



# COLORADO

## Department of Transportation

Division of Transportation Development  
2829 W. Howard Place  
Denver, CO 80204-2305

**DATE:** February 16, 2022  
**TO:** Transportation Commission  
**FROM:** Rebecca White, Director, Division of Transportation Development (DTD)  
Marissa Gaughan, Manager, Multimodal Planning Branch, DTD  
Amber Blake, Director, Division of Transit and Rail  
**SUBJECT:** 10-Year Plan Update

### Purpose

The purpose of this memo is to provide the Transportation Commission with an update on the 10-Year Plan financial considerations.

### Action

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

### Background

The 10-Year Plan is being updated to reflect state SB260 and federal infrastructure bill revenues, along with the recently adopted GHG pollution reduction planning rules, and the progress thus far in delivering the original first four years of the 10-Year Plan.

### Details

CDOT has made considerable progress in delivering the first four years of the 10-Year Plan while being able to closely adhere to the original regional equity targets set at the beginning of the planning process. Additionally, the Department is also on track to meet the rural paving and asset management goals for the first four years of the 10-Year Plan. As we work to update the plan for the reasons noted above, staff is considering the following for future funding distributions:

#### Transit Allocation Target

Based on the January discussion at STAC and TC, staff supports retaining a 10% minimum for transit.

#### Transit Equity Target

Staff will present two options for transit equity. The staff recommendation is to use one formula for highway and transit.

- Option 1 - Use MMOF Formula: For the original four year list, transit equity targets were set using the Multimodal and Mitigation Options Fund (MMOF), adjusted so that rural Transportation Planning Regions (TPRs) would receive a minimum 25% allocation— a requirement of SB 267 that a minimum of 25% of the funding go to rural areas. If we continue using separate equity targets for transit, the transit equity targets will need to be updated based on the new MMOF formula adopted by the Transportation Commission in January 2022.
- Option 2 - Use Regional Priority Program (RPP) Midpoint Formula: Highway equity targets are based on the RPP midpoint formula. This option would use the RPP midpoint formula to determine equity for both highway and transit.

### Rural Paving Target

Based on the discussion at STAC and TC, staff recommends retaining the 25% rural pavement investment target and maintaining the focus on non-interstates. The existing plan was built with this target so the primary focus would be on delivering the rural paving project already identified.

### FY 23-26 Financial Considerations

The process of updating the 10-year plan requires aligning new and multiple streams of revenue with the projects identified in the plan. This includes identifying a new set of four-year priorities, updating cost estimates and re-confirming existing projects. While the numbers are preliminary estimates, staff is looking at a fiscal constraint of \$325M/yr on average statewide for the next four year list (FY 23-27). Those dollars will be further leveraged with enterprise funding and financing. Colorado is also well positioned to receive federal grants for many of our projects.

### Next Steps:

Staff will continue working with MPOs and TPRs to determine the next side of priorities for the new four-year list (FY 23-26), and ensure the 10-Year Plan complies with the new greenhouse gas requirements. In March, staff will return to discuss greenhouse gas mitigation strategies.

### Attachments

10-Year Plan Update Presentation



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# 10 Year Plan Update

Statewide Transportation Advisory Committee  
Colorado Transportation Commission  
February 2022



In updating the plan, our top priorities are to:

1. Fully deliver on the original 4-yr priority list (FY 19-22) and to “close out” regional equity across this period.
  - \$380 M for FY 22, including 10% minimum to transit
  
1. Build the next 4-yr priority list (FY 23-26)
  - \$325 M / year on average, including 10% minimum to transit

**Funding assumptions include:**

- SB 267 COPs
- SB 260 HUTF
- SB 260 State MMOF
- SB 260 Non-Attainment Enterprise
- STBG (IIJA)
- Flexible funding and specific funding for bridges and risk/resiliency (IIJA)
- Utilize financing to leverage additional federal funding



# Completing the original 4-yr priority list (FY 19-22)

Region	FY22 Total	FY 22 Proposed Transit \$
1	\$133,380,508	\$37,170,000
2	\$74,101,909	\$11,300,000
3	\$54,910,261	\$3,500,000
4	\$88,956,774	\$3,325,000
5	\$28,650,548	\$TBD
<b>Totals</b>	<b>\$380,000,000</b>	<b>TBD</b>

- Regional equity was to be achieved over the 4 year horizon.
  - Amounts shown here reach full equity for highway allocations according to the RPP midpoint formula.
  - Transit allocations are still TBD because we must also reach full equity for transit, which is tracked using the MMOF formula. The final FY 22 transit allocations will achieve full equity over the 4 year horizon for transit.
- As the 4th issuance of COPs is expected to result in ~\$630M (including interest), the remaining balance (~\$250M) will be rolled into delivering the next four years of the plan.
- Final project decisions (in particular for transit) are subject to change as we continue the planning process.



# Building the Next Four Years: Distribution Considerations

## 1. Retaining minimum transit funding target of 10%.

- Based on the discussion at STAC and TC, staff supports retaining a 10% minimum for transit.
- Funds are “off the top”.
- Staff is committed to build a multimodal system and select projects in coordination with transit needs.

## 2. Establishing a single equity formula for highway and transit.

- In the following slides, staff will present two scenarios to show what this would look like in practice. The staff recommendation is to use one formula for highway and transit.



# Updated Transit Equity Targets

- When the plan was originally adopted in 2019, transit targets were set using the MMOF distribution formula for transit dollars, adjusted so that rural areas would receive a minimum 25% allocation.
- SB260 expanded MMOF. The resulting process to distribute those dollars led to an updated formula which Commission recently adopted.
- The table here applies this updated formula to the transit dollars for the plan.

10% Transit Breakdown <u>MMOF</u>		
Region	Previous Equity %	Updated Equity %
1	44.33%	49.49%
2	17.04%	15.80%
3	12.84%	11.93%
4	21.20%	17.59%
5	4.59%	5.19%
<b>Totals</b>	<b>100%</b>	<b>100%</b>



# Transit Regional Equity Options

10% Transit Breakdown <u>RPP Midpoint</u>		
Region	FY23-26 \$	Equity Target %
1	\$44,499,000	34.23%
2	\$24,661,000	18.97%
3	\$19,591,000	15.07%
4	\$31,031,000	23.87%
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Region	FY23-26 \$	Equity Target %
1	\$64,337,000	49.49%
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### 3. Retaining 25% rural pavement investment target and maintaining focus on non-interstates.

- 25% from “highway” funding allocation
- Existing plan was built with this target in place, so primary focus would be on delivering rural paving projects already identified.

#### Example of Rural Paving Projects in the Plan Currently

		Type	Cost	Funding	Funding	YRS 1-2	YR 3	YR 4	YRS 5-10	Project ID
<b>Highway &amp; Transit– Region 3 (continued)</b>										
CO 13	CO 13 Fortification Creek*	H	\$10.8 M	\$10.8 M		\$10.8 M				<a href="#">0038</a>
	CO 13 GarCo Rio Blanco Hill*	H	\$29 M	\$29 M				\$29 M		<a href="#">0037</a>
	CO 13 Rio Blanco*	H	\$18.3 M	\$18.3 M		\$18.3 M				0088
	CO 13 Wyoming South*	H	\$32.2 M	\$32.2 M		\$32.2 M				0089
CO 14	CO 14 Grizzly Ranch North	RP	\$7 M	\$7 M				\$7 M		<a href="#">0052</a>
CO 64	CO 64 Meeker West*	RP	\$6 M	\$6 M		\$6 M				<a href="#">0046</a>
	CO 64 East of Rangely	RP	\$4.5 M	\$4.5 M					\$4.5 M	<a href="#">2659</a>
CO 65	CO 65 between CO 92 and Orchard City	RP	\$5.67 M	\$5.67 M					\$5.67 M	<a href="#">2645</a>
	CO 65 Grand Mesa	RP	\$6.63 M	\$6.63 M					\$6.63 M	<a href="#">2651</a>



# Building the Next 4-yr Priority List (FY 23-26)

Regional Breakdown - FY 23-26: \$325 M / year on average, 10% transit

Capital Breakdown		
Region	FY23-26 \$	Equity Target %
1	\$400,491,000	34.23%
2	\$221,949,000	18.97%
3	\$176,319,000	15.07%
4	\$279,279,000	23.87%
5	\$91,962,000	7.86%
<b>Totals</b>	<b>\$1,170,000,000</b>	<b>100%</b>

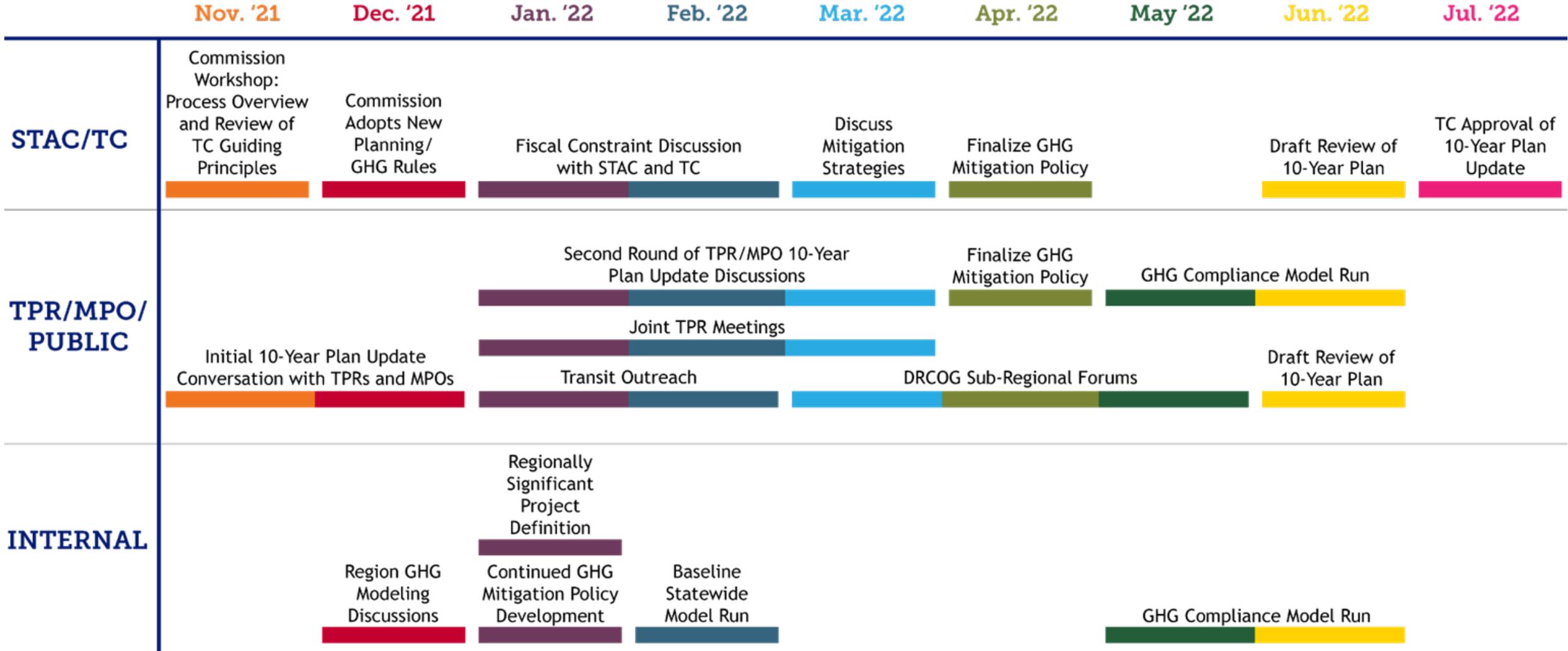
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In keeping with past practice, CDOT would work to achieve equity over the four-year period (allowing regions to receive more/less funding in certain years depending on project readiness, etc.)



# 10-Year Plan Update Timeline





# Next Steps

- Regions are working with MPOs and TPRs now to discuss next set of priority projects.
- Through these conversations, “out year” projects will also be updated and re-confirmed.
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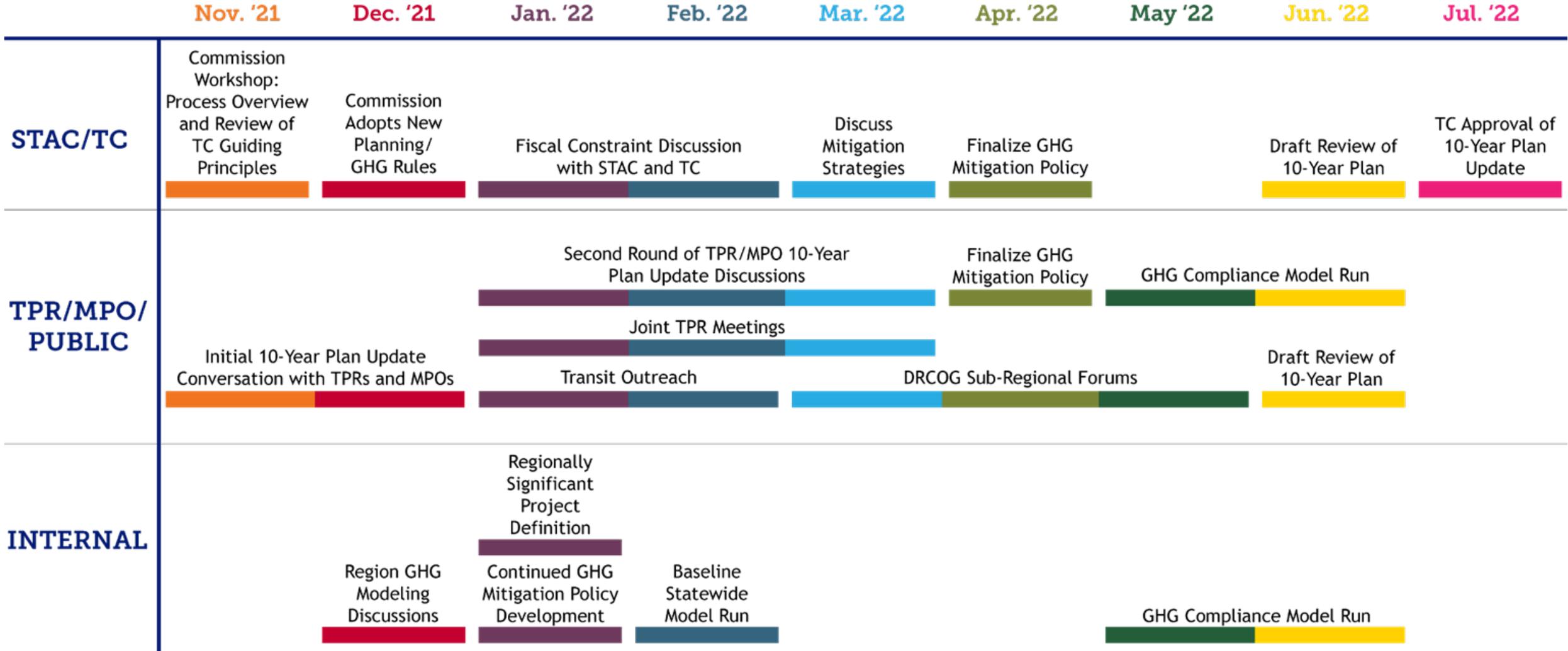
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