

Clean Transit Enterprise Board Meeting Minutes

05/14/2025

Regular Board Meeting - Wednesday, May 14, 2025. 10am - 12pm

Hybrid Meeting: Virtual via Zoom and In-Person at CDOT HQ, 2829 West Howard Place, Denver CO 80204

Video Recording: https://www.youtube.com/watch?v=7Yv_v7Z5i-o

1. Call to Order, Roll Call (Administrator Craig Secrest - 10:05am)

- a. Present: Cris Jones, Matthew Frommer, Kathleen Bracke, Dawn Block, David Averill, Richard Coffin, Sally Chafee
- b. Excused: Mark Garcia, Kelly Blynn
- c. Others in Attendance: Craig Secrest, Kay Kelly, Cheryl Knibbe, Matthew Martinez, Paul DesRocher, Deseri Scott, Kale Popp, Sam Foster, Shilpa Kulkarni, Kay Hruska, Andrew Gingrich, Cameron Meyer, Reinaldo Maristany

2. Action Agenda (Chair Cris Jones - 10:07am)

- a. **DECISION ITEM**: Approval of Minutes - 04/29/2025 CTE Board Meeting
 - i. Motion by Dawn Block to approve with corrections. Correction is to adjust the spelling of Director Chafee's name; it was misspelled in the prior minutes. Motion seconded by Matt Frommer.
 - ii. Motion approved unanimously
 - iii. No oppositions or abstentions

3. Public Comment (Administrator Craig Secrest - 10:08am)

- a. Andrew Gingrich was not in attendance at this point in the meeting. The Board agreed to provide Andrew space to present later in the meeting.
 - i. Andrew joined and shared later in the meeting:
 - 1. Confirming receipt of letter shared from GV
 - 2. Supports the choice to look at future opportunities for transit use instead of relying on prior performance

4. Program Administrator Update (Administrator Craig Secrest - 10:08am)

- a. No updates.
- b. Craig presented at CASTA the Friday before this meeting, and there appears to be a lot of excitement around CTE's new formula funds under SB24-230

5. Board Member Comments (Chair Cris Jones -10:09am)

- a. No comments

6. SB230 Formula Implementation (Administrator Craig Secrest - 10:10am)

- a. We're hoping to reach a decision on the formula in this meeting
- b. Where we've come in the past 5 months:
 - i. Set program goals
 - ii. Defined program eligibility - only "open door" providers
 - iii. Developed approach for applying SB 230 formula factors
 - iv. Developed factor data and created a formula modeling tool - Consultant Cameron

- v. Established a 3-tier approach to allocation strategy
 - 1. RTD
 - 2. Large Agency (approx. 35 agencies)
 - 3. Small Agency (agencies with fewer than 30,000 riders/year; anticipating approx. 15-20 agencies)
- vi. Agreed on use of a “grant cap” based on 20% of agency FY23 operating budgets due to the following considerations
 - 1. Strange outcomes in applying the formula - staff saw disproportionately large allocations for select agencies when applying the formula
 - 2. Variability in formula program revenue as a function of oil and gas revenue presents potentially significant risks for agencies who may end up relying heavily on SB24-230 formula funding as a majority of their annual operating budget
 - 3. Provides a fair distribution of funds and avoiding these anomalies and these threats
- vii. Agreed on need to develop a contingency fund to guard against revenue volatility
 - 1. Will not apply in FY26
- c. Quick Review of Program Goals
 - i. We’re trying to achieve our goals with respect to GHG emissions, improving transit around the state, maintain a high level of accountability, and manage the impacts of the volatility of the revenue stream
- d. Formula Options Development
 - i. Considerations
 - 1. Grant caps create strange outcomes if you heavily weight certain factors; caps also seem to incentivize agencies to increase their operating budgets
 - 2. Providing grants as a % of agency operating budget allows for some measure of fairness - outside of some of the resort agencies with unusually high VRM or ridership, most agencies are in the 12%-15% band with respect to the size of their award as a % of their op budget
 - 3. 52 agencies currently in the model; there may be others we add later but it’s not going to change the outcomes of the formula much
 - 4. Different scenarios lead to mildly different outcomes; some of the variables are positively correlated and so shifting weights around do not lead to different outcomes
 - a. When we apply the grant cap, as well, agencies/communities we would think would benefit from adjusting the weights to favor transit dependent communities/DI communities, we don’t see a significant change because those communities/agencies are already receiving their max allocation (because of the grant cap) under a different weighting model

- ii. Matt Frommer: What do we mean by small urban? Is that an MPO or transit agency outside of Denver?
 - 1. Small Urban refers to those agencies that have a decent size, but it's blurry. We wanted to create designations to fit the true nature of transit in the state instead of adhering to FTA or other official definitions.
- e. Big Picture Allocations
 - i. FY26 - anticipating about \$38M in available funding; reserved approx. 25% of available funding for RTD set-aside (which amounted to about \$9M); ensuring that all small agencies receive awards that amount to about 10%-20% of their annual operating budget led to about a \$1.5M draw from all available funding; remaining approx \$27M to go to large agencies
 - ii. FY26 - 96% of all projected awards will go toward fixed route services; remainder to support on-demand services
 - iii. Cris Jones: what if small agencies decide not to pursue funding in this first year given the relatively small amount of funding available to them, would that money then re-enter the full pool of available funding or is it added to the bucket in future years reserved for small agencies
 - 1. Craig: if that were to happen, we may just use those dollars to start building that contingency; it wouldn't be a large amount of money if this were to happen in the first year. We're continuously appropriated and so if the money is large enough, we can roll it into the next year's available funding round and agencies would still have 2 years to spend
- f. Sample Allocations: Large Agencies
- g. Sample Allocations: Small Agencies
- h. Scenario 1: Balanced Approach
 - i. Population, VRM, and ridership - all data with high confidence of accuracy
 - ii. Transit Dependent Communities, local zoning/planning, and density - more complicated data points; less confidence about them relative to the other three factors
 - iii. Population density: quite complicated to analyze well; will need additional resources and investment to better assess density
 - iv. Kelly Blynn raised concerns about the local zoning/planning factor - considering not using it this round, but even if we zero out that factor, it does not change the outcomes in the formula allocations
 - v. 5 agencies that receive less than 10%
 - 1. These were outliers and many had high cost/ridership ratios
 - vi. Seems to offer a slight advantage to the small urban providers
- i. Scenario 2: Balanced Approach w/out cap
 - i. Large disparity in size of grants as percent of 2023 ops budget
 - ii. Seem to drive funding to agencies with lower ridership totals – sort of emphasized the benefit of the cap as in part a mechanism to drive money toward those agencies that could have the greatest impact on GHG emissions

- j. Scenario 3: Population Emphasis
 - i. Moves money from resort areas to small urban providers - but not a ton of money, approx. \$1M
 - ii. Cap kicks in for some agencies
 - iii. Tends to drive more money to agencies like Colorado Springs and Fort Collins - probably presents the strongest potential GHG emissions impact of all the models
- k. Scenario 4: Historical Performance Emphasis
 - i. Focusing on VRM and ridership
 - ii. As anticipated, this approach moves money from the small urbans to the resorts - seems this is the real battle; as the others agencies weren't really affected in this model
 - iii. Seems to look backwards, as opposed to looking at future opportunity, which population may indicate better than VRM and ridership
- l. Scenario 5: Other Factors
 - i. Most unusual results - seems that the cap prevented agencies that might benefit from increased TDC weighting from receiving larger awards and then directed that money to unexpected places/places that are not TDC comparatively
 - ii. Removing the cap for transit dependent communities or raising it seems like it might be a necessary policy if we want to direct money to those communities within the formula
- m. Geographical Allocation Comparison
 - i. Essentially shifting about \$1M between small urban and rural resort communities among the four models
 - ii. FY27, we may see clearer stratification of the differences between the four categories
- n. Matt Frommer: When we're looking at population, are we looking at the entire county, for example (thinking of RFTA), or are we looking at select transit corridors within service areas?
 - i. It's murky especially when we try to apply the approach to different places around the state; sometimes, an agency's technical service area is large, but only 20% of the population of that area is within a few miles of the service; we also do not want to apply a different definition to each agency
- o. David Averill: SMART serves parts of 5 counties, but not the whole counties; and they are service areas but where SMART collects taxes. It's truly a hodge-podge situation
- p. Kathleen Bracke: What was the methodology for population and the other factors?
 - i. The data factors are very disparate; we tried to move everything to a quantitative scale; VRM and ridership was easy in this; population was a bit more complicated because of overlapping service areas - this required developing an index that basically measured the relative size of each agency's population

- ii. Local zoning and planning - subjective, we created a 5 pt scale; we need data to do this accurately but for purposes of projections we scored based on general assumptions about each agency's zoning/planning friendliness toward transit
 - iii. Density - not readily comparable form of data; we created 5 pt scale and set tiers; if you were, for example, over 4k/mile was 5
 - iv. Transit Dependent Communities: collected data from local fares and overlaid service areas - looked at disabilities population, low-incomes, etc. - the outcomes made sense based assumptions about the demographics of communities around the state
- q. Dawn Block: grateful to the team for providing detail about the development of the formula and for incorporating rural agencies into the mix
- r. Matt Frommer: Can we zero out any factors?
 - i. Not sure. For those factors that aren't really helpful or useful, we may be able to reduce their weight in the formula
 - ii. We have to follow the legislative intent and so zero'ing out may not be an option
- s. Sally Chafee: what does the team think is the best approach between these scenarios?
 - i. Leaning toward the population emphasis. Then, perhaps the balanced approach and then the historical performance approach. All three are viable. The "Other factors" approach does not seem to produce the results the legislation seems to be most interested in
- t. For a variety of reasons, the projections from the formula at this point are likely to change, including the elimination of the cap on available funding
- u. Sally Chafee, Dawn Block, Matt Frommer, Cris Jones, Kathleen Bracke, Richard Coffin, David Averill - all support population emphasis approach
- v. Kathleen Bracke: leaning toward population emphasis approach, but interested if we are incentivizing unsustainable growth (sprawl instead of infill, TOD, and redevelopment); perhaps not for now but for future formula developments, can we consider this potential incentive? Could we consider population density more so in the future? Also, will we have a chance to evaluate and pivot for FY27??
 - i. We want to be able to provide estimates of grant amounts over the next few years to agencies and so settling on the major considerations for the formula will allow us to do that but we know things may adjust a bit the out years
 - ii. Zoning factor will in a sense speak to the population density factor
 - iii. Let's' consider diving more into how we can improve these factors once we establish something reasonably successful this year around
- w. David Averill - supports the population emphasis approach; feels strange given his agency and other rural ones punch above their weight with respect to ridership but still supports the population emphasis approach
- x. Action Item (Chair Cris Jones - 11:10am)**

- i. **DECISION ITEM:** To adopt population emphasis model for SB24-230 Formula
 - 1. Matt Frommer motioned to approve. Sally Chafee seconded.
 - 2. Unanimously adopted.
 - 3. No abstentions or disapprovals.

7. NOFA Overview and Purpose (Administrator Craig Secrest - 11:11am)

- a. Sally Chafee: Have agencies expressed concern or comfort with the 60 day NOFA window?
 - i. Some agencies have expressed concern and others are fine. It's unclear if we have to actually close it in 60 days. If agencies need help, we can work with them. But, most of them should know that this is coming and that we (CTE) is available for support.
- b. Kathleen Bracke: seems like we are being responsive to the feedback provided in the Town Halls; great job
- c. Matt Frommer: Is the COA what they are expecting to provide with CTE funding or is it their overall plans?
 - i. We are interested in something much more catered to the CTE funding; what will they do with the money - this is what we are interested in. RTD will be one of the more interesting situations.
 - ii. SB24-230 money eligibilities - we will need to make decisions about this as we review COAs; it's unclear exactly what will be in and what will be out and does that change from agency to agency
- d. Matt Frommer: Will CDOT staff make decisions about RTD's COA, the Board, or the Gov's office?
 - i. Unclear - Craig will work with the board on this
- e. Kathleen Bracke: seems like the dual approach to the COA is responsive to the feedback from agencies in the Town Halls

8. Bustang and Rural Mobility (DTR Director Paul DesRocher - 11:41am)

- a. SB22-180 - enabled a three year pilot period for Bustang and its family of services
- b. Snowstang Seasonal Service
 - i. Great option for skier/snowboarders frequenting the resort towns
 - ii. Provides a transit option in busy, parking-limited locations
- c. Bustang to Estes Park Seasonal Service
 - i. Planning to launch Memorial Day weekend - service from RMNP from Union Station
- d. This pilot expansion demonstrates that as we increase services, people respond and start using it more
- e. Outrider
 - i. Connecting smaller, rural systems throughout the state
 - ii. 5311f program provides about 50% of Outrider
 - iii. Weaving a tapestry of transit connectivity around the state

- f. Bustang Ridership
 - i. Approx. 20% increase systemwide from last year to this year
 - ii. Underscores the Board work in providing agencies to increase service
 - iii. West Line saw the largest increase - approx. 32% growth
- g. Mobility Hubs
 - i. Centerra-Loveland uses some BRT elements along I-25
 - ii. Lone Tree - adding new infrastructure to connect to transit and trails, as well - groundbreaking happening very soon
 - iii. Broomfield and Thornton - groundbreaking next week; leverages slip ramps and interchange adjustments to make transit competitive with driving alone
- h. Other Bustang Considerations
 - i. Developing an app to sync and streamline service options
 - ii. Procuring new buses under new tariffs
 - iii. El Rancho Mobility Hub opening in May 2025
- i. Outrider Operational Characteristics
 - i. A beloved route - folks push back when we consider rolling back services
 - ii. Sterling - Denver with a stop at DEN
 - iii. Added year-round stop at Monarch Mountain and added 2nd stop for Crested Butte
- j. Outrider Stop Improvements
 - i. ADA enhancements to all stops/stations in the network
- k. Transit Connections Study
 - i. Looking to improve connectivity at a regional and interregional level throughout the state
- l. Kathleen Bracke: can we receive a presentation on the TCS in future Board meetings?
 - i. Yes, Paul, Kay, and Sally to connect to determine the best time to come back to the board with a TCS presentation
- m. Matt Frommer: What's the story behind the increases in ridership this past year?
 - i. SB180 was about increasing service; the first step was initiating procurement for vehicles and that was highly delayed especially during the pandemic and hasn't fully recovered; we incrementally made service increases given the delays and there was a pick uptick in December 2024 as we were able to receive the final piece necessary to raise levels of services to all planned levels
- n. Cris Jones: When might the new app be available?
 - i. The app makes an employer pass an opportunity, and it should be similar to the RTD passes.

9. Next Steps: (Administrator Craig Secret - 12pm)

- a. NOFA updates
- b. Match Policy Draft

- c. Passenger Rail Discussion
- d. Discretionary Grant Program
- e. Considering doing a mtg in Sept or Oct in conjunction with CASTA's conference