



Clean Transit Enterprise (CTE) 2024 Annual Report

Pursuant to C.R.S. § 43-4-1203 (10)(a)(IV)
Reporting Period encompasses January 1 - December 31, 2024



Background

In 2021, Colorado Senate Bill 21-260 (SB 21-260) established the Clean Transit Enterprise (CTE) within the Colorado Department of Transportation (CDOT) to “reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by motor vehicles used to make retail deliveries by supporting the replacement of existing gasoline and diesel transit vehicles with electric motor vehicles, including motor vehicles that originally were powered exclusively by internal combustion engines but have been converted into electric motor vehicles; providing the associated charging infrastructure for electric transit fleet motor vehicles; supporting facility modifications that allow for the safe operation and maintenance of electric transit motor vehicles; and funding planning studies that enable transit agencies to plan for transit vehicle electrification” (CRS 43-4-1203). The Enterprise imposes a Clean Transit Retail Delivery Fee to fund its operations and has the power to issue grants, loans, and rebates to support the electrification of public transit in Colorado.

In 2024, with the passage of SB24-230, an additional business purpose was added to CTE to include, “investing in public transit, including vehicles, infrastructure, equipment, materials, supplies, maintenance, and operations and staffing, to achieve the level of frequent, convenient, and reliable transit that is known to increase ridership by replacing car trips with bus and rail trips and forms of transit known to support denser land use patterns that further reduce pollution due to shorter trip lengths and greater walking and cycling mode share.” (CRS 43-4-1203). With this new business purpose and a new revenue stream from Oil and Gas Production Fees, the CTE will begin to fund a more diverse array of transit-oriented projects across the state in future years.

Public transit electrification projects funded by the CTE Clean Transit Retail Delivery Fee will help the state reach its targets of 1,000 transit zero-emission vehicles (ZEVs) on Colorado roads by 2030 and a 100% zero-emission transit fleet by 2050. These targets, which were established by the 2020 Colorado EV Plan, further elaborated in the 2021 Colorado Transit Zero-Emission Vehicle Roadmap, and recommitted to in the 2023 Colorado EV Plan, apply to rubber-tired, conventionally fueled transit buses, cutaways, vans, minivans and automobiles. They do not apply to commuter rail, light rail and gondola systems, as these modes are frequently powered by electricity already.

Funding for public transportation operations and capital expenses through the CTE Oil and Gas Production Fees will accelerate Colorado towards its goals related to expanded transit service, increased transit frequency, and improved system-wide transit network connectivity with the goal of maximizing transit ridership, therefore decreasing vehicle miles traveled, greenhouse gas emissions and air pollutants. The CTE will prioritize transit service improvements in communities with high transit propensity, such as low income communities, communities of color, communities with high density populations, communities with zoning and other local policies that support higher density along transit lines, communities with low vehicle ownership rates, the

disability community, seniors, and other populations that use transit more frequently than the general population.

To ensure transparency and accountability of the CTE, a [10 Year Plan](#) for the Clean Transit Retail Delivery Fee business purpose was approved by the CTE Board at its May 25, 2022 meeting and is posted on the CTE Website. No changes to the existing CTE Ten Year Plan were made in 2024. The CTE is also required to maintain and regularly update a [public accountability dashboard](#), which was launched in 2024 and is posted on the CTE Website.

Board of Directors

All of the powers of the CTE, as described in Section 43-4-1203, et seq., C.R.S., and as otherwise provided by law, are vested in the CTE Board. The CTE Board manages the business and affairs of the Enterprise and consists of nine members determined pursuant to the composition and qualifications outlined in Section 43-4-1203(2)(a)(I), C.R.S.

All Board members received the approval of the Senate Transportation and Energy Committee on March 15, 2022 and confirmation from the Colorado Senate on March 21, 2022. The remaining three members were designated by the heads of the state agencies - CDOT, Colorado Department of Public Health and Environment (CDPHE) and Colorado Energy Office (CEO). In August 2024, CDOT Executive Director, Shoshana Lew replaced Erik Sabina as the designated representative for the Colorado Department of Transportation.

For terms expiring 9/28/2024

- Matt Frommer (Denver): Member with expertise in zero-emissions transportation, motor vehicle fleets or utilities
- Bonnie Trowbridge (Berthoud): Member representing a public advocacy group that has transit or comprehensive transit expertise
- Dawn Block (La Junta): Member representing a transportation-focused organization that services an environmental justice community

For terms expiring 9/28/2025

- Mark Garcia (Pagosa Springs): Member of the Transportation Commission and have statewide transportation expertise
- Cris Jones (Boulder): Member representing an urban area, having transit expertise
- David Averill (Telluride): Member representing a rural area having transit expertise

State Agency Appointments

- Shoshana Lew: Colorado Department of Transportation Executive Director
- Kelly Blynn: Colorado Energy Office designee
- Richard Coffin: Colorado Department of Public Health and Environment designee

Articles of Organization and Bylaws

The CTE Articles of Organization and Bylaws were approved by the Board on February 22, 2022. The Articles of Organization cover the name, authority, purpose, TABOR exemption, enterprise board, officers, powers, revenues and expenditures and process for amendments to the Articles of Organization. The Bylaws cover the Board composition, duties and responsibilities; Meetings of the Board; Open Meetings and Open Records; Officers and Staff; Fiscal Year and Budget; Amendment Process and other Miscellaneous provisions. No modification of the existing CTE Articles of Organization and Bylaws occurred in 2024.

Board Officers

The CTE Board, using the directions provided in the Bylaw and Articles of Organization, re-elected Matt Frommer as Board Chair and David Averill as Vice-Chair at the February 20, 2024 Board Meeting. Kay Kelly, Chief of Innovative Mobility at CDOT, the CTE Program Administrator and Deseri Scott, Program Assistant in the Office of Innovative Mobility at CDOT, the CTE Secretary remained in their positions as appointed at the July 13, 2022 Board Meeting. No change in the officers of the CTE Board occurred in 2024.

Calendar Year 2024 Accomplishments

The third year of activities for the CTE consisted of a mix of ongoing administrative activities, grant-making activities for the CTE zero emission transit planning awards, and the preparation, release and award of CTE's first notice of funding availability in the zero emission capital projects category. CTE is also engaged in start-up efforts for the enterprise's new business purpose and revenue stream associated with SB24-230 and has recently hired Craig Secret as the CTE Director, who will be the first dedicated staff member for the enterprise.

Clean Transit Retail Delivery Fee Inflationary Adjustments

SB 21-260 established several new fees on the delivery of items that are subject to the state sales tax, including the retail delivery fee, a portion of which funds the activities of the CTE. The CTE was required by CRS 43-4-1203 (6)(g) to conduct a rulemaking in accordance with the administrative procedures act "to promulgate rules to set the amount of the clean transit retail delivery fee at or below the maximum amount authorized in this section and to govern the process by which the enterprise accepts applications for, awards, and oversees grants, loans and rebates...". CRS 43-4-1203 (7)(b) initially set the rate at \$0.03 per delivery, which is the maximum amount established by SB 21-260, although the fee may be adjusted for inflation in future years.

On February 20, 2024, the CTE Board approved an inflationary adjustment from \$0.0311 to \$0.0322 for FY25, beginning on July 1, 2024. The CTE board will work with staff of CDOT, the

Colorado Department of Revenue (DOR) and other subject matter experts on whether further inflationary adjustments to the fee are merited for FY 25-26.

Launch of Public Accountability Dashboard

In July 2024, the CTE launched its [public accountability dashboard](#) to share data related to funded projects across the state. The dashboard can be filtered by Fiscal Year, Project Category, Project Status, and whether or not it is located within an Enhanced Incentive Area of the state. It also includes an interactive map, tables, and bar graphs showing progress over time. All data can be downloaded by public users, as well.

This dashboard will be automatically updated as new projects are added and existing projects are completed in future years. The dashboard can be viewed on the CTE website.

Zero Emission Transit Grant Program Awards

In 2024, working off of progress by the CTE staff and board in 2023 where expectations for program design, and application review and selection criteria were finalized, the board and staff focused on issuing awards for the first round of CTE planning grants awarded in October 2023, along with reviewing and awarding the first round of projects in the capital grant categories. At their meeting on September 24, 2024 the Board approved applications in the capital grants category for 1 facility project, 1 infrastructure project, and 9 vehicle projects which will result in 28 zero emission transit vehicle purchases. Staff are now working to issue contracts to the selected agencies. Awards for this calendar year are summarized in the tables below:

Facilities

<i>Applicant Name</i>	<i>Project Title</i>	<i>Funding Request</i>	<i>Recommendation</i>	<i>Recommended Funding Amount</i>
Via Mobility Services	Via Mobility Services Renewable Energy Microgrid Project	\$1,500,000	Award	\$1,500,000

Infrastructure

<i>Applicant Name</i>	<i>Project Title</i>	<i>Funding Request</i>	<i>Recommendation</i>	<i>Recommended Funding Amount</i>
Town of Avon	Town of Avon: 2024 EV Charging Equipment	\$384,000	Award	\$384,000

Vehicles

<i>Applicant Name</i>	<i>Project Title</i>	<i>Funding Request</i>	<i>Recommendation</i>	<i>Recommended Funding Amount</i>
Laradon Hall Society for Exceptional Children and Adults	Laradon Hall: Van Replacement	\$238,484	Award	\$238,484
Roaring Fork Transportation Authority (RFTA)	RFTA: Replace 10 Diesel Buses with Battery Electric Buses (BEBs)	\$7,800,000	Partial Award	\$5,460,000
Developmental Disabilities Resource Center (DDRC)	DDRC Transit: 4 Vehicle Replacements	\$150,000	Award	\$150,000
Town of Breckenridge	Town of Breckenridge: VW Funds Gap Request	\$4,204,445	Partial Award	\$2,943,112
Town of Telluride	Town of Telluride: 1 Bus Replacement	\$164,507	Award	\$164,507
Town of Winter Park	Town of Winter Park: 2 Electric Bus Purchase	\$1,380,600	Partial Award	\$966,420
Town of Avon	Town of Avon: - 2024 2 BEV Buses	\$1,714,706	Award	\$1,714,706
City of Fort Collins	City of Fort Collins, Transfort: 4 Bus Replacements (updated to 1 bus)	\$882,945	Award	\$882,945
City of Boulder	City of Boulder: 2 Battery Electric Buses - Expansion	\$1,550,378	Partial Award	\$595,826

In the fall of 2024, the Board reviewed grant requirements and scoring criteria for the ZEV planning awards in preparation for the release of the second round of ZEV planning grants expected to be released in December 2024.

Passage of SB24-230

In 2024, the General Assembly passed Senate Bill 24-230 which added a new business purpose to the CTE funded by an Oil and Gas Production fee. The Enterprise will impose a production fee, paid quarterly, for all oil and gas produced in the state on or after July 1, 2025. In consultation with the Energy and Carbon Management Commission and based upon average gas and oil spot prices, the CTE will set production fee levels and publish production fee amounts to the CTE website. The Department of Revenue will collect the fees and transfer the revenue to the CTE to be distributed in the following apportionments:

- 70% for local transit operations in expanding services and prioritizing transit improvements in communities with the greatest need;
- 20% to the rail funding program cash fund for passenger rail projects and service; and
- 10% for local transit competitive grant programs for transit providers.

These funds will be used to reduce transportation-related greenhouse gas emissions and other air pollutants, and to achieve levels of frequent, convenient, and reliable transit that are known to increase transit ridership, allowing residents to replace car trips with bus and rail trips.

Budget

The CTE Board established and approved its proposed budget for FY 24-25 at the October 10, 2023 Board meeting. An updated budget, accounting for increased spending authority was proposed and approved by the Board at their February 2, 2024 meeting.

Elements of the CTE annual budget include Administrative and Agency Operations to support day-to-day operations of the enterprise, Contingency Reserve to handle unexpected expenses that are outside the range of the usual budget, and Programmed Funds that will be made available in the form of grants, loans, rebates, and revenue bonds from the Clean Transit Retail Delivery Fee to transit agencies to support zero emission vehicle transition. In the future, CTE grants from the Oil and Gas Production fees will support transit expansion and passenger rail projects.

CTE Final FY25 Budget

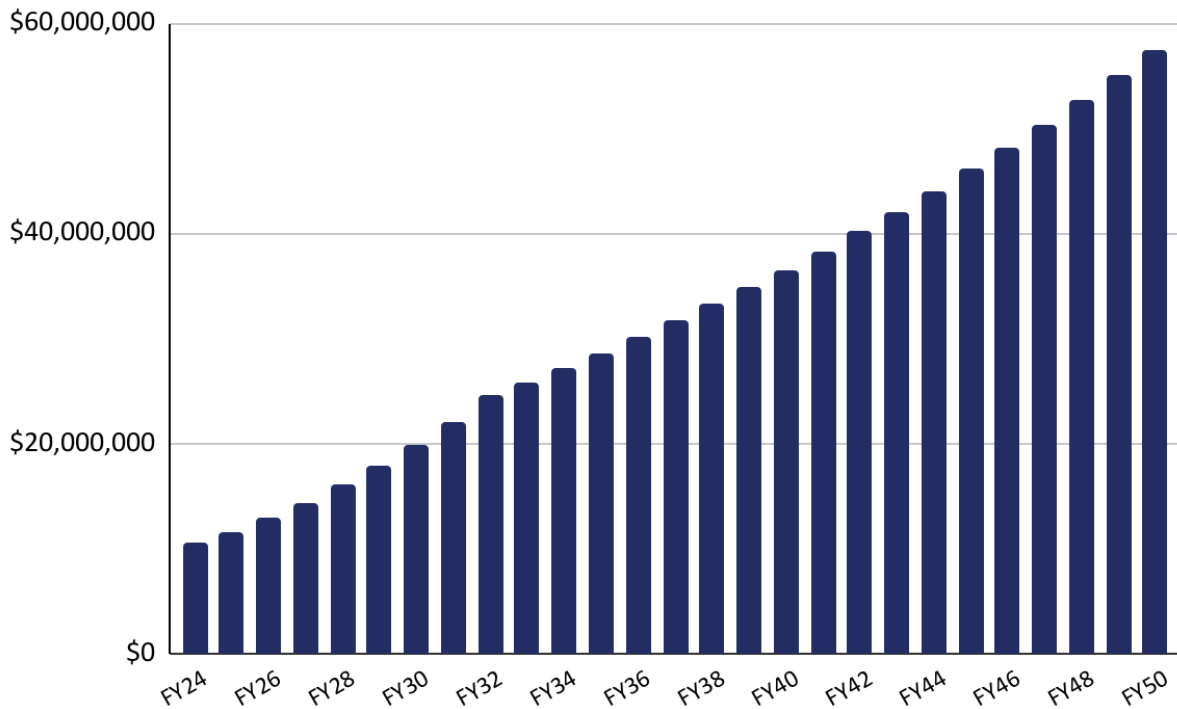
Line Item	FY 2024-25
TOTAL SPENDING AUTHORITY	\$18,134,321
Clean Transit Retail Delivery Fee	\$18,134,321
ADMINISTRATION & AGENCY OPERATIONS	\$560,450
Staff Salaries	\$450,250
Attorney General's Office Fees	\$5,000
Office of State Audit - Annual Financial Audit	\$2,000
Professional Services	\$100,000
Administrative Expenses	\$3,200
Board / Staff Travel	\$2,000
Board Meeting Expenses	\$200
Supplies / Registration Fees / Etc.	\$1,000
CONTINGENCY RESERVE	\$990,239
Board Reserve Fund (10% of FY 25 Revenue)	\$990,239
PROGRAMMED FUNDS	\$16,583,632
Programmed Funds	\$16,583,632
TOTAL - CTE	\$18,134,321

Financial Status Report

The retail delivery fees established in SB 21-260 provide an on-going revenue stream which CDOT staff have estimated through 2050. In FY 2023-2024 the CTE collected over \$10.6 million in Retail Delivery Fee Revenue. It is forecasted to collect \$11.3 million for FY 2024-2025 in Retail Delivery Fee Revenue.

The table below outlines CDOT’s current revenue forecast for the Clean Transit Retail Delivery Fee through FY 2049-2050.

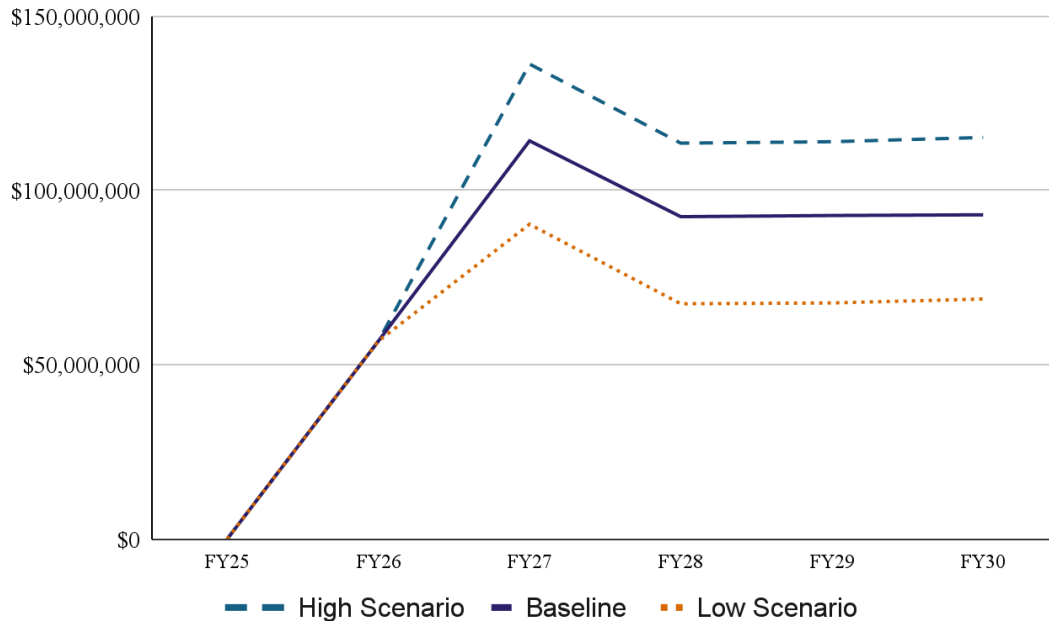
Clean Transit Retail Delivery Fee Forecast (millions)



The CTE’s new revenue source from Oil and Gas Production Fees will be foundational for accelerating the availability, accessibility, and efficiency of public and multimodal transportation for Coloradans. The Oil and Gas Production fees are forecasted to generate revenue of \$56.7 million in FY 2025-2026 and \$116.3 million in FY 2026-2027. Per SB 24-230, the CTE will distribute these revenues into three funds: the Local Transit Operations Cash Fund, the Local Transit Grant Program Cash Fund, and the Rail Funding Program Cash Fund. To enable the CTE to begin program development and implementation of the Oil and Gas Production Fees portfolio prior to the start of fee collection on July 1, 2025, the Colorado Transportation Commission provided a \$600,000 loan to the enterprise to fund start-up costs, staff time, meeting-related expenses, consultant support, formula development, and stakeholder engagement.

The table below outlines CDOT’s current revenue forecast for the Oil and Gas Production Fees through FY30.

Oil and Gas Production Fee Forecast



Upcoming Activities

Looking ahead to 2025, the Office of Innovative Mobility and the Division of Accounting and Finance expect to hire several additional staff positions to support CTE’s administrative and grant-making activities. Further, the CTE is preparing to issue additional notices of funding availability, both in the planning and capital categories for zero-emissions transit vehicles. The recently hired CTE Director will begin working on a stakeholder outreach process to support program design for the implementation of the new SB24-230 cash funds. This will involve developing a formula to distribute funds to eligible transit agencies with the Local Transit Operations Cash Fund, along with development of award criteria and solicitation/selection processes for the Local Transit Grant Program Cash Fund and program requirements for the Rail Funding Program Cash Fund.