



COLORADO

Department of Transportation

Nonattainment Area Air Pollution
Mitigation Enterprise

NAAPME 2025 Annual Report

Pursuant to C.R.S. § 43-4-1303 (10)(a)(IV)

Reporting Period: January 1, 2025 to December 31, 2025

Background

The Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME, or the Enterprise) was established within the Colorado Department of Transportation (CDOT) to support projects that mitigate the environmental and health impacts of increased air pollution from motor vehicles in nonattainment areas of Colorado. Created by Colorado Senate Bill 21-260 (SB 21-260, “Sustainability of the Transportation System”), the Enterprise imposes an Air Pollution Retail Delivery Fee and an Air Pollution per Ride Fee to fund programs and projects that fulfill its business purpose.

The primary business purpose of the NAAPME is to “mitigate the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas that results from the rapid and continuing growth in retail deliveries made by motor vehicles and in prearranged rides provided by transportation network companies by providing funding for eligible projects that reduce traffic, including demand management projects that encourage alternatives to driving alone or that directly reduce air pollution, such as retrofitting of construction equipment, construction of roadside vegetation barriers, and planting trees along medians.”

Nonattainment areas in Colorado are designated areas from the U.S. Environmental Protection Agency (EPA) that do not meet ambient air pollution standards. Ozone is the only identified pollutant in which parts of Colorado are currently in nonattainment for these standards. Currently Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, a portion of Larimer, and Weld Counties are in the designated ozone nonattainment area within the state.

Projects funded by the Enterprise look towards reducing the impact of air pollution from ozone in the current nonattainment areas of Colorado. The Enterprise has identified three focus areas in which projects can support this objective, as outlined in its [10-Year Plan](#):

- **Sustainably reduce traffic congestion**

Projects that provide alternatives to single occupancy travel including transit services, active transportation alternatives, and carpool alternatives, as well as roadway operations improvements that sustainably reduce congestion, such as traffic incident management:

- Expanding interregional transit services (e.g., Bustang);
- Development and expansion of bus rapid transit services;
- Mobility Hubs: destinations for transit services that connect interregional and local services, including first and last miles services, electric vehicle charging, and bike parking;
- New and expanded sidewalks and bike paths; and
- New and expanded vanpool, carpool, and other services for commuter travel.

- **Reduce the environmental and health impacts of transportation**
Reducing impacts from the construction and ongoing operation of transportation projects:
 - Reduce the impact of large highway construction projects;
 - Retrofitting construction equipment for highway projects;
 - Air quality monitoring for larger highway construction projects; and
 - Roadside vegetation barriers.
- **Improve neighborhood connectivity for communities adjacent to highways**
Fund mitigation measures that help reconnect communities and provide multimodal options to move along and across large urban corridors:
 - More sidewalks and bike paths along major corridors and local roads;
 - Safer bike and pedestrian connectivity along busy urban streets; and
 - Projects that reduce traffic speeds along busy urban streets.

Calendar Year 2025 Summary

“Community Clean Transportation Assistance Program (CCTAP)”

[The Community Clean Transportation Assistance Program \(CCTAP\)](#) was officially authorized by the Enterprise on November 4, 2024, with over \$17 million available to eligible entities for projects that will help reduce the environmental and health impacts of transportation in the Nonattainment Area.

NAAPME initiated its call for projects through its Notice of Funding which went live on November 4, 2024, and was open for applications through April 30, 2025. NAAPME Administrator Pakbaz presented CCTAP to the planning agencies in the Nonattainment Area (DRCOG, NFRMPO, and UFRTPR), each of whom passed word of this opportunity on to their respective local agencies.

NAAPME hosted a webinar on February 14, 2025, to provide additional information about CCTAP, and answer questions from dozens of attendees.

Eleven draft applications were submitted and the NAAPME staff reviewed and provided feedback to the applicants in March and April of 2025. NAAPME received a total of 20 final applications by April 30, 2025.

CCTAP grant applications came from various organizations and after a rigorous review process, the Enterprise Board approved 11 projects to receive funding on June 26, 2025. Additional consideration was given to projects that support disproportionately impacted communities, ensuring that the benefits of clean transportation reach those most affected by air pollution. The projects selected aim to improve multimodal access, promote active transportation options like biking and walking, and increase safety and connectivity through infrastructure upgrades and strategic mobility hubs.

Community Impact

“The City of Loveland is proud to partner with the Colorado Department of Transportation and NAAPME on a project that will enhance two vital regional corridors,” said Loveland City Engineer Nicole Hahn. “By 2028, we aim to deliver transportation improvements that will reduce congestion, expand access to active modes of travel and contribute to better air quality for the entire Front Range community.”

In Greeley, funding will be used to build four mobility hubs, helping integrate multiple transit options for the area. Victoria Leonhardt, senior urban transportation planner for the City of Greeley, said Greeley was excited to receive the CCTAP grant to support the “Greeley Connected: Mobility Hubs Project” — a vital investment in our community’s future.

“These hubs will help improve access, reduce emissions, and support a stronger local economy by connecting people to more options — whether they walk, bike, ride transit, or drive electric,” Leonhardt said. “This project moves us closer to achieving the ‘Greeley on the Go 2045’ vision of a safe and connected city.”

Funding Recipients

A total of \$17.3 million in funding has been awarded to these projects:

Moraine Avenue Multimodal Trail - Town of Estes Park (\$4.5 million)

- This trail will integrate seamlessly with the existing transit system and connect residential, business, and downtown Estes Park by promoting safer and more accessible travel. The trail will encourage residents and visitors to walk or bike to key destinations, including Rocky Mountain National Park.

Colorado Highway 119 Mobility - Last Mile to Finish Line - Boulder County (\$3.2 million)

- Three multimodal improvement projects and one travel demand management program to support the CO 119 Safety, Mobility, and Bikeway project.

Weld County Road 59 and Colorado Highway 52 Roundabout - Weld County (\$1.8 million)

- Completes a roundabout to enhance air quality and traffic flow and eliminate serious broadside crashes at the intersection of WCR 59 and CO 52, a key east/west truck route. It will improve safety for students and families accessing nearby schools, and support travel for the disproportionately impacted communities of Hudson, Lochbuie and Keenesburg.

Environmental Justice Air Pollution Mitigation - Regional Air Quality Council (\$1.5 million)

- Enhance and expand four already successful programs in the Denver Metro area (Accessible Bikes for Community, Clean Air Auto Repair, Engines Off and Simple Steps Better Air) to Larimer and Weld Counties.

Colorado Highway 66 Pedestrian Trail - Town of Mead (\$1.4 million)

Construct a bicycle/pedestrian underpass at CO 66 that will connect downtown Mead to residential and commercial areas south of CO 66, removing the barrier the high-speed highway currently presents.

Greely Connected: Mobility Hubs - City of Greeley (\$1.4 million)

- Establishes a network of four mobility hubs to integrate public transit, biking, walking and alternative fuel infrastructure for seamless multi-modal transportation.

US Highway 34 and US Highway 287 Advancing Corridor Connectivity with Equitable and Safe Streets (ACCESS) Project - Town of Loveland (\$1.2 million)

- Intersection improvements that optimize traffic flow and create a strategic mobility hub to connect four city routes and seven regional routes. The hub will include dual left-turn lanes, right-turn bays, adaptive traffic signals, shorter crossing distances and improvements to bicycle/pedestrian access.

First and Last Mile - Federal BRT - City of Denver (\$800,000)

- Improve multi-modal access to the forthcoming Federal Bus Rapid Transit (BRT) corridor by designing upgrades to existing and future bikeways, pedestrian crossings and bus stops on east/west corridors crossing Federal Boulevard.

Taft Hill Road and Active Modes Improvements - City of Fort Collins (\$539,864.00)

- This project will include multimodal improvements by widening sidewalks, adding a new side path, protected bike lanes and safer crossings.

Connecting North College - City of Fort Collins (\$528,275)

- Plan and design active transportation networks for the disproportionately impacted North College neighborhood that is currently separated from the urban core by Poudre River, Union Pacific Railroad, Larimer and Weld canals and US Highway 287. Identify barriers and gaps in the current network that prevents residents from accessing schools, Fort Collins free transit system and the city-wide paved trail network.

Missed Connections - Adams County (\$500,000)

- Complete missing sidewalks and curb ramps in unincorporated Adams County, ensuring transit riders can safely walk, or roll, to their final destination along the forthcoming Federal Bus Rapid Transit (BRT) corridor.

Board Meetings

Throughout Calendar Year 2025, the Enterprise and its Board of Directors worked to build on the foundation of its 10-Year Plan, expanding on those concepts and learning more about needs with stakeholders throughout the ozone nonattainment area. Throughout the year, the Board of Directors met six times, with discussions ranging from decisions regarding funding programs for the Enterprise to administrative and budgetary actions.

January 2025

The Board of Directors did not hold a meeting in January.

February 2025

The Board of Directors meeting was held on February 27th, with informational presentations and discussion on the following topics:

- Adoption of the NAAPME FY 2025-26 Budget;
- Adoption of Rideshare and Retail Delivery Fee adjustments for FY 2025-26;
- Enterprise Financing Strategies;
- Legislative Updates; and
- NAAPME webinar, NOFO release, and grant program website launch.

March 2025

The Board of Directors meeting was held on March 27th, with informational presentations and discussion on the following topics:

- Approved the CY25 Board Meeting Schedule;
- Legislative Updates;
- NAAPME Small Grant Application Process;
- Allocation of NAAPME Large Grant Program Funds.

April 2025

The Board of Directors did not hold a meeting in April.

May 2025

The Board of Directors meeting was held on May 29th, with informational presentations and discussion on the following topics:

- Approved Election of Board Secretary; and
- NAAPME Small Grant (CCTAP) Final Application Review.

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June 2025

The Board moved into an executive session June 12, pursuant to Section 24-6-402 (3) (a) (II) of the Colorado Revised Statutes for the purpose of receiving legal advice from counsel.

Additionally, the Board of Directors meeting was held on June 26th, with informational presentations and discussion on the following topics:

- Approval of Small Grant (CCTAP) Award Decisions

July 2025

The Board of Directors did not hold a meeting in July.

August 2025

The Board of Directors did not hold a meeting in August.

September 2025

The Board of Directors did not hold a meeting in September.

October 2025

The Board of Directors meeting was held on October 23rd, with informational presentations and discussion on the following topics:

- Review of draft Fiscal Year 2026-2027 Budget;
- Review of Public Dashboard Concept Design

December 2025

The Board of Directors meeting was held on December 5th, with informational presentations and discussion on the following topics:

- Review and approve the Enterprise's Calendar Year 2025 Annual Report; and
- Annual Open Records Training

Enterprise Budget

Fiscal Year 2024-25

Colorado's State fiscal Year 2024-25 concluded on June 30, 2025. Most expenditures for this fiscal year were administrative to continue to support the establishment of the Enterprise and identify funding programs in line with the objectives outlined in statute and the Enterprise's 10-Year Plan. Enterprise expenses totaled \$64,304. The Enterprise allocated \$200,000 to the Board contingency fund for the fiscal year, which was not used. These funds, and unused administrative expenses (\$116,696) were added to the roll-forward of funds allocated to Enterprise funded programs.

Fiscal Year 2025-26

The Board of Directors adopted the Fiscal Year 2025-26 Budget in February 2025, allocating \$43.6 million in anticipated revenue for the fiscal year. This amount represents the total funds available for the Enterprise to invest in its initiatives during Fiscal Year 2025-26. As the Board advances its decisions regarding the Enterprise's program of projects, it is expected that funds will be allocated to specific initiatives, including the CCTAP program and the broader grant program with a primary focus on supporting Bus Rapid Transit (BRT) projects, all aligned with its business purpose. Table 1 presents the estimated breakdown by revenue allocation category for the fiscal year.

Table 1 - NAAPME Fiscal Year 2025-26 Budget Overview

Budget Line Item	Total Estimated Revenues	Total Estimated Expenditures
Total Estimated Revenues	\$13,377,602	
Total Programmed & Project Support Services		\$12,995,102
Total Administrative & Operating Activities		\$182,500
Total Debt Service		\$0
Total Board Contingency Reserve		\$200,000
Total Revenues	<u>\$13,337,602</u>	
Total Expenditures		<u>\$13,377,602</u>

Fee Levels for the Air Pollution Per Ride Fee and Air Pollution Mitigation Retail Delivery Fee

In accordance with Colorado Revised Statutes § 43-4-1303(7)(c)(I) & (II), the Board is able to adjust the fee levels for both the Air Pollution per Ride fee and the Air Pollution Mitigation Retail Delivery fee. The NAAPME Board adopted new fee levels for fiscal year 2025-26, based on recommendations from the Colorado Department of Revenue and Enterprise, specifically:

- Increased Air Pollution per Ride fee for Non-Carshare and Gasoline Powered Vehicles from 24 to 25 ½ Cents;
- Increased Air Pollution per Ride fee for Carshare / Zero Emission Vehicle (ZEV) Rideshare rides from 12 ¾ Cents to 13 ½ Cents; and
- Increased Air Pollution Mitigation Retail Delivery fee from 75/100 of one cent to 78/100 of one cent.

The revised fee levels were reported to the Colorado Department of Revenue ahead of the statutory deadline of March 15th.

Financial Status Report

The Air Pollution per Ride fee and Air Pollution Mitigation Retail Delivery fee established by statute are ongoing revenue streams for the Enterprise. Along with fee adjustments approved by the Board in February 2025, the Board reviewed and approved an updated revenue estimate for fiscal year 2025-26 through fiscal year 2026-27. Table 2 details the estimated revenue collection by fee for these years, replacing original estimates from previously.

Table 2 - Estimated Future Revenue Collection by Fiscal Year and Source

Revenue Sources	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27
Air Pollution Mitigation Retail Delivery Fee	\$2.7 Million	\$3.0 Million	\$3.3 Million
Air Pollution Mitigation Per Ride Fee	\$8.4 Million	\$10.4 Million	\$13.1 Million
Totals	\$11.1 Million	\$13.4 Million	\$16.4 Million

Upcoming Activities

In 2026, the Nonattainment Enterprise will focus primarily on administering the Community Clean Transportation Assistance Program and developing the Large Grant Program. Key activities will include engaging with grant recipients and regional CDOT planners in the Nonattainment Area, providing technical support throughout the award process, and initiating reimbursements as projects reach completion. NAAPME will also launch a public dashboard

during the next fiscal year to share information on awarded funding and project status updates.

The Enterprise will collaborate with CDOT and local partners to design and launch the Large Grant Program, which will support entities seeking to expand Bus Rapid Transit (BRT) service throughout the Nonattainment Area. Efforts will focus on finalizing program budget allocations, establishing eligibility and evaluation criteria, and developing related administrative processes with input and approval from the Board of Directors. The Large Grant Program is expected to be established by the end of fiscal year 2026.

While this is not an exhaustive list of activities planned for 2026, the year ahead promises to be both productive and transformative for the Nonattainment Area Air Pollution Mitigation Enterprise. NAAPME looks forward to partnering with communities across the Denver Metro and North Front Range regions to deliver projects that improve air quality and advance cleaner, more sustainable transportation options.