

Transportation Commission Workshops were held on Wednesday, July 19, 2017. The Regular Transportation Commission Meeting was conducted and was hosted at CDOT HQ Auditorium on Thursday, July 20, 2017.

Note: Materials for specific agenda items are available at <https://www.codot.gov/about/transportation-commission/meeting-agenda.html> by clicking on the agenda item on the schedule provided at this site or clicking on links provided in this document. For the full agenda of workshops and sessions see the link presented above.

Transportation Commission Committee Meetings Wednesday, July 19, 2017

Joint TC/HPTE Workshop on the OMPD/HPTE Merge (David Spector)

Purpose: To discuss the currently proposed merger of the Office of Major Project Development (OMPD) with the High Performance Transportation Enterprise (HPTE).

Action: No formal action is being requested this month. If the Transportation Commission (Commission) and HPTE Board of Directors (HPTE Board) are in agreement, the merger would be accomplished through an amendment to the CDOT/HPTE Fee for Service Intra-Agency Agreement (IAA) and a Commission and HPTE budget supplement requesting Commission approval in August or September.

Discussion:

- Workshop to present and discuss the merging of HPTE and three staff from OMPD.
- Plan to fill position previously filled by Brett Johnson, with a staff person with engineering/traffic expertise to interface with Regions on HPTE's behalf.
- Benefits will be that some duplications will be prevented and efficiencies created by the merger.
- Commission was generally pleased with this decision, and will be presented with budget impacts (anticipate to potentially save 50% of the OMPD budget) next month.

Right of Way Acquisition Workshop (Josh Laipply)

Purpose: The purpose of the workshop is to discuss and approve right-of-way acquisition (negotiations), and moving forward with condemnation proceedings.

Action: Prepare to act on agreed upon proposed acquisition authorizations and condemnation proceedings at the regular meeting, based on discussion at today's workshop.

Eight projects with property acquisition authorization requests for July 2017 include:

- Region 2:
 - Project Code 21705 – Relocation Woodmen Park & Ride
 - Project Code 20927 – Pueblo FY 17-18 Signal Capital Improvement Replacement
- Region 4:
 - Project Code 20715 – SH 52 Antelope Creek CBC
 - Project Code 20285 – SH 17 & US 287 Northwest of Fort Collins
 - Project Code 16805 – I-76 Fort Morgan to Brush (Phase V)
 - Project Code 20279 – US 34 Big Thompson Canyon Units 1 & 6
 - Project Code 21506 – I-25 North: SH 402 to SH 14
- Region 5:
 - Project Code 20737 – US 550/ 32_22_17 Durango Signal Replacement

No Settlement documents this month.

Two projects being requested for approving condemnation proceedings include:

- Region 1:
 - Project Code 19631 – I-70 Central Project
- Region 4:
 - Project Code 21506 – I-25 North: SH 402 to SH 14

Discussion:

- No comments from Commission on acquisition authorization projects.
- One Commissioner would like the number of parcels for each project – add dollar amount for each parcel if available.
- Let Commission know if any projects raise the potential for controversy.
- No public comments received on condemnation proceeding authorization requests.
- Condemnations Proceedings Requests:
 - Central 70 – property presented on a slide/ near UPRR. I -70 needs to get under railyard for the I-70 Central project. The legal description of the property in question was presented – the last home on the block still to be obtained. Owner passed away. Now 14 leans on property – going to foreclosure – CDOT would be last in line to obtain property with 14 leans ahead, if CDOT does not go to condemnation proceedings.
 - Court to make value determination under condemnation proceedings; better for homeowners as it avoids foreclosure. Two grandchildren involved, but there is no will, and no interest has been expressed in the property. The two heirs are walking away from the property.
- Johnny Olson, Region 4 Regional Transportation Director, answered questions raised by the Commission about the I-25 North project properties under consideration to move forward with condemnation proceedings.
 - Agricultural land, east side of road; acquired by investment firm; no improvements; property is farmland.
 - No input from the public has been received to date.
 - Owner asked CDOT to start the judiciary process.
- Commission Chair Zink noted to they will move forward as public interests are being served, if no comments are received at the regular meeting.

Workshop for Eagle Net Fiber Optics, TSM&O Activities, Accomplishments, and Budget Needs Update (Ryan Rice)

Purpose: To provide information to the Commission on a potential opportunity to obtain Eagle Net fiber optic network at no cost, but also help communities acquire broadband access; will investigate the situation further before making a decision about agreeing to acquire Eagle Net. Provide an update on TSM&O activities, accomplishments and an update regarding TSM&O budget needs.

Action: No action. Information Only.

Discussion:

- Ryan Rice provided the Commission with an overview of TSM&O, and its mission to increase capacity through innovation that provides substantial return on investment. In addition:
 - TSM&O was created due to challenges confronting CDOT in terms of:
 - Increased fatalities. Safety analysis indicates a 12% increase in fatalities and a 10% increase in serious injuries with an anticipated 800 fatalities to occur in 2018.
 - Continued growth in congestion and hours of delay.

- Part of the innovative solutions of TSM&O include expanding the fiber optic network across the state (only 17% of the state is covered today) to support future autonomous vehicle (AV)/connected vehicle (CV) and vehicle to infrastructure (V2I) technology investments.
- Eagle Net, a fiber optic company providing broadband, is shutting down. Eagle Net received a federal grant for \$100 million from the National Telecommunications and Information Administration (NTIA). NTIA has approached CDOT with the opportunity to acquire the Eagle Net fiber optic infrastructure (approximately over 3,000 miles of fiber, wireless and equipment assets) at no cost if it also continues to implement the spirit of the program (extending broadband access to communities).
- More research and investigation needs to be done to determine the benefits and obstacles of acquiring this fiber optic network. Ryan plans on coming back to the Commission to share findings of the evaluation of the situation as it unfolds. Need to assess CDOT's risk first.
- It was noted that the existing network is also in close proximity to many pieces of existing CDOT infrastructure.
- Discussion included:
 - Appropriateness of CDOT's role in providing broadband access to rural areas.
 - CDOT's role working with the existing partners involved in the program
 - Remaining available capacity and the quality of the existing Eagle Net network.
 - A Commissioner raised the issue of why other companies are not taking advantage of this opportunity. Ryan responded that an Eagle Net law suit makes the future owner liable for \$5 million, but the potential value of what CDOT would get is closer to \$60 million. Other businesses may not align with Eagle Net's business plan as closely to get the financial gain that CDOT could.
 - A Commissioner noted that CDOT may place itself in a position to expose itself to risk with Eagle Net offer. Not certain why bringing this information now without further details fleshed out.
 - Other Commissioners noted their appreciation for bringing this information regarding this potential opportunity early on.
 - The Commissioners expressed their desire for more information regarding this offer from NTIA before making any final decisions.
- Another opportunity with the Douglas County Sheriff's Office was presented by Ryan:
 - An emergency vehicle operations course has been built and is open now.
 - Provides an environment for emergency responders to train on how to operate specialized emergency vehicles and equipment, and also rapidly remove incidents from the roadway, enhancing the multi-agency team efforts of the Traffic Incident Management (TIM) program.
 - Quick removals of incidents can reduce travel delays between 30% and 50%.
 - Will also research this partnership regarding this training site, and the associated costs (approximately 1.5 million) for CDOT to use the facility for their purposes.
 - Ryan also explained the TIM program provides tows faster than private tow companies as TIM teams are usually in much closer proximity to incidents allowing them to respond quicker.
- TSM&O is requesting \$15.4 million to supplement costs not covered under the existing budget.
 - Commissioner Hofmeister raised concerns regarding investment in TSM&O especially the recurring requests for additional funds to support them.
 - Ryan and Josh noted that this request for additional funds is for unanticipated events that could not be foreseen; FY 2018 will be the last year for supplemental requests, with the intention to establish more a more consistent level of funding in future years.

Intro Funding Gap Analysis for EPA Audit Items for the Water Quality Program Workshop (Debra Perkins-Smith)

Purpose: To discuss issues and considerations related to the EPA-requested Municipal Separate Storm Sewer System (MS4) Program Resource Assessment. The assessment identified resource gaps and strategies in order to improve compliance and address the EPA audit findings.

Action: No action this month. Providing information on future budget request.

Discussion:

- Main issue is for CDOT to better maintain permanent water quality (PWQ) infrastructure (approximately 817 permanent water quality facilities) installed on projects.
- The initial proposed response is to retain a contractor to address maintenance issues and assess existing conditions and future needs for approximately \$6.7 million.
- This work will avoid steep fines from EPA that would be substantially higher than the investment in the contractor.
- In terms of emergency water quality maintenance needs, the Regions feel confident that they can still cover and respond to these events.
- Moving forward, CDOT will assess annually how frequently each piece of infrastructure needs to be maintained.
- Another issue is drainage at 27 CDOT maintenance facilities; If CDOT contracts out work to address this could cost \$12 million; CDOT planning on handling this in-house but will need to pay for equipment in any event, costing approximately \$4.2 million.
- Total costs for both issues – water quality infrastructure maintenance and maintenance facility drainage is estimated to be \$10.9 million and could be paid over a two-year timeframe.
- We will come back next month to the Commission for this budget request.
- Commissioner comments raised included:
 - How did it get to this point? - Josh responded that in many instances the water quality facilities expanded substantially over the years, but staff to support maintenance of these facilities wasn't expanded.
 - CDOT is developing a GIS map of all of the facilities and their status; this will also be a good resource to share with EPA auditors to show them what steps CDOT is taking to comply with requirements.
 - This database will then trigger a notification in work orders when maintenance is required.
 - The Commission noted that the GIS mapping tool is good and the automated notification system for maintenance is also good.
 - It was also noted that along US 6 CDOT has consolidated 29 PWQ ponds into 10; which will help with minimizing maintenance needs.
 - Commissioner Peterson also recommended finding agency partners to help with this effort when appropriate.
 - A new MS4 permit pilot uses facilities from other existing projects to address water quality on newer projects. Also the concept of Intergovernmental Agreements (IGAs) to maintain facilities is another option, or other agencies can help to maintain them too.

Discuss US 85 within Union Pacific Right-of-Way (Josh Laipply)

Purpose: The purpose of this memo and workshop is to provide history of the US 85 corridor within the Union Pacific Railroad (UPRR) property under an expired lease and recommendations to reach final resolution.

Action: Understand the importance of UPRR corridor and operations, the concerns and needs of Weld County and Municipalities bifurcated by the UPRR, CDOT's goals and financial liabilities. Review the proposed settlement negotiation and comment on the agreement in order to proceed next month with a financial

commitment and resolution to finalize an agreement with the UPRR, Weld County, and CDOT.

Discussion:

- Josh Laipply recognized the efforts of the Union Pacific Railroad (Tony Love and Jeff Chapman, who attended the workshop), Weld County Commissioner, Barbara Kirkmeyer, and CDOT to come to an agreement on how to gain a permanent easement along UPRR right-of-way along US 85, which is not typically granted.
- A 50-year easement granted to CDOT by the UPRR along US 85 expired. CDOT needed a permanent solution with the UPRR to avoid having to move US 85 out of UPRR right-of-way.
- Weld County also desired US 85 to remain in place and participated in the negotiations with CDOT and UPRR.
- The proposed settlement would include CDOT getting a permanent easement, with payment to UPRR of approximately \$34.9 million to be utilized for siding extensions/improvements in order to offset the mobility impacts due to the close proximity of US 85 within the UPRR right-of-way. It also includes 13 crossing eliminations. Crossing eliminations provide a major benefit to safety, due to the amount of traffic and proximity to the UPRR tracks. These benefits of safety through the crossing closures, mobility improvements and decreased emergency response time within local communities are real benefits to the communities and CDOT. Included within the crossing eliminations is an interchange at CR44 (Peckham) at a cost of \$27 million. This interchange has already been a region priority and is currently in the State Transportation Improvement Program (STIP) and in design without construction funding.
- The Commission thanked all parties involved in this collaborative effort and applauded the coming to a proposed solution that would be permanent.
- Josh Laipply stressed the importance of continuing the relationship between the three parties – UPRR, Weld County and CDOT.

SB 267 Approach Workshop (Debra Perkins-Smith and Herman Stockinger)

Purpose: To discuss approach to repayment and project selection for implementation of Senate Bill (SB) 17-267.

Action: No action. Requesting input and direction on approach.

Background: SB 267 “Concerning the Sustainability of Rural Colorado” authorizes the execution of lease-purchase agreements on state facilities totaling \$2 billion, to be issued in equal amounts over four years, beginning in Fiscal Year (FY) 2018-19. CDOT will be the recipient of \$1.88 billion of those proceeds, with the remainder dedicated to controlled maintenance and capital projects on state buildings. Proceeds to CDOT may be used for projects that are identified as Tier 1 in the 10-Year Development Program Plan, and at least 10% of proceeds must be used for transit projects. The bill further requires at least 25% of CDOT’s proceeds be applied to projects in counties with a population of 50,000 or less, as of July, 2015.

After the state covers payments for the capital construction proceeds, CDOT is responsible for the first \$50 million in lease payments related to state highway projects, with the remainder being paid by the General Fund or “any other legally available source.” After four years of lease-purchase agreements are executed, the repayment is expected to reach approximately \$150 million per year. Each lease-purchase agreement would have a term of twenty years. While CDOT’s minimum commitment is \$50 million per year, the potential exists for a maximum repayment amount of closer to \$150 million, if the legislature were to subsequently choose to transfer additional repayment liability to CDOT.

Key points of discussion from the June Workshop for which there was consensus on this topic included:

- Need to manage expectations and convey to the legislature and the public that there is still a significant transportation funding need that is not met by SB 267.
- Need to identify impacts of repayment to projects or programs, especially additional repayment above \$50 million, and communicate those impacts.
- Should be a statewide project selection process (STAC also concurred with this point), not subdivided by urban and rural, and focused on identifying the best projects that support the overall system.
- Projects should be identified initially for just the first one to two years of funding, rather than the full four years, to allow for uncertainty and retain flexibility.
- CDOT goal areas of safety, mobility, maintaining the system, and economic vitality provide a good framework for considering projects for funding.
- Should consider how SB 267 proceeds can position us to be ready for the possibility of other new funding sources.
- Should consider how SB 267 can be used to leverage other funding (i.e. discretionary grant programs).

Discussion:

- Concerns for repayment, whether \$50 million or \$150 million, will hurt rural areas the most (especially if asset management is cut).
- Consider not hurting base programs and look for funding elsewhere.
- Federal redistribution funds Colorado typically receives could be another source of repayment funding.
- The Commission requested staff to show options of various percentage cuts across programs.
- A big question is: Is the Division of Transit and Rail (DTR) responsible for paying back 10% of repayment? HUTF funds cannot be used for transit. Would need to potentially flex highway money (Park-n-Rides, CMAQ or other sources) to transit.
- Concept of requiring a local match for locals to buy buses was discussed.
- Certificates of payment (COPs) could potentially be written in a way to provide CDOT more flexibility with repayments.
- A Commissioner noted that SB 267 has some significant negative implications for CDOT; another Commissioner expressed the need for clarification from the legislature on their commitment to fund all years as they are stated in the bill, and which repayment funding sources are permitted.
- No matter how SB 267 turns out, CDOT will still need more money for funding projects.
- Potential criteria was presented to the Commission and Commissioners commented on the list: first key goal area categories were presented.
 - Safety
 - Mobility
 - Maintaining the System
 - Economic Vitality
- Other potential criteria included:
 - Stakeholder Support
 - Project Readiness
 - Ability to leverage funds
 - Strategic/Regional Significance
 - Resiliency/Redundancy
 - Local Match – required or solicited
- Commissioners generally did not want local match required.
- Resiliency/Redundancy was appreciated by one Commissioner, but noted to be delicately used by another Commissioner and noted it is not always an appropriate factor.

- A Commissioner noted to consider the criteria for Responsible Acceleration of Maintenance and Partnerships (RAMP) and lessons learned from RAMP.
- Commissioners agreed with the importance of project readiness and delivering construction projects expeditiously.
- The importance of using SB 267 funds to leverage funds was also noted.
- Debra will return to the Commission with more details on options related to SB 267 project selection criteria and repayment.

Transportation Commission Regular Meeting Thursday, July 20, 2017

Call to Order, Roll Call

- Commissioners Zink, Gifford, Hall, Hofmeister, Gilliland, Connell, Peterson, and Scott were in attendance; Commissioners Thiebaut and Stuart were excused.

Commissioner Updates and CDOT Executive Management, Federal Highway Administration (FHWA) Director, and Statewide Transportation Advisory Committee (STAC) Reports

Customary updates were provided from the Commissioners in attendance, and the following reports were provided:

- Executive Director's Report (Mike Lewis for Shailen Bhatt)
- Chief Engineer's Report (Josh Laipply)
- HPTE Director's Report (David Spector)
- Federal Highway Administration (FHWA) Director Report (John Cater)
- Statewide Transportation Advisory Committee (STAC) Report (Vincent Rogalski)

Act on Consent Agenda (Herman Stockinger) – Approved unanimously on July 20, 2017.

- [Resolution to approve regular meeting minutes of June 15, 2017 \(Herman Stockinger\)](#)
- [US 34 Frontage Road devolution to Town of Kersey -Time Extension \(Johnny Olson\)](#)
- [Troy Hill Devolution Exchange \(Johnny Olson\)](#)
- [Capital Development Requests \(Andy Karsian\)](#)

Discuss and Act on the 1st Budget Supplement of FY 2018 – Approved unanimously on July 20, 2017

Discuss and Act on Right of Way Acquisition Authorization Requests (Josh Laipply) – Approved unanimously on July 20, 2017

Discuss and Act on Right of Way Condemnation Process Initiation Request (Josh Laipply) – Approved unanimously on July 20, 2017

- I-70 Central
- North I-25

Discuss and Act on State Infrastructure Bank rates (Herman Stockinger) – Approved unanimously on July 20, 2017

- The Division of Accounting and Finance (DAF) recommends that the Transportation Commission (TC) increase the interest rate from 2.25% to 2.50% for loans originating in FY 2017 -18 Q1/Q2 and assess the recommended origination fee schedule

[Discuss and Act on Policy Directive Establishing Transportation Commission Guidelines for Acquisition of Property for CDOT Highway Project \(Kathy Young\)](#) – **Approved unanimously on July 20, 2017**

Recognitions

- 2017 AASHTO Awards:
 - I-70 Mountain Express Lane Project – Operations Excellence, Medium Project (David Spector and/or Paul Jesaitis)
 - SH 9 CO River South Wildlife and Safety – Best Use of Technology and Innovation, Medium Project (Dave Eller)
 - US 36 Express Lanes – Best Use of Technology and Innovation, Large Project (David Spector and/or Paul Jesaitis)
- 2017 P3 Entrepreneur of the Year Award - David Spector - HPTE from the American Road & Transportation Builders Association (ARTBA) (Shailen Bhatt)