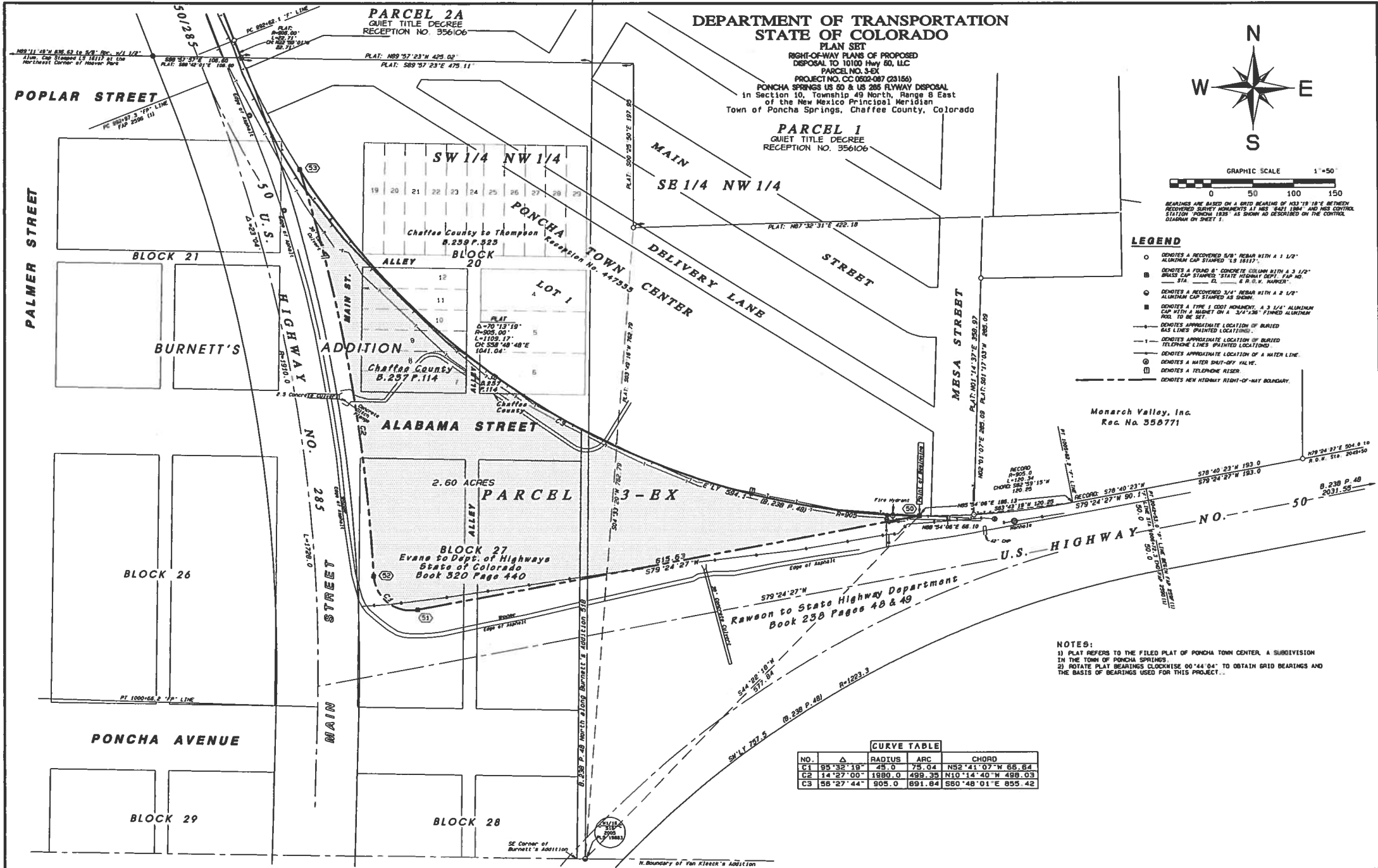
**SURVEYOR'S STATEMENT:**

I hereby state that this right-of-way description is based on a field survey made under my direct supervision and that to the best of my professional knowledge, information and belief, it correctly represents the facts found at the time of the survey.



Michael K. Henderson, Colorado Registered P.L.S. No. 16117





**DEPARTMENT OF TRANSPORTATION  
STATE OF COLORADO**

**PLAN SET**  
RIGHT-OF-WAY PLANS OF PROPOSED  
DISPOSAL TO 10100 HWY 50, LLC  
PARCEL NO. 3-2X  
PROJECT NO. CC 0502-087 (23156)  
PONCHA SPRINGS US 50 & US 285 FLYWAY DISPOSAL  
in Section 10, Township 49 North, Range 8 East  
of the New Mexico Principal Meridian  
Town of Poncha Springs, Chaffee County, Colorado



**LEGEND**

- DENOTES A RECOVERED 1/4" REBAR WITH A 1 1/2" ALUMINUM CAP STAMPED 1.8 18117
- DENOTES A FOUND 6" CONCRETE COLUMN WITH A 3 1/2" BRASS CAP STAMPED "STATE HIGHWAY DEPT. MAP NO. 574 & R.O.W. NUMBER"
- DENOTES A RECOVERED 3/4" REBAR WITH A 2 1/2" ALUMINUM CAP STAMPED AS SHOWN.
- DENOTES A TYPE 1 COOT MONUMENT, A 3 1/4" ALUMINUM CAP WITH A SUGNET ON A 3/4"x3/8" FINISHED ALUMINUM POLE TO BE SET.
- DENOTES APPROXIMATE LOCATION OF BURIED GAS LINES (PRINTED LOCATIONS)
- - - DENOTES APPROXIMATE LOCATION OF BURIED TELEPHONE LINES (PRINTED LOCATIONS)
- DENOTES APPROXIMATE LOCATION OF A WATER LINE.
- ⊕ DENOTES A WATER SHUT-OFF VALVE.
- ⊕ DENOTES A TELEPHONE RISER.
- - - DENOTES NEW HIGHWAY RIGHT-OF-WAY BOUNDARY.

**NOTES:**

- 1) PLAT REFERS TO THE FILED PLAT OF PONCHA TOWN CENTER, A SUBDIVISION IN THE TOWN OF PONCHA SPRINGS
- 2) ROTATE PLAT BEARINGS CLOCKWISE 00°44'04" TO OBTAIN GRID BEARINGS AND THE BASIS OF BEARINGS USED FOR THIS PROJECT.

CURVE TABLE				
NO.	Δ	RADIUS	ARC	CHORD
C1	95°32'18"	48.0	75.04	N52°41'07"W 66.64
C2	14°27'00"	1980.0	499.39	N10°14'40"W 499.03
C3	56°27'44"	905.0	891.64	S80°48'01"E 855.42

<p><b>SHEET REVISIONS</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>DATE</th> <th>COMMENTS</th> <th>INIT.</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	DATE	COMMENTS	INIT.				<p><b>RIGHT-OF-WAY PLANS TITLE SHEET</b> PROPOSED HWY 50/285 FLYWAY DISPOSAL IN THE TOWN OF PONCHA SPRINGS, CHAFFEE COUNTY, COLORADO</p> <p>DESIGNED: H.K.H. DRAWN BY: TDD CAD DATE: 7/1/19 DRAWING NO.: L-19-41</p>	<p>PREPARED FOR: Colorado Department of Transportation 3803 North Main Avenue Suite 300 Durango, Colorado 81301 Phone: (970) 385-1419 Fax: (970) 385-1410 Region 5</p>	<p><b>SURVEYOR STATEMENT</b> I, Michael K. Henderson, a professional land surveyor licensed to practice in the State of Colorado, do hereby state to the Colorado Department of Transportation that based on my knowledge, information and belief, research, calculations and evaluation of the survey evidence, this right-of-way plan was prepared by me and/or under my responsible charge in accordance with applicable standards of practice defined by the Colorado Department of Transportation publications. This statement is not a warranty or warranty, either expressed or implied.</p> <p>P.L.S. No. 16117 State of Colorado</p>	<p><b>RIGHT-OF-WAY PLANS</b> PLAN SET PROJECT NO. CC 0502-087 PROJECT LOCATION: US50 &amp; US285 R.O.W. DISPOSAL TO 10500 HWY 50, LLC SHEET NO. 23156 2 of 2</p>
DATE	COMMENTS	INIT.								



**MEMORANDUM**

**TO: THE TRANSPORTATION COMMISSION**  
**FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER**  
**BETHANY NICHOLAS, BUDGET DIRECTOR**  
**DATE: OCTOBER 21, 2021**  
**SUBJECT: FOURTH BUDGET SUPPLEMENT - FY 2021-2022**

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**Division of Transit and Rail**

\$810,000 - **Multimodal and Mitigation Options Fund - Front Range Rail Corridor Development Study** - Under Senate Bill 21-238 State Legislature created the Front Range Passenger Rail District to finance, construct, operate, and maintain a passenger rail system. The District, once formed next Spring, will succeed the current Southwest Chief and Front Range Passenger Rail Commission. In spite of the District's creation, CDOT remains the catalyst for performing the technical work needed to define a feasible passenger rail system. The requested funding will initiate and complete a study determining whether a passenger rail system is feasible along the front range corridor. Charges associated with the study will be direct charges to the project by CDOT staff and consultant services. For additional information please refer to the Front Range Passenger Rail section of the October Transportation Commission packet.

**Office of Innovative Mobility**

In 2014, the Colorado Department of Transportation (CDOT) established the RoadX Program. The purpose of the program was to transform Colorado's transportation system into one of the safest and most reliable in the nation by using emerging technologies. To help achieve this goal a connected vehicle program was created under RoadX. This project has recently closed resulting in **\$4,125,150** worth of savings. The Office of Innovative Mobility is requesting to use the remaining funds on current program efforts. The remaining funds will allow the connected vehicle program to deploy additional equipment and expedite software development. Below is a breakout of activities the funding will go towards.

1. \$2,000,000 Onboard unit (OBU) procurement and installation
2. \$1,000,000 Expedite backend ecosystem upgrades
3. \$1,000,000 CV connected cloud data
4. \$500,000 Roadside Unit/Onboard Unit grant program to local jurisdictions
5. \$125,150 Connected vehicle program evaluation, assessment, and support

*Per PD 703.0, any use of Innovative Mobility funding requires Transportation Commission approval. Please see attached memo for additional information.*



Attachments:

a. OIM CV Project Memo

\*TCI Pool Reconciliation will be presented by Jeff Sudmeier in the TC Program Reserve section of the Budget Memo and will not be shown in the Budget Supplement.

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

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-21	Balance 12S21		\$48,025,918	
July-21	Balance 1S22		\$48,043,920	
August-21	Balance 2S22		\$31,971,890	
September-21	Balance 3S22		\$31,971,890	
	No requests this month			
October-21	Pending Balance 4S22		\$31,971,890	

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

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-21	Balance 12S21		\$1,000,000	Allocated from TCC pool
July-21	Balance 1S22		\$1,000,000	
August-21	Balance 2S22		\$1,000,000	
September-21	Balance 3S22		\$1,000,000	
	No requests this month			
October-21	Pending Balance 4S22		\$1,000,000	

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

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-21	Balance 12S21		\$13,863,597	
July-21	Balance 1S22		\$13,863,597	
August-21	Balance 2S22		\$13,863,597	
September-21	Balance 3S22		\$13,863,597	
	No Requests this Month			
October-21	Pending Balance 4S22		\$13,863,597	



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

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

Reg	State Highway	Mileposts	Project Description	County	Total Budget TCCRF
0	0	0.000 - 0.000		Boulder	\$ -
Total					\$ -

**Spring 2015 Flood Related Monthly Activity**

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

**Grand Total TCCRF Activity for Emergency Relief Since Last Reporting**

**\$ -**

\* TCI Pool Reconciliation will be presented by Jeff Sudmeier in the TC Program Reserve section of the Budget Memo and will not be shown in the Budget Supplement.

FY 2021-2022 Contingency Reserve Fund Balance Projection		
September		\$32,971,890
TC Contingency Balance (Emergencies)		
<i>Pending Requests:</i>		
No Requests this Month		\$0
Pending October		\$32,971,890
TC Contingency Reserve Balance		
<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	\$30,971,890	\$25,471,890
<i>TCCRF Surplus (Deficit) to Reach \$25M Balance July 1, 2022</i>	<i>\$5,971,890</i>	<i>\$471,890</i>

FY 2021-2022 Maintenance Reserve Fund Balance Projection		
September		\$13,863,597
TC Maintenance Reserve Balance		
<i>Pending Requests:</i>		
No Requests this Month		\$0
Pending October		\$13,863,597
TC Maintenance Reserve Fund Balance		
<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







**MEMORANDUM**

**DATE:** October 21, 2021  
**TO:** Transportation Commission  
**FROM:** Kay Kelly, Chief, Office of Innovative Mobility  
 Ashley Nylen, Assistant Director for Mobility Technology  
**SUBJECT:** Connected Vehicle (CV) Project 21730 from RoadX Program

**Purpose**

Memorandum to the Transportation Commission on the use of the original Connected Vehicle (CV) project funds (known as SAP Project #21730) programmed by the RoadX program (the predecessor to the Office of Innovative Mobility).

**Action**

Budget supplement action.

**Background**

In 2014, the Colorado Department of Transportation (CDOT) established the [RoadX Program](#), which sought to transform Colorado’s transportation system into one of the safest and most reliable in the nation by harnessing emerging technology. The initial commencement of the connected vehicle (CV) program was within the RoadX program and a project with dedicated RoadX funding dollars was established to support the CV program. Upon official closeout of the initial project’s original encumbrances and obligations, CDOT staff have identified a total of \$4,125,150.67 available in the project.

In 2019, CDOT established the Office of Innovative Mobility, encompassing the initiatives and efforts commenced by the RoadX program (as well as other areas defined by the new office mission), including the connected vehicle program. The Office recommends redeploying the available funding into activities consistent with the CV program’s mission.

The Commission received a briefing on the current status of the CV program in July 2021 ([link to packet](#)) and all activities described below are in alignment with current activities and tasks being performed within the CV program. The additional funding from the liquidation of the original RoadX project budget will allow CV to more rapidly deploy additional equipment and expedite software development of this effort. As a result, CDOT will be able to leverage connected vehicle data sooner for enhanced safety of the traveling public.

**Project Budget Activities**

The Office of Innovative Mobility (OIM), which leads the department’s CV program as planned for the below activities with the remaining funds. These activities will build upon the program’s significant growth and successes in the last two years, ramping up several current program efforts.

Activity Title	Estimated Amount
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(1) Onboard unit (OBU) procurement and installation	\$2,000,000
(2) Expedite backend ecosystem upgrades	\$1,000,000
(3) CV connected cloud data	\$1,000,000
(4) Roadside Unit (RSU)/Onboard Unit (OBU) grant program to local jurisdictions	\$500,000
(5) CV Program Evaluation, Assessment and Support	\$125,150
<b>Total</b> (will be moved into the CV program from the current 21730 project)	<b>\$4,125,150</b>

**(1) OBU procurement and installation**

Full equipment and installation of CDOT Fleet with OBUs (CDOT light fleet vehicles, transit vehicles, identified CDOT construction zone and contractor vehicles). CDOT staff can leverage the existing CV program OBU request for proposal (RFP) for unit procurement. Staff will begin working on the procurement vehicle to identify an installation contractor.

**(2) Expedite backend ecosystem upgrades**

The CV program has a significant program software development backlog planned for the open-source software and digital architecture. Refinements and software developments are continuously needed for routine maintenance on the digital asset. This includes various software enhancements as well as maintenance to ensure continued integration to the existing CDOT digital assets the CV ecosystem depends on (such as the CDOT data lake, real-time hub, the advanced traveler management system and others). This activity will expedite backlogged items for the software enhancements in the CV ecosystem.

**(3) CV connected cloud data**

In 2021, the CV team conducted a request for information (RFI) to understand the potential emerging marketplace of connected vehicle data that may be available by automakers and may not require traditional CV infrastructure. Building upon the scope and items discovered in the initial RFI, CDOT will procure connected cloud data from multiple vendors to enhance CDOT’s broader transportation dataset and merge this with other relevant CV data.

**(4) Roadside Unit (RSU)/Onboard Unit (OBU) grant program to local jurisdictions**

The CDOT CV program commonly serves as a model and leader to local jurisdictions in Colorado, offering subject matter expertise and guidance on CV deployment. Several entities have expressed interest in deployment of CV technology, but do not have the funds to do so. This activity will establish a grant program to procure CV equipment (RSUs and OBUs) that can be given to local jurisdictions for installation. All data from the devices will be made available through the CDOT CV ecosystem and be used by both CDOT and the local jurisdiction as well as be made publicly available. The program will have several requirements such as (but not limited to): conformance with the CDOT CV Program Systems Engineering Analysis, integration in the CDOT CV ecosystem, data use case requirements, among other technical requirements that will be fleshed out by the OIM team.





**(5) CV Program Evaluation, Assessment and Support**

Assessment of program performance evaluation (data evaluation and device performance health assessment), data validation and performance or other technical support requirements

**Next Steps**

CV program to carry out identified activities through the 2023 fiscal year. As such, the CV program does not envision a program budget request for the upcoming fiscal year.

**Attachments**

- None



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

PRESENT:           Yessica Holguin, District 1  
                  Don Stanton, District 2  
                  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:           Eula Adams, District 3

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 August, the Bridge and Tunnel Enterprise Board of Directors

- Approved Resolution #BTE1, the minutes from the August Board Meeting
- Approved Resolution #BTE2, 1<sup>st</sup> Budget Supplement
- Approved Resolution #BTE3, Increase Vail Pass Funding



## MEMORANDUM

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**TO: THE BRIDGE AND TUNNEL ENTERPRISE BOARD OF DIRECTORS**  
**FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER**  
**DATE: OCTOBER 21, 2021**  
**SUBJECT: THIRD SUPPLEMENT TO THE FISCAL YEAR 2021-22 BRIDGE AND TUNNEL ENTERPRISE BUDGET**

### Purpose

This month the Bridge Tunnel Enterprise (BTE) Board of Directors (Board) is being asked to approve a budget supplement for three separate projects:

- 1) The establishment of the construction phase for the replacement of E-16-HE & E-16-HF, I-70 over West 32<sup>nd</sup> Ave.
- 2) The establishment of the construction phase for the replacement of D-04-G, SH 64 Strawberry Creek and D-03-A, SH 64 over White River.
- 3) An increase to the construction phase for I-05-V, SH 92 over the Gunnison River in Delta County.

### Action

Staff is requesting Board approval of Proposed Resolution #BTE-21-10-02, the third budget supplement to the Fiscal Year 2021-22 BTE budget.

### Background

Region 1:

Establish the construction phase for the replacement of E-16-HE & E-16-HF, I-70 over West 32<sup>nd</sup> Ave. The existing structures are four-span, cast in place, parabolic concrete t-beam bridges with asphalt wearing surfaces constructed in 1968. Both bridges are top tier structures in the July 2021 Prioritization Plan. The following is a list of the primary factors for replacing the structures:

- The bridge deck on both structures is rated poor with repairs recently performed to temporarily mitigate safety concerns related to delaminating and spalling deck concrete that has the potential to fall on the traffic below.
- The structures have had numerous repairs and retrofits during the last decade. The repairs have temporarily provided enhanced safety for the traveling public but do not address the underlying structural condition issues.
- Planned and unplanned emergency repairs to the structures frequently require partial or full closures on I-70 and West 32<sup>nd</sup> Ave. In 2014, an emergency repair was conducted that fully closed eastbound I-70, creating a traffic backup that was estimated to be 100 miles in length. The detour around the structure is 14 miles.
- Due to its poor condition, the bridge remains on an intensive 12-month inspection cycle requiring additional staff time and resources.

- The most recent inspection report noted concrete spalling with stains throughout the structure with exposed rebar at the girders, abutments, wingwalls, curbs, and at both the right and left overhangs.
- Cracks, scale, and stalactites have been reported on the girders, abutments, pier caps, curb, and underside of the deck.

**I 70 Eastbound & Westbound over West 32nd Ave. in Jefferson County**  
 (Old E-16-HE) (New E-16-HEA) (Old E-16-HF) (New E-16-HFA) (SAP Project # 23673/1000...)  
*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	BE Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2022	FY 2023	FY 2024			
Design	<i>FASTER Bridge Funds</i>	\$ 1,869,500	\$ -	\$ -	\$ -	\$ -	\$ 1,869,500	\$ 1,053,192
	Total Design	\$ 1,869,500	\$ -	\$ -	\$ -	\$ -	\$ 1,869,500	\$ 1,053,192
Construction	<i>FASTER Bridge Funds</i>	\$ -	\$ 15,644,500	\$ -	\$ -	\$ 15,644,500	\$ 15,644,500	\$ -
	Total Construction	\$ -	\$ 15,644,500	\$ -	\$ -	\$ 15,644,500	\$ 15,644,500	\$ -
<b>Total Project Budget &amp; Expenditure</b>		<b>\$ 1,869,500</b>	<b>\$ 15,644,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,644,500</b>	<b>\$ 17,514,000</b>	<b>\$ 1,053,192</b>
			Year of Expenditure			Total Request		
			FY 2022	FY 2023	FY 2024			
			\$ 1,860,000	\$ 8,950,000	\$ 4,834,500	\$ 15,644,500		

Region 3:

1) Establish the construction phase for the replacement of D-04-G, SH 64 over Strawberry Creek and D-03-A, SH 64 over White River. Both bridges are top tier structures in July 2021 Prioritization Plan.

Bridge D-04-G is a four-span timber bridge that was constructed in 1950. The following is a list of the primary factors for replacing the structure:

- The superstructure is rated poor due to multiple split timber girders along the length of the bridge.
- Twelve split timber girders have been repaired with lag bolts. 33% of the timber girders are either currently split or have been repaired with lag bolts.
- Multiple timber piles have dry rot and all the piles supporting the wing walls contain dry rot.
- 15 timber piles are in severe condition with cracks running the length of the pile.
- Potholes make up 10% of the asphalt overlay, which also has severe alligator cracking, allowing further infiltration of water onto the timber deck and piles.
- The structure is scour critical.

Bridge D-03-A is a three-span steel I-girder bridge with a concrete deck that was constructed in 1948. The following is a list of the primary factors for replacing the structure:

- The deck is rated as poor due to advanced section loss of reinforcing steel and delaminating and spalling concrete.
- The bridge width results in substandard shoulders which creates a safety hazard for maintenance workers and emergency stops.
- The roadway approaches narrow down by six feet at the bridge entrances, creating a safety hazard.
- Concrete columns have settled at least 4.5 inches on one side of pier three.
- The bridge is scour critical and is unstable for calculated scour conditions.

SH 64 over Strawberry Creek and White River in Rio Blanco County  
(Old D-04-G) (New D-04-GA) (Old D-03-A) (New D-03-AA) (SAP Project # 23601/1000...)  
Budget Components by Phase, Funding Program, Fiscal Year

Phase of Work	Funding Program	Current Budget	BE Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2022	FY 2023	FY 2024			
ROW	FASTER Bridge Funds	\$ 46,950	\$ -	\$ -	\$ -	\$ -	\$ 46,950	\$ 15,974
	<b>Total ROW</b>	<b>\$ 46,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,950</b>	<b>\$ 15,974</b>
Utilities	FASTER Bridge Funds	\$ 22,400					\$ 22,400	\$ -
	<b>Total Utilities</b>	<b>\$ 22,400</b>					<b>\$ 22,400</b>	<b>\$ -</b>
Design	FASTER Bridge Funds	\$ 601,800	\$ -	\$ -	\$ -	\$ -	\$ 601,800	\$ 455,478
	<b>Total Design</b>	<b>\$ 601,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 601,800</b>	<b>\$ 455,478</b>
Construction	FASTER Bridge Funds	\$ -	\$ 8,858,400	\$ -	\$ -	\$ 8,858,400	\$ 8,858,400	\$ -
	<b>Total Construction</b>	<b>\$ -</b>	<b>\$ 8,858,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,858,400</b>	<b>\$ 8,858,400</b>	<b>\$ -</b>
	<b>Total Project Budget</b>	<b>\$ 648,750</b>	<b>\$ 8,858,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,858,400</b>	<b>\$ 9,507,150</b>	<b>\$ 471,452</b>
			Year of Expenditure			Total Request		
			FY 2022	FY 2023	FY 2024			
			\$1,993,132	\$6,865,268	\$0		\$8,858,400	

2) This request is for a construction phase budget increase to the I-05-V, SH92 over the Gunnison River, bridge replacement project. I-05-V is a three-span Camelback Pony Truss bridge that was constructed in 1938 and is classified as an historic structure. This project is being combined with a roadway project that is funded solely by CDOT.

The original construction phase budget of \$11,193,500 was approved at the June 17<sup>th</sup>, 2021 BTE Board meeting (ref: Resolution #BE21-06-02). Since that time, the project went to advertisement and received a low bid that was higher than the engineer’s estimate. This overage is primarily due to a \$1.0 million cost overrun associated with the temporary bridge structure. Feedback from suppliers and contractors attributed the increase to a short supply of temporary bridges due to emergency work associated with hurricane related flooding in the southern and eastern United States.

A re-advertisement was considered for this project but was deemed unrealistic partially due to the specifications of the needed temporary bridge. It was found that a re-design of the temporary bridge was not anticipated to produce any significant cost savings due to the specific standards required for the temporary bridge. An additional concern with re-advertisement was the project construction timeline as it relates to work restrictions in the Gunnison River between April 1 and July 15. Any additional time needed for advertisement would delay construction start by over 9 months; a situation that is not desirable given that the existing structure is load restricted and the current detour for freight traffic is routed through nearby residential areas. Consideration was also given to the need to avoid a delay which would risk the current agreement between CDOT and the two local agencies that will be adopting and repurposing the historic structure.

Currently, staff are requesting an increase to the construction phase funding in the amount of \$2,376,321. Below is a summary of the more significant bid item overruns that necessitate this action:

- Temporary Bridge \$1,000,000. Estimate used in the budget was obtained in February and since then demand and market conditions have increased, primarily due to storms across the south and the east.
- Embankment Material \$275,357. Materials needs to be placed for the temporary bridge and removed once the temporary bridge is removed. Increased labor costs are associated with the handling of nearly 31,000 cubic yards (CY) of material.
- Removal of Bridge \$200,000. The existing bridge is historic and going to be repurposed; therefore, there is a highly intensive disassembly process that needs to occur so the structure can be successfully reassembled at a different location and preserved.
- Water control \$200,000. When scaled up to compensate for the size of the project, the 2021 Cost Data Book information indicates that the estimate overrun is reasonable.

- Reinforcing Stainless Steel \$86,119. This a long lead item and the bid matches current market conditions. Material price increase is also a factor.
- Concrete Barrier \$100,568. The project site is in a remote area, and as a result, higher prices for transportation of barrier appear to be reasonable. Material price increase is also a factor.
- Mobilization \$100,000. Costs associated with transportation to the rural project site have increased due to fuel and labor prices.

SH 92 over Gunnison River in Delta County  
(Old I-05-V) (New I-05-VA) (SAP Project # 22943/1000...)  
*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	BE Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2022	FY 2023	FY 2024			
Right-of-Way	<i>FASTER Bridge Funds</i>	\$ 124,260	\$ -	\$ -	\$ -	\$ -	\$ 124,260	\$ 153,101
	<b>Total Right-of-Way</b>	\$ 124,260	\$ -	\$ -	\$ -	\$ -	\$ 124,260	\$ 153,101
Design	<i>FASTER Bridge Funds</i>	\$ 754,700	\$ -	\$ -	\$ -	\$ -	\$ 754,700	\$ 690,945
	<b>Total Design</b>	\$ 754,700	\$ -	\$ -	\$ -	\$ -	\$ 754,700	\$ 690,945
Construction	<i>FASTER Bridge Funds</i>	\$ 11,193,500	\$ 2,376,321	\$ -	\$ -	\$ 2,376,321	\$ 13,569,821	\$ 7,766
	<b>Total Construction</b>	\$ 11,193,500	\$ 2,376,321	\$ -	\$ -	\$ 2,376,321	\$ 13,569,821	\$ -
<b>Total Project Budget &amp; Expenditure</b>		\$ 12,072,460	\$ 2,376,321	\$ -	\$ -	\$ 2,376,321	\$ 14,448,781	\$ 844,046
			Year of Expenditure			Total Request		
			FY 2022	FY 2023	FY 2024			
			\$ 452,632	\$ 1,357,896	\$ 565,793	\$ 2,376,321		

**Next Steps**

- 1) Approval of this budget supplement and Resolution #BTE 21-10-02 will provide the budget necessary for E-16-HE and E-16-HF and D-04-A and D-03-G to proceed to advertisement.
- 2) Approval of the budget supplement and Resolution #BTE 21-10-02 will allow I-05-V to advance to award.

**Attachments**

Attachment A: Proposed Resolution #BTE-21-10-02.



**Colorado Transportation Commission  
Audit Review Committee Agenda  
Thursday, October 21, 2021  
11:00 AM**

**Eula Adams, Chair  
District 3**

**Karen Stuart  
District 4**

**Terry Hart  
District 10**

**All commissioners are invited to attend this Committee meeting**

<b>1.</b>	<b>Call to Order</b>	<b>Verbal</b>
<b>2.</b>	<b>Motion to Approve June 16, 2021 Minutes</b>	<b>p. 1</b>
<b>3.</b>	<b>FY 2022 Risk Assessment Results</b>	<b>Verbal</b>
<b>4.</b>	<b>FY 2022 Audit Plan</b>	<b>Verbal</b>
<b>5.</b>	<b>Outstanding Recommendations Update</b>	<b>Verbal</b>

**THE AGENDA MAY BE ALTERED AT THE CHAIR'S DISCRETION**



**Colorado Transportation Commission  
Audit Review Committee (ARC) Meeting  
June 16, 2021  
4:45 p.m. - 5:35 p.m.  
CDOT Headquarters**

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**AUDIT COMMITTEE MEMBERS:** Eula Adams; Kathleen Bracke; Shannon Gifford; Karen Stuart; Bill Thiebaut; and Sidny Zink, Chair

**EXECUTIVE MANAGEMENT TEAM:** Frank Spinelli, Audit Director; Shoshana Lew, Executive Director; Herman Stockinger, Deputy Director; Jeffrey Sudmeier, Chief Financial Officer (CFO); Stephen Harrelson, Chief Engineer; Michael Goolsby Region 3 Transportation Director and Rebecca White, Transportation Development Director

**AUDIT TEAM:** Jim Ballard, Audit Supervisor; Robyn Lamb, Audit Supervisor; Daniel Pia, Audit Supervisor; Marcus Prochazka, Auditor II; and Dana Dove, Auditor II

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**Call to Order**

Chair Zink called the meeting to order at 4:45 p.m. All ARC members were present.

**Approval of August 19, 2020 Minutes**

Chair Zink made a MOTION to approve the August 19, 2020 minutes. All voted in favor.

**SAP Security Design and Model Review**

Mr. Spinelli provided an overview of SAP Security Design and Model Review that identified some internal control deficiencies that represent a significant risk. Some of the weakness identified were:

- Excessive amount of IT users that have very high security privileges including some with access to perform all SAP functions and bypass every control,
- Generic accounts with high level privileges have been setup to allow for direct login, with several passwords that had not been changed for some time,
- Logging, which may help to detect inappropriate or unauthorized activity, is not fully enabled, including the logging recommended by SAP,
- Concurrent logins (allowing user IDs to be signed on more than once at a time) are allowed, and
- Excessive number of entries (400 million) exist in the table logs, indicating both that a process or individual is updating key SAP tables in a way that wasn't intended and these logs are not being monitored as recommended by SAP.

Mr. Spinelli stated that this assessment was discussed with management and management began to take immediate corrective action. Additionally, some of the recommendations for improvement have already been implemented and all but one of the recommendations will be implemented within the next several months. The final recommendation is targeted for implementation by end of the calendar year. Mr. Spinelli stated that RSM conducted this



assessment at the request of the Audit Division in order to assist with the risk assessment process and will follow-up in calendar year 2022 in order to validate SAP security design improvements.

Chair Zink asked when SAP was initially installed. Mr. Spinelli responded that it was implemented sometime in 2006, so many of the security concerns could be an accumulation from all those years. Chair Zink inquired as to whether anyone was assigned the responsibility of monitoring the system and does this need to change in the future. CFO Sudmeier responded that most of the recommendations relate to security protocols that are managed by the State's Office of Information Technology (OIT). CFO Sudmeier stated that assessments have been done before with the last one in 2016 and stated that it is good practice to periodically conduct these assessments. CFO Sudmeier pointed out that best practices change over time, so what is a best practice today may not have been one in 2016.

Commissioner Adams stated that companies that use SAP that he is familiar with have very sloppy internal controls and were ignoring best practices especially with regards to access controls. Commissioner Adams continued by stating that it is important that CDOT tighten up internal controls and implement these recommendations especially now that CDOT is fully aware of these issues.

Chair Zink asked who did the initial SAP training when it was first installed. CFO Sudmeier responded that SAP was installed prior to the formation of the State OIT department when individual agencies had their own IT services and CDOT was responsible for maintaining SAP and providing training. CDOT now works closely with State OIT who is ultimately responsible for security and infrastructure.

Chair Zink asked whether SAP should be improved or replaced. Mr. Spinelli stated that perhaps SAP should be reimplemented in 2025 when SAP support is discontinued. CFO Sudmeier stated that SAP support may be discontinued in 2025 or maybe in 2026 and that SAP would stop doing security batches. Some agencies may use a security firm to maintain SAP which may or may not be a best practice. The CFO further stated that replacing SAP is a big decision to be made in the future but in the meantime, SAP will continue to be used to meet CDOT's business needs. Executive Director Lew stated that as long as we are going to use SAP, we should strengthen internal controls and make it more secure. Commissioner Adams stated it is a big decision to replace SAP and that it should be evaluated in the future. However, the Commissioner continued that the main emphasis right now is to implement the recommendations and at some future date, evaluate the next generation of application software. Chair Zink stated that CDOT should not ignore the risk of using an insufficient system. Commissioner Adams stated the problem may be more of execution rather than the flaws in the SAP program, and CDOT has not been diligent with regard to the basic access controls, which Chair Zink agreed.

#### **Motion and Release of Maintenance & Operations Divisions Purchasing Audit Report**

Mr. Spinelli reviewed the four report release motion options. Chair Zink asked for a Motion. Commissioner Thiebaut made that Motion to release the report and thereafter discuss it, which was seconded by Commissioner Bracke. All voted in favor to release and discuss the report.

#### **Maintenance & Operations Division Discussion**

Mr. Spinelli provided an overview of the Maintenance & Operations Division Purchases audit report including the objective, conclusion, effect, causes, recommendations, and management responses.

Mr. Spinelli stated that the objective of audit was to assess whether CDOT Maintenance Division's internal controls for purchases less than \$25,0000 were working effectively as they relate to the internal control breakdowns that were identified during Audit's October 2020 fraud investigation. The audit concluded that internal controls were generally functioning as intended and there was no additional evidence of significant purchasing fraud within the Maintenance & Operations Division. Mr. Spinelli stated what he means by "significant" is that, based on Audit's review of fraud at a very high level, Audit did not identify any fraud, nor did Audit find a pattern of fraud. This indicates that the fraud identified in Audit's October 2020 investigation was an isolated incident and a good indicator that CDOT internal controls were working. However, the following five internal control weaknesses were identified that if corrected could reduce the potential fraud risk: 1) Purchases were sometimes split to circumvent spending limits, 2) Approval procedures with regard to legible approver signatures and necessary approvals could be improved, 3) Support documentation was not always maintained, 4) Segregation of duties could be improved between those employees that initiated the purchase from those that receive the purchase, and 5) No consistent inventory process for small tools, parts, and supplies. The effect of these weaknesses is the increased risk of potential fraud, negative media attention, and poor public perception. Two major causes were identified, which was insufficient policy and procedural guidance, and a lack of an electronic document management system.

The audit made four recommendations to improve the process:

- Better clarify CDOT purchasing and credit card manuals,
- Implement an electronic data management system,
- When no bids are received for needed CDOT services/recurring services, obtain a price quote from the vendor and enter into the competitive negotiation process,
- Emphasize approver responsibilities and ensure proper training is obtained.

Chair Zink asked what was meant about obtaining a price quote from the vendor, specially, who. Mr. Spinelli stated that was in reference to a sole vendor and that requires a different negotiation process.

Management agreed with the findings and recommendations and has begun to take corrective actions including implementing OnBase, an electronic documentation management system, and updating and improving manual guidance. Commissioner Adams stated that he would encourage the continued communications about the culture aspects of this issue. Commission Adams continued that organizations are using more and more purchasing cards and, in many instances, staff are aggregating these purchases in order to circumvent purchasing limits and that a culture exists that ignores this behavior. Commissioner Adams stated that he encourages the CFO to continue to communicate to staff regarding these internal controls and to foster a culture that does not allow for these types of behaviors. CFO Sudmeier stated that he agreed that it is a cultural issue, and CDOT is conducting more monitoring as well as systematically reviewing its processes in order to identify potential issues. CFO Sudmeier also stated that CDOT relies on staff to make good purchasing decisions and supervisors and others to monitor these purchases, which is the cultural piece. CFO Sudmeier added that staff need to take their responsibilities seriously to ensure purchases are legitimate. Commission Adams stated that as purchasing becomes more complex resulting in increased risks, ensuring that the proper culture is in place will become even more critical.

**Audit Division Potential Savings**

Mr. Spinelli stated that the Audit Division, as of June 2021, has identified over \$13.7 million in potential saving from Construction Claims, Master Pricing Agreement (MPA) Reviews, Special Vendor Project, and Fraud Investigations. Mr. Spinelli stated that the review of construction claims found \$750,000 in claimed cost by the contractor to be unreasonable. Mr. Spinelli also stated that MPA reviews, which are a negotiation process with consultants, are a powerful service provided to management. The external supervisor Robyn Lamb is responsible for overseeing construction claims and MPAs. The Audit Division conducted 200 consultant reviews and identified nearly one thousand findings with regard to hourly labor rates that consultants submitted to the Audit Division for review that Audit determined were not reasonable. Mr. Spinelli stated that MPAs are a proactive approach with reducing CDOT's costs. Audit found that the hourly wage rates were \$13,500 higher than what was deemed as reasonable and was negotiated with and agreed to by contractors. This reduction is annualized on 2,080 possible work hours that resulted in a maximum potential saving of approximately \$30 million. Twenty-five percent of this amount (approximately \$7 million) was used to estimate the potential cost mitigated.

The Special Vendor saving resulted from a vendor dispute in which Audit assisted management. This savings of \$5 million was the result of a \$1 million reduction in current invoices, an additional \$1 million in savings from new hardware and its installation, and another \$3 million in annual cost savings for future costs.

Mr. Spinelli stated that the Fraud Investigation generated an additional \$1 million in savings, and this fraud had occurred over a decade. Chair Zink commented that these results are impressive. Executive Director Lew asked for an update regarding the fraud investigation. Mr. Spinelli stated that the Colorado Bureau of Investigation (CBI) had informed him that an arrest warrant was issued.

**FY 2022 Risk Assessment**

Mr. Spinelli said that he has been with CDOT for four years and wants more insight into what he does not know about CDOT. To increase his knowledge, Mr. Spinelli stated that he will be conducting in-person risk assessments based on:

- Analysis of the department in terms of expenditures and risk exposure by division/unit (impact (financial) x occurrence likelihood).
- Interviews with various internal stakeholders including the EMT, Division Managers, Transportation Commission and FHWA.
- Interviews with external stakeholders including local agencies and contractors (both small and minority owned).

In addition, the risk assessment will include a review both internal and external audits that have been performed to assist in identifying risks. In order to be proactive, Audit, at the request of the Executive Director, will conduct its very first process improvement training in July. In addition, Audit will conduct risk assessment interviews during July, August, and September. Based on the results of these risk assessments, Audit will develop an audit plan that will be presented in a subsequent ARC meeting. Mr. Spinelli stated that he will be conducting these risk assessments in person while other members of the Audit team will be attending remotely.

Mr. Spinelli said that Audit conducted a risk assessment analysis based on division budget that found that the Chief Engineer, Engineering Standards Services, Maintenance Level of Services, Maintenance and Operations, and the Regions represent 75 percent of the total budget. Audit will focus on these expenditures as part of its risk assessment. Audit will review construction expenses which are mainly done at the regions and examine both the construction and design process. Mr. Spinelli stated that most of the construction is done by outside firms while the design process is done by both outside consultants and CDOT engineers. Mr. Spinelli stated that this analysis will assist Audit with determining both the number of interviews as well as who to interview, which will probably consist of about 85 interviews.

### **Outstanding Recommendations**

Mr. Spinelli provided an update on outstanding audit report recommendations and the number of time extensions. Reports with open recommendations were: Xentity Corporation Complaint Assessment (December 2019), Overtime Usage Region 3 (June 2018), Utility Accounts (October 2019), Local Agency (May 2019), and Disadvantaged Business Activity Report (March 2020).

Commissioner Adams asked in the future for Audit to follow-up and verify management's actions and provide an update on what management fixed, how well they addressed the recommendations, and the timeframe the actions were completed in relation to their targeted completion date. Mr. Spinelli stated Audit reviews the supporting documentation prior to closing recommendations to assess whether management's actions were responsive with correcting the deficiencies. Commissioner Adams stated that before a recommendation is closed that Audit should perform a preliminary test to ensure that the recommendation was properly implemented by management and to also report to the ARC that Audit is satisfied with the management's implementation of the corrective actions.

Chair Zink inquired as to what is the typical reason that management provides when requesting time extensions. Mr. Spinelli stated that some of the recommendations involve an electronic solution that may take more time than management anticipated. CFO Sudmeier agreed that some of the recommendations can be complicated and may also have a large scope, such as with the OnBase and utility account recommendations. Regional Transportation Director Michael Goolsby also agreed that regarding the utility audit, the scope is very large making it difficult to implement the recommendation throughout the various regions and locations. CFO Sudmeier also stated that another reason that recommendations may not be implemented timely is that occasionally, management is overly optimistic with determining implementation dates.

### **Closing Remarks**

Mr. Spinelli expressed his appreciation to both Chair Zinc and Commissioner Thiebaut for their guidance during their tenure as ARC members as both of these members will be vacating their positions. Chair Zinc stated that Mr. Spinelli has been a great addition to the CDOT Audit Division.

### **Adjournment**

Meeting was adjourned at 5:35 pm.

## MEMORANDUM

**TO: THE TRANSPORTATION COMMISSION**  
**FROM: DAVID ULANE, AERONAUTICS DIRECTOR**  
**DATE: OCTOBER 8, 2021**  
**SUBJECT: ANNUAL JOINT TC/COLORADO AERONAUTICAL BOARD LUNCH**

### Purpose

Historically, the Transportation Commission (TC) and the Colorado Aeronautical Board (CAB) have met annually for a joint lunch so that the two Boards could meet each other and learn how each supports transportation in Colorado. Like the TC, the seven member CAB is a Type I Board whose members are appointed by the Governor. The CAB is statutorily charged with supporting aviation and airports as part of Colorado's multi-modal transportation system, fostering aviation safety, and promoting aviation education and workforce development with policy makers, legislators, industry and the public.

At the lunch, CDOT Aeronautics Director David Ulane will introduce the CAB, provide a brief overview of the Division's mission, funding structure and initiatives. Following that, the CAB and TC have traditionally finished lunch over an informal and free-flowing dialogue between the two Boards.

### Action

None

### Background

Unfortunately COVID-induced circumstances last year precluded a joint TC-CAB lunch, so this will be the first time for this opportunity since 2019.

### Next Steps

None

### Attachments

Presentation?





**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER  
**DATE:** OCTOBER 21, 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.

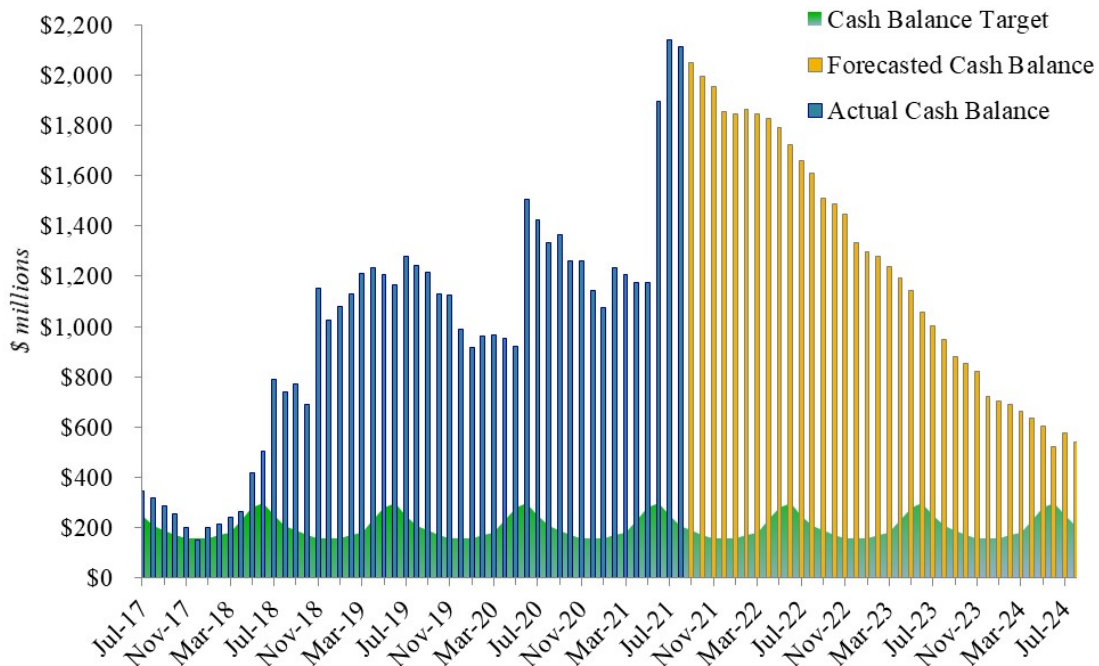
**Action**

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, the Department anticipated a significant and immediate impact to revenue collections, followed by a longer downturn overall. The current forecast continues to assume a 2.5% reduction in pre-pandemic monthly gross gallons of gasoline consumed from July 2021 through June 2022. Staff will modify fuel sale assumptions as traffic patterns continue to adjust.

The actual closing cash balance for August 2021 was \$2.11 billion; \$1.90 billion above that month's cash balance target of \$210 million. August's cash balance is comprised of \$1.05 billion in the State Highway Fund, and \$1.06 billion in a Senate Bill 267 trustee account. August's closing cash balance for the State Highway Fund is \$146 million higher than July's forecast of that balance due to higher than expected federal reimbursements 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 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 Tunnell 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.





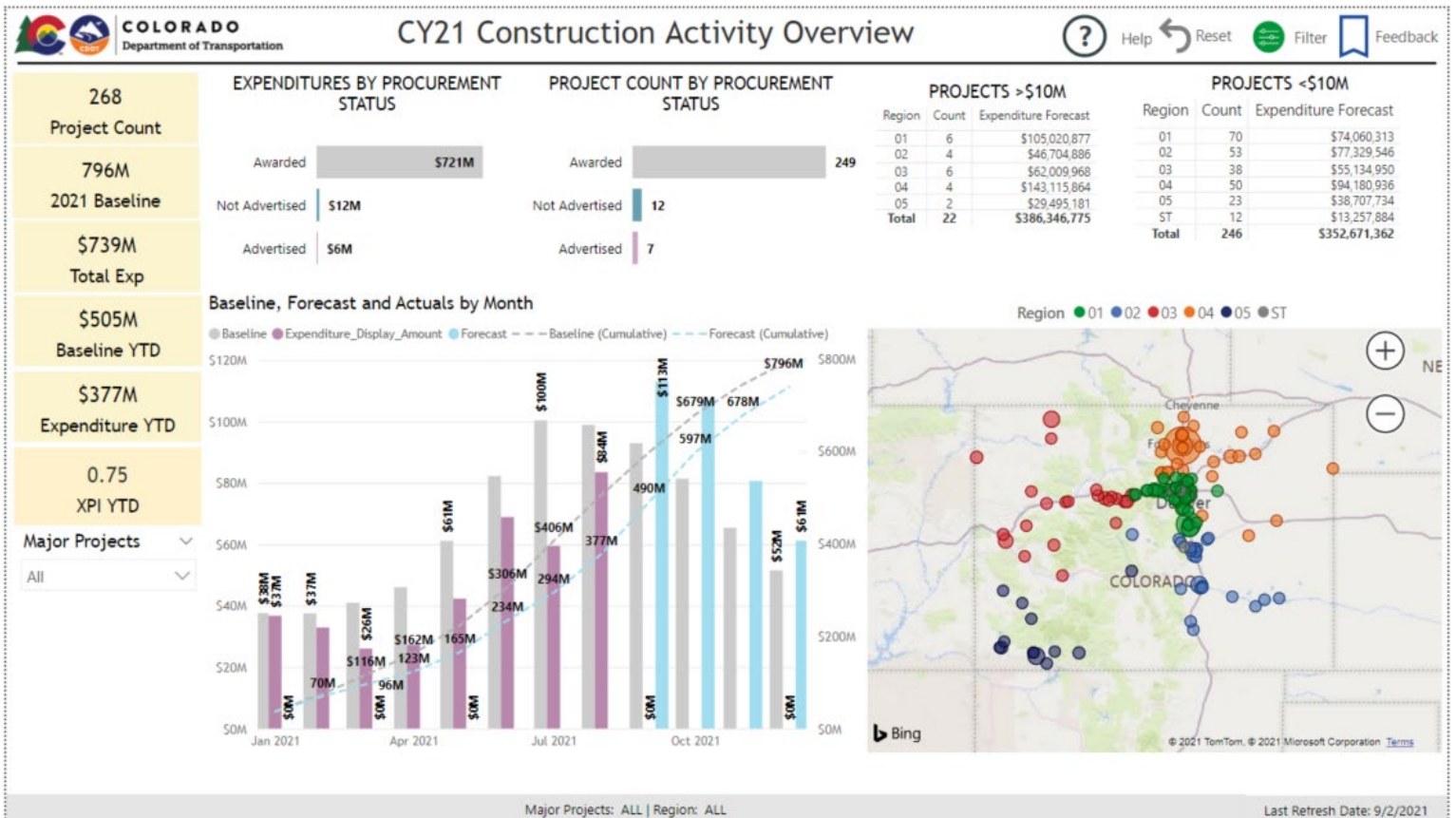
**Cash Payments to Construction Contractors**

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	\$738	\$884	\$856	\$662

The graph below details CY21 baseline, forecast, and actual expenditures (based on August month end SAP data). Results to date correlate with an XPI of .75 (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.





**COLORADO**  
**Department of Transportation**  
Division of Transit & Rail

2829 W. Howard Place 4<sup>th</sup> Floor  
Denver, CO 80204

TO: Transportation Commission  
FROM: Amber Blake, Director, Division of Transit and Rail  
DATE: October 20, 2021  
RE: Rail Abandonments and the Potential for Rail Acquisitions Report to TLRC (SB 37 Report)

Purpose

Required by Senate Bill 37 (SB 37), the Executive Director makes a report to the Transportation Legislation Review Committee (TLRC) of the State Legislature each year. This memo summarizes the report findings and recommendations.

Action

None. Information only.

Background

Each year the SB 37 Report provides an update on possible rail line abandonments and opportunities for rail line acquisitions.

Details

**Burnham Yard (UP):** CDOT Region 1 and Colorado High Performance Transportation Enterprise (HPTE) successfully negotiated the purchase with UP to acquire the Burnham Yard. After some delays brought on by the COVID-19 pandemic, HPTE was successful in obtaining financing for the purchase price and closed on the property on May 19, 2021. Under the deal, CDOT will pay UP \$50 million for the property, with CDOT Region 1 and HPTE each providing \$7.5 million—for a total of \$15 million—and the remainder being financed through a bank loan. Since the purchase, CDOT has assumed responsibility for the property and has begun initial cleanup and preservation of historic structures, pending additional planning and engineering efforts.

CDOT Region 1 plans to begin environmental, planning, and engineering efforts starting in October 2021. This will involve design of the realigned Consolidated Main Line (CML), environmental impacts determination and mitigation, local small area planning in coordination with the City and County of Denver, and coordination with RTD for eventual sale of right-of-way on the eastern face of the property. This planning and engineering effort is partially funded and will proceed to the extent that the current funding permits.

*Recommendation: As CDOT Region 1 and Colorado High Performance Transportation Enterprise (HPTE) work to begin the planning and engineering efforts supporting the potential relocation of the Consolidated Main Line (CML) through the former Burnham Yard, CDOT HQ and Front Range Passenger Rail staff will continue to monitor and support those efforts.*

**Tennessee Pass (UP):** Although no freight has been shipped across the full Tennessee Pass Line since 1996, recent conversations with the UP indicate that they do not intend to abandon this line in the near future. The Royal Gorge Route Railroad currently offers scenic, tourist rail trips on 12 miles of the Tennessee Pass Line west of Cañon City. CDOT often receives inquiries from parties interested in operating commuter and/or tourist operations on the line. Additionally, the line is considered desirable by bicyclists as a rail-to-trail corridor and was identified as one of 16 priority trails by Governor Hickenlooper in 2016. The Department of Natural Resources has also been working to make use of the line's right-of-way by "railbanking" which would allow interim use of the property for biking while

preserving the right-of-way for future resumed rail use. Any arrangements by UP to resume freight service on the line would preclude other uses such as railbanking.

In December 2020, Colorado Midland & Pacific Railway Company (CMP), a subsidiary of Rio Grande Pacific Corporation, entered into a commercial agreement with UP for the potential use of the corridor for commuter passenger services over the pass. However, CMP's filing for common carrier authority was rejected by the U.S. Surface Transportation Board (STB) on March 25, 2021, over environmental and safety concerns. CMP stated that they are currently reviewing the ruling and considering the next steps.

*Recommendation:* CDOT is recommending continued monitoring of activities on the Tennessee Pass. The Tennessee Pass Line has not been used for freight movements in over 15 years and interest has been expressed for other uses, such as passenger train service and a bicycle trail. Currently, Colorado Midland & Pacific Railway Company (CMP) is reviewing next steps in their application to the STB for future operations on the Tennessee Pass line. CDOT will closely monitor the progress of any developments. If this line is abandoned, the state should consider purchasing it to preserve for freight and/or passenger service in the future.

**Fort Collins Branch Line (UP):** The Fort Collins Branch line is a line that runs southeast from Fort Collins to Milliken and Dent, then east to La Salle. It is identified as a Rail Corridor of State Significance since it connects Greeley and Fort Collins to the North I-25 corridor and was identified as part of the preferred alternative in the North Front Range Transportation Alternatives Feasibility Study (NFR TAFS, March 2000). This line does not appear to be at risk of abandonment at this time. However, it should be noted that this branch line was not included in the Preferred Alternative of the North I-25 Environmental Impact Statement (EIS) (December 2011), though that EIS recommends a new commuter rail line connecting the commuter rail line in Longmont and the north end of the RTD FasTracks North Metro Line.

*Recommendation:* CDOT should continue to monitor activities on the Fort Collins Branch Line. If this line is abandoned, the state should consider purchasing it to preserve for freight and/or passenger service in the future.

**San Luis & Rio Grande Railroad:** In September 2019, SLRG was placed in receivership, which is an alternative to bankruptcy during which SLRG continued operating. Leading up to receivership, SLRG had struggled with rising maintenance needs and logistics difficulties with access to the national rail network. In late 2019 the receivership was ended and SLRG was placed into involuntary bankruptcy. Communications with the bankruptcy trustee in September 2021 indicate that negotiations with a potential buyer are at the final stages and the sale of SLRG is expected to be complete in early 2022. The new owner will continue freight operations and determine if there is any potential for revival of passenger excursion service.

*Recommendation:* CDOT will continue to monitor this railroad as it continues to move through the sale process. Should the sale of the Railroad successfully occur, the state should reach out to the new owner and explore ways to support them to improve the state of good repair and ensure future success on the line.

**Raton Pass Line/Amtrak Southwest Chief:** Amtrak's long distance route, the Southwest Chief, is included in this 2021 SB37 report because there are still miles of track on the Raton Pass Line (which Amtrak uses for this route) in need of replacement in order to complete rehabilitation of the line to sustain operation in the future. In recent years three projects have been awarded funding to meet the rehabilitation goal in Colorado: 2017 TIGER IX award, 2018 CRISI award, and a 2020 CRISI award, all from FRA. After these projects are complete, there will still be around 29 miles of track that will need to be rehabilitated, for which funding has not yet been identified.

*Recommendation:* CDOT continues to support the on-going efforts to make the necessary repairs on the Southwest Chief route. The Southwest Chief & Front Range Passenger Rail Commission should continue pursuing additional funding (e.g., TIGER/CRISI grants) to finance necessary repairs on the Raton Pass Line. It is critical that the Commission continue negotiations with Amtrak as it evaluates its long-distance routes.

Next Steps

CDOT staff will continue to monitor and report on abandonment activity and potential rail line acquisitions, notifying the Executive Director and Transportation Commission as appropriate, should any activities occur prior to the next annual report. As appropriate, the Executive Director will advise the Governor and the State Legislature.

Attachments

Previous SB 37 reports can be found on the CDOT web site at:

<https://www.codot.gov/programs/transitandrail/plans-studies-reports/report-to-the-transportation-legislation-review-committee-on-rail-abandonments-and-the-potential-for-rail-line-acquisitions>

**REPORT TO THE TRANSPORTATION LEGISLATION REVIEW  
COMMITTEE ON RAIL ABANDONMENTS  
AND THE POTENTIAL FOR RAIL LINE ACQUISITIONS**

**PREPARED BY  
THE COLORADO DEPARTMENT OF TRANSPORTATION**



**September 2021**

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# Introduction

The purpose of this report is to provide the Transportation Legislation Review Committee (TLRC) with the Colorado Department of Transportation's (CDOT) report on rail abandonments and recommendations relative to possible rail line acquisitions. This is the 24th report submitted by the Executive Director of CDOT to the TLRC on rail abandonment pursuant to 43-1-1303 (3) C.R.S.

Over the course of the past year, there have been a few notable developments pertaining to rail abandonments or potential rail line acquisitions within Colorado.

As reported in previous SB 37 Reports, Union Pacific (UP) Railroad's Burnham Yard in central Denver holds great potential opportunities in the yard, adjacent tracks, and surrounding right-of-way and property, prompting CDOT and the Colorado High Performance Transportation Enterprise (HPTE) to purchase the property in May 2021. The primary purpose of the acquisition is to enable expansion of Central Interstate 25 (I-25). Such an expansion requires the relocation of the Consolidated Main Line (CML). Additional benefits of this relocation include increased capacity for Regional Transportation District's (RTD) light rail lines, future development opportunities for the City and County of Denver, and preservation of right-of-way for future Front Range Passenger Rail.

The Tennessee Pass Line, also owned by UP, is included in this report. UP has not expressed any intentions of abandoning the line, despite the fact that it has not operated freight trains on the line in many years. However, several groups, both private and public, have inquired about utilizing the line for tourist train operations and bicycle trails. One group, who has entered into a commercial agreement with UP, is currently in the process of reviewing their rejected application by the U.S. Surface Transportation Board over environmental and safety concerns, and refiling in the future for potential passenger operations. UP's Fort Collins Branch remains in this report as well, but no changes in its status have occurred in the past year.

South Central Colorado's San Luis & Rio Grande (SLRG) Railroad, owned by Iowa Pacific Holdings, was placed in receivership in September 2019, and was involuntarily placed into bankruptcy at the end of 2019, with the line operating normally throughout the bankruptcy process. Sale to a potential buyer is expected to be complete in early 2022. The buyer will continue freight operations on the railroad. The short line freight railroad plays a critical role in the region's economy, with shipments of agricultural and mining products and rail car storage.

Many of the general rail planning activities, which have appeared in prior reports, are no longer included in this report. Rail planning activities are documented in the 2018 State Freight and Passenger Rail Plan, which was approved by the Transportation Commission of Colorado in August 2018, and accepted by the FRA in December 2018.

**Part I** provides **Background Information** on Colorado's rail system and Legislative and Transportation Commission actions. **Part II** describes **Abandonment Activities**, which have occurred over the past year. **Part III** lists the **Recommendations** of CDOT.



## Part I: Background

### (A) Rail System in Colorado

The Colorado rail system currently includes both a freight rail network and a limited passenger rail network. The role of the railroads and rail transportation in the state is to provide efficient and safe transportation choices for the movement of goods and people while connecting effectively to other transportation modes. The rail system in the state is an interconnected component of much larger regional, national, and global multimodal transportation systems and economies.

Currently, 14 privately owned freight railroads operate in Colorado. These railroads own more than 2,800 miles of track in the state and currently operate on 2,684 miles of those tracks. This represents about 1.9 percent of the nation's 140,000 miles of network track. The extent of this network is also reflected in the fact that 48 of Colorado's 64 counties are directly served by the freight rail network. There are two Class I railroads in Colorado, BNSF Railway and Union Pacific (UP). Combined, they operate over 80 percent of the freight track miles and carry the majority of rail freight in the state.

In addition, there are 12 short line railroads in Colorado comprising 20 percent of freight track miles in the state. They primarily provide localized service with connections to the Class I railroads. They principally serve the agricultural industry, as well as the oil & gas industry, and are very valuable assets to both local and statewide economies.

The passenger rail system in Colorado is presently very limited. Outside of the Regional Transportation District's (RTD) light rail and commuter rail lines in the Denver metro area, Amtrak and Rocky Mountaineer Railroad provide passenger rail service through the state

Amtrak's two passenger routes use existing freight tracks and rely on freight railroad infrastructure to be maintained and/or upgraded for efficient service. These two routes are:

- The California Zephyr, which runs daily between Chicago and San Francisco. Colorado stops include Fort Morgan, Denver, Fraser/Winter Park, Granby, Glenwood Springs, and Grand Junction. This service operates over UP track from Utah to Denver, and BNSF Railway track eastward of Denver.
- The Southwest Chief runs daily between Chicago and Los Angeles. Colorado stops include Lamar, La Junta, and Trinidad. Much of this service operates over BNSF Railway track.

The Rocky Mountaineer Railroad, a Canada based company, began offering its Rockies to the Red Rocks luxury passenger rail service in 2021. The company launched the route with a preview season of 40 departures across 10 weeks, from August 15 to October 23, 2021. It runs on existing freight railroads. It is a two-day journey between Denver, Colorado and Moab, Utah with an overnight stop in Glenwood Springs, Colorado.

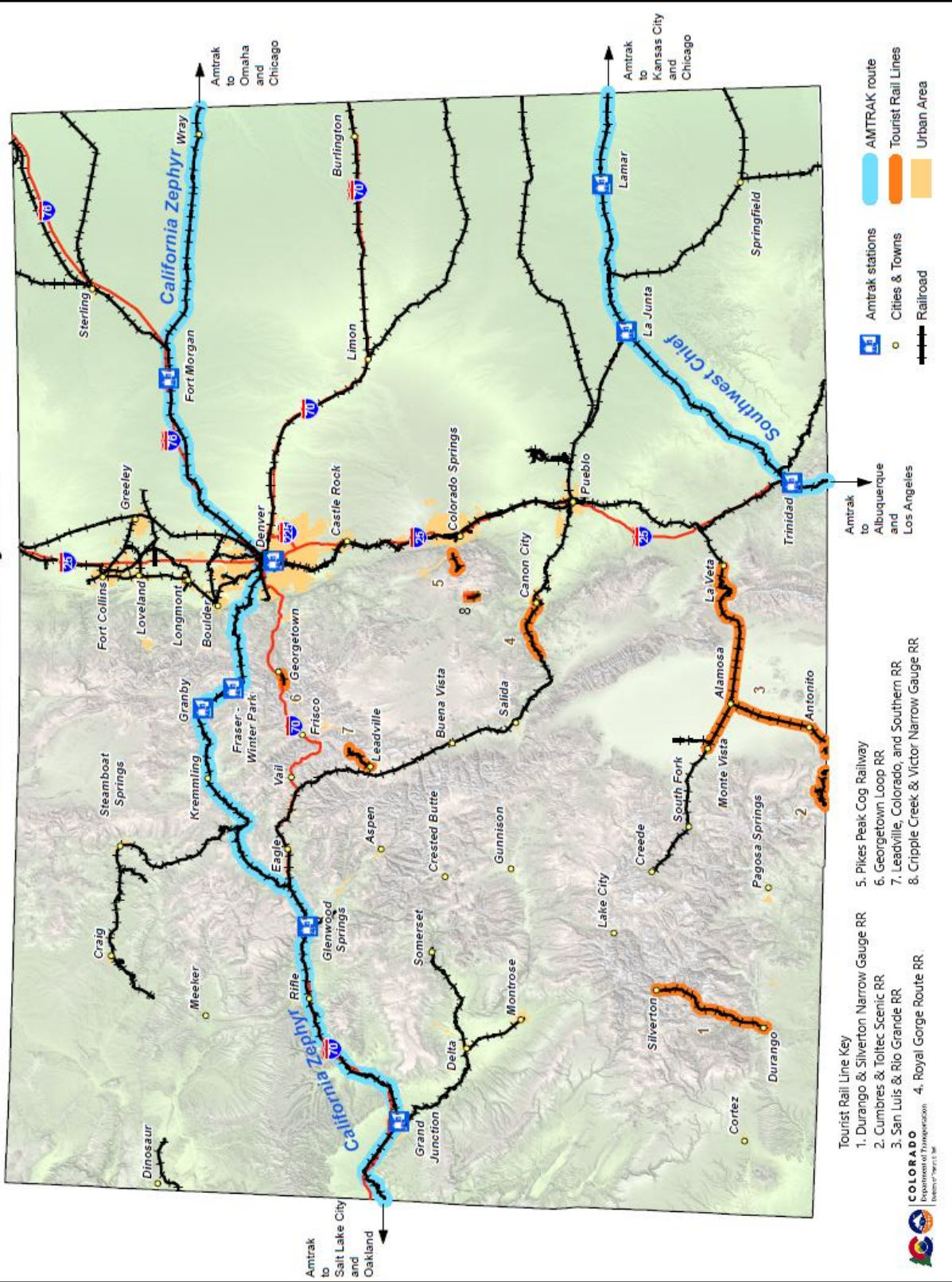
Because ridership declined in 2020 due to the COVID-19 pandemic, Amtrak decreased service on most of its long-distance routes, dropping from daily service to three days per week on both the California Zephyr and the Southwest Chief routes, beginning in October 2020. Amtrak resumed daily service again in May 2021.

Colorado had two additional Amtrak routes discontinued in 1997 due to reductions in federal funds. These two trains were the Pioneer, operating between Denver and Seattle, and the Desert Wind, operating between Denver and Los Angeles by way of Salt Lake City and Las Vegas.

Colorado has eight tourist railroads which showcase Colorado's history and offer trips through Colorado's scenic outdoors. These scenic & tourist lines are located in Cripple Creek/Victor, Durango/Silverton, Georgetown, Leadville, Manitou Springs/Colorado Springs, Cañon City, and two near Alamosa. Most of the tourist railroads were temporarily closed due to the COVID-19 pandemic, but resumed service in the summer of 2021. One tourist railroad—the Rio Grande Scenic Railroad—suspended service indefinitely in 2019 while its parent company is in bankruptcy.

The Manitou & Pikes Peak Cog Railway closed during the 2018 season due to disrepair. The railway officially reopened May 20, 2021 with entirely rebuilt track, new rolling stock, and a remodeled depot complex and summit station. The schedule of service varies according to the season. During the summer 2021 season, the railway operated 8 am to 9 pm, with departures every 40 minutes until 5:20 pm.

# Colorado Rail System



(B) Colorado Legislative Actions

**1997 SB 37 / CRS 43-1-13-3 CDOT Report to Legislature**

In 1997, the General Assembly enacted Senate Bill (SB) 37, concerning the disposition of abandoned freight and passenger railroad rights-of-way in Colorado. According to this legislation and resulting state statute (CRS Title 43, Part 13 – Acquisition of Abandoned Railroad Rights-of-Way, 43-1-1303 rev. 2013), an existing rail line, railroad right-of-way, or an abandoned railroad right-of-way is eligible for acquisition by CDOT, if the Executive Director determines it serves one or more of the following purposes:

- (1) Preservation of the rail line for freight or passenger service;
- (2) Maintenance of a rail corridor for future transportation purposes or interim recreational purposes;
- (3) Access to surrounding state manufacturing facilities, agricultural areas, or other locales that may be adversely affected by the loss of rail service or loss of railroad corridor; or
- (4) Any public use of the rail line or railroad right-of-way that is compatible with the future use as a railroad or other transportation system.

The legislation also requires the Transportation Commission of Colorado (Transportation Commission) to review any property determined to be eligible for acquisition and approve the acquisition before the Executive Director submits the prioritized list of rail lines or rights-of-way to be acquired to the Transportation Legislation Review Committee (TLRC) ((43-1-1303)(2)). CDOT Policy Directive 1607 (PD 1607) and the State Freight & Passenger Rail Plan, both described further below, are Transportation Commission and staff-level implementation of the SB 37 legislation.

43-1-1308 C.R.S., states, “the members of the TLRC shall make a written report setting forth its recommendations, findings, and comments as to each recommendation for the acquisition of railroad rights-of-way and their uses and submit the report to the General Assembly.”

43-1-1301(3) C.R.S., stipulates that the “Executive Director shall submit a prioritized list with recommendations to the TLRC concerning the railroad rights-of-way or rail lines to be acquired by the state and their proposed use.”

**2017 SB 17-153 / CRS 43-4-1001 Southwest Chief and Front Range Passenger Rail Commission**

On May 22, 2017, Governor Hickenlooper signed into law this replacement and expansion of the former Southwest Chief Commission. In addition to CRS 43-4-1001, the bill amended sections of law pertaining to the relationship of this Commission with CDOT. See 24-1-128.7 8(a) and 8(b).

The Southwest Chief & Front Range Passenger Rail (SWCFRPR) Commission created two new positions to represent their interests, a Project Director and a Commission Liaison, housed with the Division of Transit and Rail at CDOT Headquarters.

This SWCFRPR Commission has a two-part responsibility:

- (1) Assume and complete the mission of the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair & Maintenance Commission, as it existed prior to July 1, 2017, by continuing to coordinate and oversee efforts by the State and local governments and cooperate with the states of Kansas and New Mexico, Amtrak, and BNSF Railway to ensure that the track repairs and upgrades required for the continuation of existing

- Southwest Chief Rail Service in Colorado are completed, that such service is extended to Pueblo, and that benefits of extending such service to Walsenburg are fully explored; AND
- (2) Facilitate the future of Front Range Passenger Rail and, in so doing, to specifically develop draft legislation to facilitate the development of a Front Range passenger rail system that provides passenger rail service in and along the Interstate 25 (I-25) corridor and that is a well-integrated component of a modern, efficient, and cost-effective multimodal transportation system.

More information on the Southwest Chief & Front Range Passenger Rail Commission’s work can be found at these web sites:

<https://www.codot.gov/about/southwest-chief-commission-front-range-passenger-rail>  
<https://www.fronrangepassengerrail.com/>

The Front Range Passenger Rail District will serve as the successor to the Southwest Chief and Front Range Passenger Rail Commission upon its creation in May 2022 (see below).

### **2021 SB 21-238 / CRS 32-22-102 Creation of Front Range Passenger Rail District**

On June 30, 2021, Governor Polis signed into law the creation of The Front Range Passenger Rail District as the successor to the SWCFRPR Commission. This bill allows for the creation of a rail district along the Front Range, the largest special district in the state, for the purpose of designing, developing, financing, constructing, operating, and maintaining an interconnected passenger rail system along the Front Range.

The area that comprises the district extends from Wyoming to New Mexico and includes:

- The entirety of the City and County of Broomfield and the City and County of Denver;
- All areas within Adams, Arapahoe, Boulder, Douglas, El Paso, Huerfano, Jefferson, Larimer, Las Animas, Pueblo, and Weld counties that are located within the territory of a metropolitan planning organization (MPO);
- All areas within Huerfano, Las Animas, and Pueblo counties that are not located within the territory of a MPO and are located within a county precinct that is located wholly or partly within five miles of the public right-of-way of I-25; and
- All areas within Larimer and Weld counties that are not located within the territory of a MPO and are located within a county precinct that is north of the city of Fort Collins and is located wholly or partly within five miles of the public right-of-way of I-25.

The district is governed by a Board of Directors that is composed of:

- Six voting members appointed by the Governor and confirmed by Senate
- 10 voting MPO/COG representatives confirmed by Senate:
  - Four members from MPOs representing more than 1.5 million residents (DRCOG)
  - Four members from MPOs representing more than 500,000 residents (PPACG, NFRMPO)
  - One member from PACOG
  - One member from SCCOG
- One voting director appointed by the CDOT Executive Director
- Multiple non-voting members:
  - BNSF Railway
  - Union Pacific (UP)
  - AMTRAK

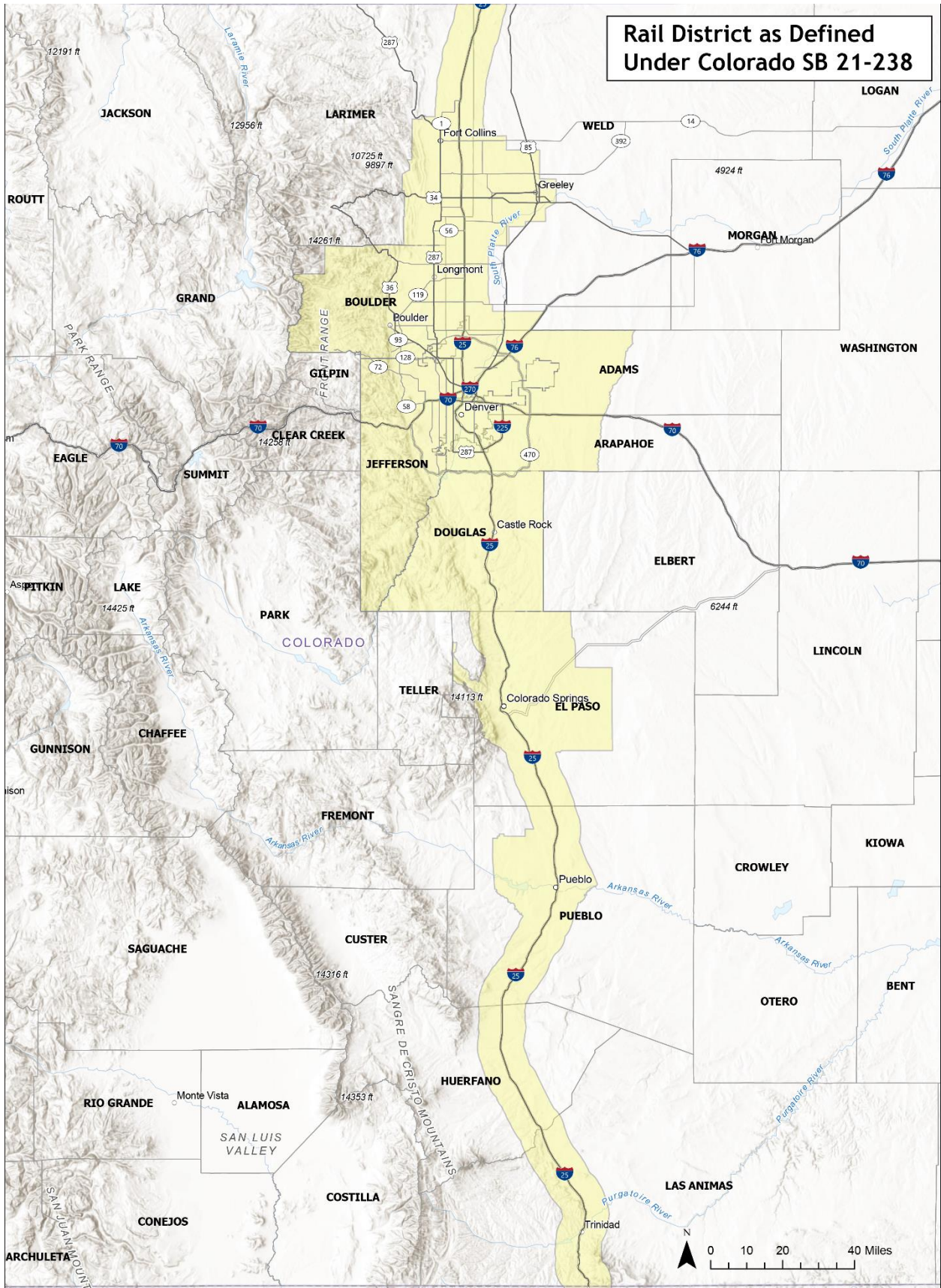
- Regional Transportation District (RTD)
- I-70 Mountain Corridor Coalition
- Wyoming
- New Mexico

The Board of Directors of the rail district has the ability to:

- (1) Ask voters who reside within the district to vote on sales and use taxes;
- (2) Create station area improvement districts to cover the cost of construction, operation, and maintenance of the station, but only with approval of property owners within a two-mile radius of the proposed station;
- (3) Enter into public-private partnerships; and
- (4) Employ its own personnel and contract with public or private entities for the operation and maintenance of the Front Range Passenger Rail.

The timeline for the board appointee selection is as follows:

- December 1, 2021: Selection of RTD, CDOT, Railroad, and I-70 Coalition appointees
- March 1, 2022: Selection of MPO/COG appointees
- April 1, 2022: Selection of Governor appointees
- May 15, 2022: Deadline for first board meeting



## (C) Past Transportation Commission Actions

The Transportation Commission believes that certain significant rail corridors represent an irreplaceable state transportation resource and that it is critical to preserve them because once they are lost, the cost of recreating equivalent corridors in the future will be prohibitive.

In June 2000, the Transportation Commission first approved a **Rail Corridor Preservation Policy, also known as CDOT PD 1607**. The policy directive was updated and approved by the Transportation Commission in August 2014. As updated, PD 1607 states the reasons why rail transportation is important to Colorado.

In order to facilitate a more comprehensive examination of which rail corridors are of interest to the state, the Transportation Commission directed CDOT staff to identify significant rail corridors. In November 2000, CDOT prepared a list of **State Significant Rail Corridors**, which were adopted by the Transportation Commission as part of the Statewide Transportation Plan. The criteria used to identify these State Significant Rail Corridors included existing and potential future demand for passenger and freight services and local/regional support for the preservation of the corridor.

In August 2018, the Transportation Commission approved the updated State Freight and Passenger Rail Plan (Rail Plan). The Rail Plan serves as a framework for future freight and passenger rail planning in Colorado and was approved by FRA in December 2018. It contains the most recent information concerning the forecasted growth of freight and passenger rail operations and includes an updated short-term (four-year) investment plan, and a long-term (20-year) investment vision. The Rail Plan identifies the state's priority strategies and actions to implement them.



## Part II: Abandonment Activity “Watch List”

When a rail line is not economically viable to operate, the result is often either (1) the sale of the line, usually from the two Class I national railroads (Union Pacific (UP) and/or BNSF Railway), to small, regional railroad companies; or, (2) a formal request for abandonment to the U.S. Surface Transportation Board (STB) by the owner of the rail line. Rather than abandon a line, a larger railroad company will usually solicit bidders for the purchase of the line by a short line operator or regional railroad in an effort to maintain rail service along the line. These smaller railroad companies usually have lower operating costs and do not need the same volume of business on the line as the larger railroads to be profitable.

The ability to respond quickly to a potential abandonment can be an important factor in ensuring corridor preservation: once a Request to Abandon has been formally filed with the STB, abandonment can take place in as little as 90 days.

The issue of rail lines being abandoned is of statewide importance due to the impact these abandonments may have on the remainder of the transportation system. As lines are lost, the freight that was being moved by rail must then be moved by truck, causing additional deterioration (e.g., pavement surface condition and/or increased traffic volumes) of the local roadways and/or state highways. In addition, some businesses cannot survive without access to a rail line, thereby causing these businesses either to relocate to another area in the state or to move out of state, resulting in negative local or statewide economic impacts. In addition, once a railroad corridor is abandoned, it is unlikely it will be returned to rail service or be available for any transportation purpose, especially if the rail tracks are salvaged and the right-of-way is sold or reverts to adjoining property owners.

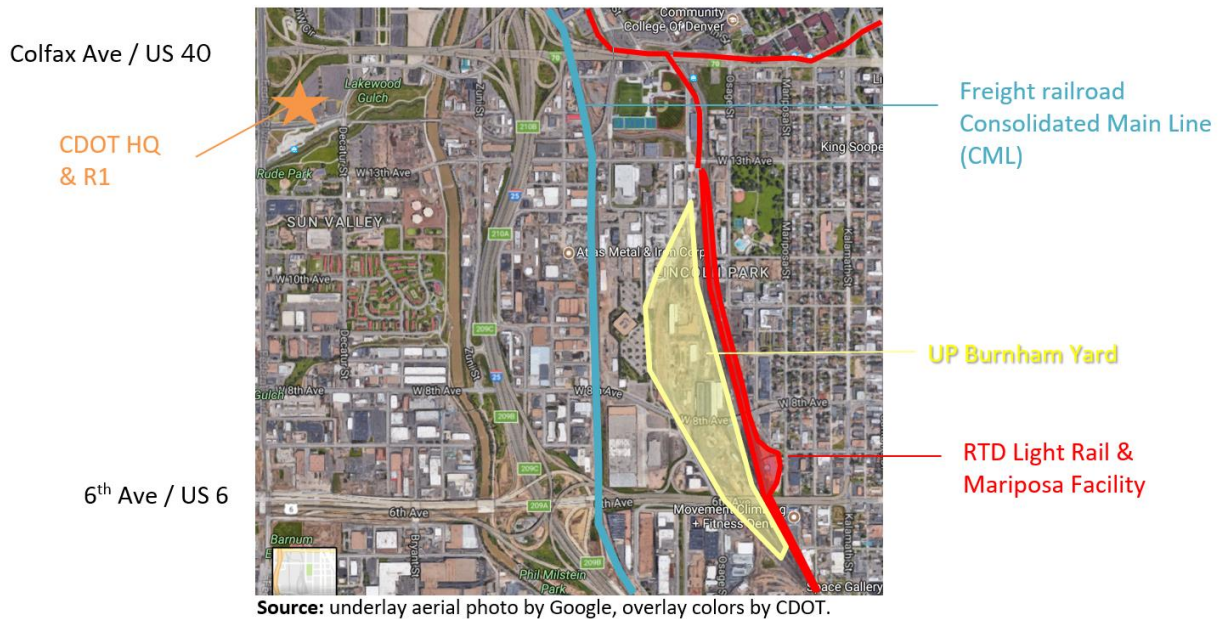
CDOT will continue to monitor short line railroads in the state to ascertain their current financial status and to examine the prospects for their continued survival because they continue to be an important part of Colorado’s future.

### Burnham Yard (UP)

In November 2015, UP made the decision to close and sell the Burnham Shop repair yard in central Denver due to a decline in coal shipments and a desire to consolidate maintenance activities. Adjacent to the Burnham Yard, in the area between US-6 and Alameda Avenue, is Interstate 25 (I-25) which has been identified by both the Valley Highway Environmental Impact Statement (Valley Highway EIS) and the I-25 Central Planning and Environmental Linkages Study as having a need for both additional capacity and geometric changes to correct short weaves and merges. The ability to implement these improvements to I-25, is significantly constrained by the Consolidated Main Line (CML) to the east and the South Platte River to the west.

The Burnham Yard site provides an opportunity to realign the CML away from I-25 and into the former yard site, freeing up right-of-way and providing opportunity to secure additional right-of-way for future rail projects of both Regional Transportation District (RTD) and potential Front Range Passenger Rail.

## Burnham Yard and Surrounding Area



The most important CDOT facilities in the vicinity are Colfax (US 40 Business) to the north, I-25 to the west, Santa Fe and Kalamath Streets to the southeast (south of I-25 it is US 85), and 6th Avenue to the southwest (US 6 begins at I-25 and continues west). CDOT's interest relates to I-25 between Alameda and 6th Avenue.

Between fall 2017 and winter 2020, CDOT Region 1 conducted its Planning and Environmental Linkages (PEL) Study of I-25 between Santa Fe Drive and 20th Street. This segment of I-25 is the busiest and most congested freeway in the state, and represents the primary conduit for travel north and south through and around the downtown Denver core. It is utilized for trips through the area and to regional and local connections, including downtown Denver employment, commerce, entertainment, and residences.

The PEL study identified causes of congestion and considered options to improve safety, travel time, and reliability in this highly-congested corridor. A range of improvements are being evaluated and prioritized for future project development. The PEL study also included the evaluation of environmental impacts, coordination with federal, state, and local agencies, and public involvement.

Major conclusions of the PEL study included:

- Managed lanes are recommended for further analysis for capacity addition due to congestion and travel time reliability benefits;
- Collector/Distributor roads and braided ramp systems are recommended as operational improvements due to safety and turbulence reduction benefit;
- Smaller local or early-action projects may also be necessary to correct some issues at low cost, and can provide improvements to corridor permeability without precluding future projects; and
- CDOT plans to expand I-25 in this section. CDOT's purchase of the Burnham Yard from UP would facilitate the relocation of the CML and industrial businesses nearby to accommodate the eastward expansion of I-25.

The relevance to CDOT's public sector partners of this site are as follows:

- For RTD, it is of importance to their ability to expand light rail operations. To expand service for both central downtown and Denver Union Station destinations, RTD needs four main tracks in this area. Although RTD does not need the entire Burnham Yard site, it would benefit from a right-of-way purchase west of, and along the existing light rail and Mariposa facility site.
- Private railways also stand to gain from a relocation of the CML, which would eliminate major at-grade crossings over Kalamath and Santa Fe Streets. The elimination of these crossings would also improve traffic flow and safety for drivers using those streets, which are major commuter routes into and out of downtown Denver.
- For intercity / Front Range commuter rail purposes, a 60- to 80-foot right-of-way purchase west of, and along existing RTD light rail and Mariposa facilities would be required for safety separation from through-freight trains. This would be in addition to RTD’s needs.
- It is also of importance because it could potentially relieve freight train stoppages through commercial and residential properties in Lower Downtown Denver. Freight rail shipments “stage” or hold trains in or near downtown to sequence the movements of trains south of Denver, over Monument Pass / Palmer Divide.

### Acquisition

CDOT Region 1 and Colorado High Performance Transportation Enterprise (HPTE) successfully negotiated the purchase with UP to acquire the Burnham Yard. After some delays brought on by the COVID-19 pandemic, HPTE was successful in obtaining financing for the purchase price and closed on the property on May 19, 2021. Under the deal, CDOT will pay UP \$50 million for the property, with CDOT Region 1 and HPTE each providing \$7.5 million—for a total of \$15 million—and the remainder being financed through a bank loan. Since the purchase, CDOT has assumed responsibility for the property and has begun initial cleanup and preservation of historic structures, pending additional planning and engineering efforts.

### Next Steps

CDOT Region 1 plans to begin environmental, planning, and engineering efforts starting in October 2021. This will involve design of the realigned CML, environmental impacts determination and mitigation, local small area planning in coordination with the City and County of Denver, and coordination with RTD for eventual sale of right-of-way on the eastern face of the property. This planning and engineering effort is partially funded and will proceed to the extent that the current funding permits.

### Tennessee Pass Line (UP)

The Tennessee Pass line runs 178 miles from near Gypsum, through Eagle, Edwards, Avon, and Minturn, under Tennessee Pass (by tunnel) and along the Arkansas River via Leadville, Buena Vista, Salida, and Cañon City to Pueblo. The Tennessee Pass line has been identified as significant to CDOT because of its potential to carry both passengers and freight, and because it is the only existing trans-mountain alternative in Colorado to the Moffat Tunnel line, which often runs near capacity. The Tennessee Pass Line may serve as an alternate route as trans-mountain rail demand grows due to increased development on the Western Slope or if the Moffat Tunnel were damaged or closed for any reason. Such an event would have a significant impact on Colorado, particularly on the Western Slope, since the railroads would be forced to move freight through Wyoming.

The Royal Gorge Route Railroad currently offers scenic, tourist rail trips on 12 miles of the Tennessee Pass Line west of Cañon City. CDOT often receives inquiries from parties interested in operating commuter

and/or tourist operations on the line. Additionally, the line is considered desirable by bicyclists as a rail-to-trail corridor and was identified as one of 16 priority trails by Governor Hickenlooper in 2016. The Department of Natural Resources has also been working to make use of the line's right-of-way by "railbanking" which would allow interim use of the property for biking while preserving the right-of-way for future resumed rail use. Any arrangements by UP to resume freight service on the line would preclude other uses such as railbanking. Although no freight has been shipped across the full Tennessee Pass Line since 1996, recent conversations with the UP indicate that they do not intend to abandon this line in the near future.

In December 2020, Colorado Midland & Pacific Railway Company (CMP), a subsidiary of Rio Grande Pacific Corporation, entered into a commercial agreement with UP for the potential use of the corridor for commuter passenger services over the pass. However, CMP's filing for common carrier authority was rejected by the STB on March 25, 2021, over environmental and safety concerns. CMP stated that they are currently reviewing the ruling and considering the next steps.

### **Fort Collins Branch Line (UP)**

The Fort Collins Branch line is a line that runs southeast from Fort Collins to Milliken and Dent, then east to La Salle. It is identified as a Rail Corridor of State Significance since it connects Greeley and Fort Collins to the North I-25 corridor and was identified as part of the preferred alternative in the North Front Range Transportation Alternatives Feasibility Study (NFRTAFS, March 2000). This line does not appear to be at risk of abandonment at this time. However, it should be noted that this branch line was not included in the Preferred Alternative of the North I-25 Environmental Impact Statement (December 2011), though that EIS recommends a new commuter rail line connecting the commuter rail line in Longmont and the north end of the RTD FasTracks North Metro Line. Recent conversations with the UP indicate that they do not intend to abandon this line in the near future. CDOT will continue to monitor activities on this rail line, but it will not be considered a potential line for acquisition until such time as conditions may warrant.

### **San Luis & Rio Grande Railroad (Iowa Pacific)**

The San Luis & Rio Grande Railroad (SLRG) runs west from a connection with the UP Railroad at Walsenburg, Colorado, over the Sangre de Cristo Mountains at La Veta Pass and into the San Luis Valley. At Alamosa, the railroad splits with a branch extending south to Antonito, Colorado just north of the New Mexico border, and northwest to South Fork. SLRG owns approximately 150 route miles of track, 126 miles of which are currently operated. Scenic passenger service was also offered on the line by the Rio Grande Scenic Railroad (RGSR) from 2006 to 2019, but the service was ended indefinitely when the SLRG went into receivership.

In September 2019, SLRG was placed in receivership, which is an alternative to bankruptcy during which SLRG continued operating. Leading up to receivership, SLRG had struggled with rising maintenance needs and logistics difficulties with access to the national rail network. In late 2019 the receivership was ended and SLRG was placed into involuntary bankruptcy. Communications with the bankruptcy trustee in September 2021 indicate that negotiations with a potential buyer are at the final stages and the sale of SLRG is expected to be complete in early 2022. The new owner will continue freight operations and determine if there is any potential for revival of passenger excursion service.

## Southwest Chief

Amtrak's long distance route, the Southwest Chief, is included in this 2020 SB37 report because there are multiple projects in various stages to replace and update track infrastructure to secure the safe operation of this route for the future. There are still 29 miles of track on the Raton Pass Line (which Amtrak uses for this route) in need of replacement to complete the needed infrastructure updates to sustain future service.

The following projects are underway or have been funded to rehabilitate BNSF Railway track used by the Southwest Chief in Colorado. These projects use a combination of funding from FRA, state DOTs, and other partners:

- 2017 TIGER IX FRA grant for the Amtrak Southwest Chief Stabilization Project in Kansas, Colorado, and New Mexico, with Colfax County, New Mexico as the lead. The \$25.2 million project is being funded by \$16 million in TIGER IX funding with match funding of \$9.2 million from the states of New Mexico, Colorado, and Kansas; local communities and organizations along the route; and financial support from BNSF Railway and Amtrak. The grant agreement with FRA was executed in August 2020 and the project is expected to be completed by the end of 2021.
- 2018 CRISI FRA grant to install Positive Train Control (PTC) on tracks from Dodge City, Kansas, to Las Animas, Colorado. This \$11.45 million project includes \$9.15 million from FRA and \$2.3 million from the states of Kansas and Colorado, Amtrak, and the Southwest Chief & Front Range Passenger Rail Commission. This project kicked off in September 2020 and is expected to be completed by the end of 2021.
- 2020 FRA CRISI grant to update the rail infrastructure between Trinidad, Colorado and Lamy, New Mexico. This project is being led by the New Mexico DOT and will partially complete critical replacement of track to secure safe operation of the route over Raton Pass.

## Part III: Recommendations

There are no major rail lines in Colorado which have been abandoned in the past year that impact the state's transportation system.

CDOT is recommending the following actions as noted below:

### **Abandonment/Acquisition Recommendations**

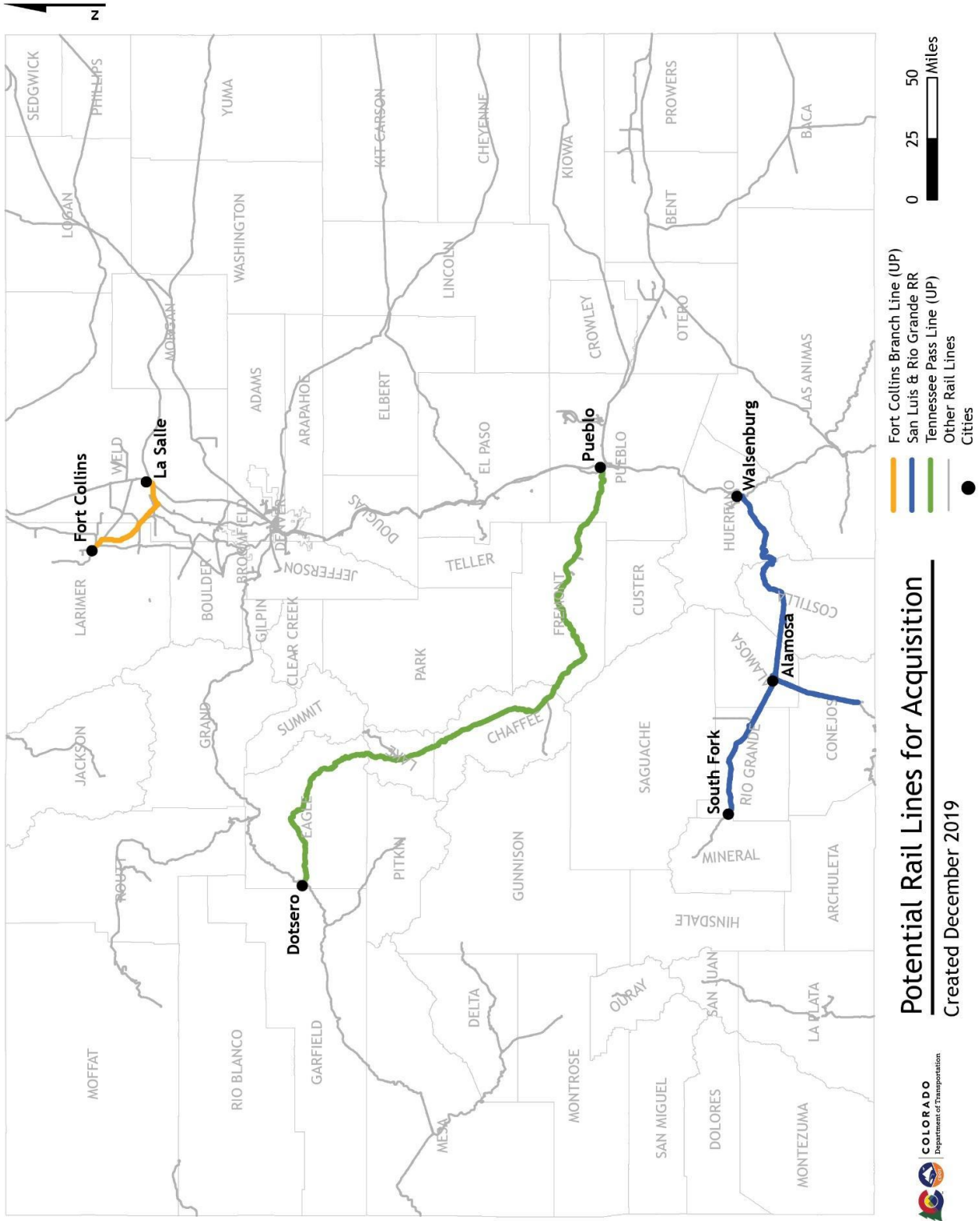
As CDOT Region 1 and Colorado High Performance Transportation Enterprise (HPTE) work to begin the planning and engineering efforts supporting the potential relocation of the Consolidated Main Line (CML) through the former Burnham Yard, CDOT HQ and Front Range Passenger Rail staff will continue to monitor and support those efforts.

In addition, CDOT is recommending continued monitoring of activities on the Tennessee Pass and the Fort Collins Branch Lines. While there is no indication that Union Pacific (UP) will abandon these lines in the near future, the Tennessee Pass Line has not been used for freight movements in over 15 years and interest has been expressed for other uses, such as passenger train service and a bicycle trail. Currently, Colorado Midland & Pacific Railway Company (CMP) is reviewing next steps in their application to the U.S. Surface Transportation Board for future operations on the Tennessee Pass line. CDOT will closely monitor the progress of any developments. *If either of these lines is abandoned, the state should consider purchasing them to preserve them for freight and/or passenger service in the future.*

The sale of the San Luis & Rio Grande Railroad is expected to be complete by early 2022. CDOT will continue to monitor this railroad as it continues to move through the sale process. *Should the sale of the Railroad successfully occur, the state should reach out to the new owner and explore ways to support them to improve the state of good repair and ensure future success on the line.*

### **Maintenance Recommendations**

The Southwest Chief & Front Range Passenger Rail (SWCFRPR) Commission should continue to pursue additional funding (e.g., TIGER/CRISI grants) to finance necessary repairs on the Raton Pass Line. It is estimated that the line will require further investment of tens of millions of dollars on more than 30 miles of track within the next five years to maintain adequate track quality, sufficient speeds, and continued operational reliability. The SWCFRPR Commission and neighboring states have made great strides in pursuing and securing funding toward this project, but full funding for the project is far from complete. It is critical that the SWCFRPR Commission continue negotiations with Amtrak as it evaluates its long-distance routes.





**MEMORANDUM**

**TO: THE TRANSPORTATION COMMISSION**  
**FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER**  
**DATE: OCTOBER 21, 2021**  
**SUBJECT: FY 2021-22 Q1 ANNUAL REVENUE FORECAST UPDATE**

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**Purpose**

To provide a quarterly update to the annual Highway User Tax Fund (HUTF) forecast.

**Action**

This is for information purposes only. No action is requested from the Transportation Commission at this time.

**Background**

The Office of Financial Management and Budget (OFMB) maintains an annual revenue model that is used to guide CDOT's budget-setting process. OFMB's revenue team updates the model each quarter to monitor the course of a current year's fiscal performance, as well as inform the budget for future out-years. Some of the data used by the model includes, but is not limited to:

- National economic performance indicators, such as the year-over-year percent change in real U.S. GDP growth.
- State population and demographic data, annual vehicle miles traveled (VMT) in Colorado, and the historical performance of the state's HUTF.
- Bureau of Labor Statistics & Bureau of Economic Analysis data, such as historical and forecasted year-over-year percent changes in personal income and the consumer price index.
- The forecasted and aggregated annual interest rates on new car loans, and future retail gasoline prices from the Energy Information Administration.
- Estimated vehicle costs, including federal or state rebates for certain vehicles, as well vehicle fuel efficiency, and annual vehicle scrappage rates.

The model also includes federally or state-appropriated funding from grants or other sources, such as the Federal Highway Administration and Federal Transit Administration (FHWA & FTA), and the National Highway Traffic Safety Administration (NHTSA).

Staff will develop the FY 2022-23 Annual Budget Revenue Allocation Plan using outputs from this model. During the annual budget development process, CDOT staff reconcile annual projected revenues with approved requests for expenditures. Staff provides draft and final versions of the Revenue Allocation Plan for formal review and approval by the Transportation Commission. The final plan becomes CDOT's official budget for the next fiscal year.

**Summary**

Staff has largely kept its revenue forecast for motor fuel consumption and vehicle registrations in FY 2022-23 the same as last quarter's projection, but now with a (\$9.8) million drop in FASTER funding from reduced vehicle rental fees. Year-over-year monthly changes in VMT for FY 2020-21 were on average 6.1% below pre-pandemic levels, and gross gallons of gasoline sold was down on average by 9.0%. Changes in VMT and gasoline sold over the long-term indicate an incremental climb back toward pre-pandemic levels; however, some volatility between both categories where data is available from April through





August suggest enough uncertainty still present that traffic and fuel consumption patterns affected by the pandemic will persist through at least FY 2021-22.

Colorado’s VMT, as measured by the Division of Transportation Development (DTD), has been mixed over this summer. Compared to 2019, the year-over-year VMT for June and July were either at parity or surpassed statewide pre-pandemic traffic patterns at 0.2% and 3.8%, respectively, while August trended back downward at -1.4%. At the same time, the latest fuel sale data from the Department of Revenue (DOR) for FY 21 Q4 indicated that gasoline sales remained stagnant at -5.2% and -6.2% relative to pre-pandemic levels of consumption for April and May, respectively, followed by a rapid improvement in June at -1.5%. Based on this lack of clarity from the newest data available, staff is maintaining the previous quarter’s assumption that gasoline sales will remain on average 2.5% below pre-pandemic levels through FY 2021-22.

FASTER fees from vehicle rentals dropped by 31.9% in FY 2020-21 compared with FY 2018-19 likely due to fewer vehicles available to rent after many agencies shed their inventory as travel declined during late FY 2019-20 and through most of FY 2020-21. Although demand has rebounded since this spring, current supply chain issues caused by the pandemic will probably stymie growth in this industry in at least the short-term. OFMB has therefore revised downward its FASTER revenue distribution to CDOT for FY 2021-22 and FY 2022-23 by \$9.6M and \$9.8M, respectively, as a result of this continued disruption. Variable discounts to the road safety surcharge as a result of Senate Bill 21-260: “Sustainability of the Transportation System” are still assumed to decrease FASTER revenues at the statewide level by an additional \$30.4 million in FY 2021-22 and \$46.3 million in FY 2022-23.

Because fuel consumption and registration revenue assumptions are largely unchanged from last quarter, the overall HUTF forecast for FY 2021-22 and FY 2022-23 have both been revised downward from the June quarterly update as a result of the projected increase in FASTER revenue losses. In comparison to OFMB’s previous quarterly forecast, the September forecast anticipates an (\$8.7) million decrease in FY 2021-22, and a (\$9.3) million decrease in FY 2022-23.

**Figure 1 - CDOT HUTF Distribution**

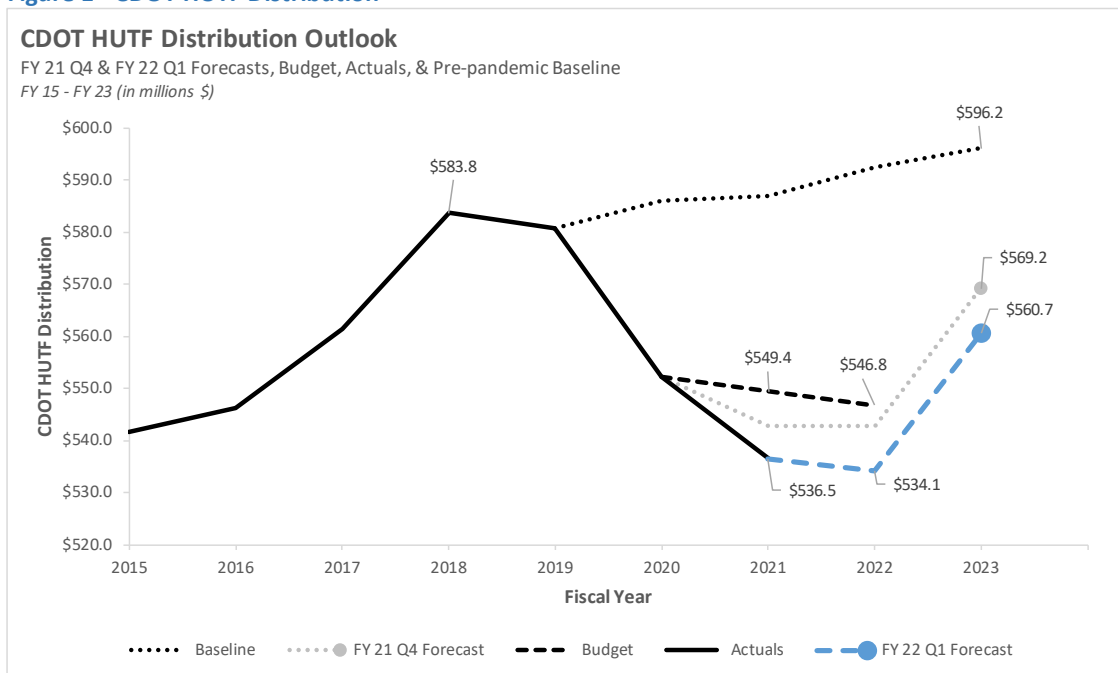


Figure 1 represents the estimated HUTF distributions to CDOT based on the latest quarterly forecast update relative to last quarter's projection, the budget originally set for FY 2020-21 & FY 2021-22, and the baseline of assumed revenues prior to the onset of the COVID-19 pandemic.

For FY 2021-22, staff now anticipates revenues will be about (\$12.8) million short of the revenue forecast adopted during the October 2020 meeting of the Transportation Commission. Although fuel and registration revenue projections are improved compared to estimates one year ago, the total estimated decrease in FASTER fees to CDOT of about (\$27.3) million will outpace those gains. However, this will be partially offset by the transfer of \$18.0 million in funds set aside in SB 21-260 for the purpose of mitigating these lost revenues. Staff plans to address this shortfall through the Department's normal revenue reconciliation process, which occurs after the final accounting close of the fiscal year later in the Fall. Staff anticipates bringing this to the Commission at that time.

Meanwhile, the change in the forecast for FY 2022-23 relative to last quarter is driven almost entirely by an expected decrease in FASTER fees from vehicle rental revenues, and staff recommends adopting this forecast iteration for setting the FY 2022-23 budget.

#### **Office of State Planning and Budget (OSP) and Legislative Council Staff (LCS) September Forecasts**

The latest quarterly statewide HUTF forecasts from the Office of State Planning and Budget (OSP) and Legislative Council Staff (LCS) are both showing larger statewide HUTF estimates than OFMB for FY 2021-22 and FY 2022-23. The forecast from OSP for FY 2021-22 and FY 2022-23 is about \$7.5 million and \$20.2 million higher, respectively, than OFMB's, and LCS' projections are \$33.3 million and \$49.6 million higher, respectively.

LCS' projections for statewide motor fuel collections in FY 2021-22 are largely the same as OFMB. But, beginning in FY 2022-23, OFMB's forecast assumes improving vehicle fuel efficiency technology will result in minimal fuel consumption growth, while LCS' forecast projects about a 2.6% increase relative to FY 2021-22. OSPB's forecast for FY 2021-22 assumes fuel collections will come in at about (\$7) million less at the statewide level than OFMB's current forecast. Overall, both agencies project approximately 7% year-over-year growth in total statewide HUTF revenues between FY 2021-22 and FY 2022-23, while OFMB currently estimates about 5.8%. Please see Figure 2 for a comparison.





**Figure 2 - Statewide HUTF Forecasts**

