



COLORADO Department of Transportation

Division of Transportation Development
Multimodal Planning Branch
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DATE: January 17, 2018
TO: Transportation Commission
FROM: Herman Stockinger, Director, Office of Policy and Government Relations
SUBJECT: Debra Perkins-Smith, Director, Division of Transportation Development (DTD)
Development of Project List for Potential 2018 Ballot Question

Purpose

To discuss approach for statewide programs and review amended project lists as part of preparation for a potential ballot measure or other new funding source in 2018.

Action

Adopt a draft list of project this month, including a strategy for statewide programs. It is important to note that the resolution is written in a way that allows, and in fact states the expectation, that the list may be adjusted over time.

Background

What Has Changed Since Last Month?

Transportation advocates conducted polling in December, and have stated their continued intent to file a ballot question with the Secretary of State in late January, 2018. Additionally, it was discovered that the new federal tax law, the Tax Cuts and Jobs Act (TCJA) will likely create an uptick in state revenue, as much as \$300 million per year. On January 2, Governor Hickenlooper submitted an update to his budget request that laid out a plan to (among other things) provide the State Highway Fund (SHF) with \$148.2 million in upcoming FY '18-'19 (beginning July 1, 2018) for "high-priority state transportation projects." Moreover, he has proposed that a portion of the new state revenue (approximately \$130 million per year) be provided to the State Highway Fund on an ongoing basis.

If successful, the available revenue from the General Fund for transportation may allow transportation advocates to pursue a smaller tax question in November. A variety of transportation advocates are considering ballot questions for transportation in 2018, including a group led by the Denver Metro Chamber of Commerce. Their current plan is to file a ballot question in January 2018 with the Secretary of State. This is the first step in the process to petition onto the November 2018 ballot. Because high priority state projects are expected to be a cornerstone of the effort, CDOT has been asked to develop a list of projects that could be funded with a successful ballot question by the time they file with the Secretary of State.

The level of funding potentially available for state transportation projects is similar to what we speculated in December (up to \$360 million per year). However, the General Fund money, without an additional ballot question, would likely not be bonded against and would be more of a "pay as you go" program, which doesn't necessarily change the list of projects, but does change how the overall program would be staged and rolled out.

Both the TC and STAC agreed in December to create one list- effectively (and temporarily) tying SB 267 funds and a ballot list together into a roughly \$6 billion list, but expressed concern about a permanent linkage. Staff agrees with the concerns about tying the lists together through a November ballot vote, but based on now a potentially third source of revenue (additional state General Fund dollars) and a fourth source via a potential federal transportation funding package, we continue to believe it is important for CDOT to send a message that "regardless of the funding source- we have a list of critical transportation improvements to move Colorado forward." In fact, the FHWA recently used the ballot list as example project when asked whether Colorado would be ready to act if a federal transportation package was approved. Continuing to have this one large list of needs also allows flexibility to select projects from the list as appropriate. Adopting a draft list should also help provide legislators and other transportation advocates confidence that it is unnecessary for them to choose projects themselves.



Details & Decision Points

Creation of Statewide Strategic Programs

Both STAC and the TC supported development of statewide programs to supplement the specific project lists, and discussed many possibilities for programs, with a general agreement that \$500 million may be the right range to cover those programs. Programs considered include:

- ADA Sidewalk Improvements (curb ramps)
- Technology & Innovation (RoadX)
- Technology & Fiber
- Safety Shoulder (shoulder construction)
- Passing Lanes
- Rest Area Restoration
- Wildlife Crash Mitigation (wildlife crossing)
- Freight Improvements (small freight projects & truck parking)
- Pavement Preservation (surface treatment)
- Rockfall Mitigation
- Bike and Pedestrian Improvements

Over the last several weeks since the December special TC meeting, staff has researched and discussed the statewide program concept and made several observations which ultimately impacted the staff recommendation for this month.

Don't Spread the Money too Thin: Staff considered what it would take to fund the statewide programs in a robust way, and determined that if the programs are to have a significant impact, there should be fewer programs. For example, staff discovered that construction of new shoulders where no shoulders exist costs about \$1 million per mile of new shoulder, and Colorado has over 1,500 miles of highway with no shoulders, and more than 2,000 miles of inadequate shoulders. Additionally, laying one mile of new fiber is estimated to cost about \$400,000. Too many statewide programs will either reduce critical projects from the specific project list or reduce the impact we can make on critical needs.

Specific is Better: Programs that already have specific projects on the "ballot list" associated with them (freight corridors and passing lanes) probably don't need a statewide program as well. In some cases, Regions were finding they were reducing or dropping specific large freight or passing lanes projects in favor of a generic program to support freight and passing lanes projects.

Staff Recommendation: Remove large freight corridor projects and passing lanes projects as categories in the statewide programs fund.

Asset Management Categories: Several programs proposed for the statewide program category (rockfall and surface treatment) are existing asset categories with specific budget line items. The hope/expectation is to have a flexible pot of money (including the additional revenue projected as tax revenue grows over time) to enable us to help sustain our existing system. That can include the rockfall and surface treatment categories.

Staff Recommendation: In an effort to have only a few statewide programs, and because funding growth over time should provide funds for sustaining the existing system, remove rockfall and surface treatment as categories in the statewide programs fund. If it becomes clear no money would be made available to sustain our existing system, staff would recommend revisiting this decision.

Each Region has Different Needs: It wasn't unexpected that we learned what is most needed in one area of the state may not be what is needed in another. By specifying a dollar amount for every statewide program category, region and local partner project selection flexibility is lost. With limited dollars in programs such as the Regional Priority Program (RPP), it would be beneficial for each Region to work with their planning partners to determine how best to utilize funds for smaller projects in their area.

Staff Recommendation: Combine Safety Shoulders, Rest Area Restoration, Small Freight and Truck Parking and Wildlife Crash Mitigation into a single statewide program and allow each region the flexibility to work with their planning partners to select small projects in any of those categories based on regional need. Additionally, provide Region 1 additional specific project funds rather than funding in this small project category. This does not eliminate the possibility that some of R1's project funds may be spent on the statewide categories listed above, but funding for those would come from adjustments to their existing project list.



Embrace Specific Statewide Programs That Are Truly Statewide: Fiber & Technology and the existing but underfunded ADA Pedestrian Sidewalks commitment (curb ramps) are examples of statewide need that is best coordinated and executed at the statewide level. The ADA Sidewalk Improvement program has an unfunded commitment of \$61 million, and Fiber, Technology and RoadX-type innovation can make use of a significant amount of money to improve mobility statewide. Fiber also has the added benefit of being able to make use of public-private and public-public partnerships to stretch the funding a bit further.

Staff Recommendation: Fund Fiber & Technology and ADA Sidewalk Improvement Programs individual statewide programs.

Bike/Pedestrian Project Should Be Covered: It appears a multi-modal project category that includes a variety of items such as transit improvements will have a bike/pedestrian component.

Staff Recommendation: Remove this category from statewide programs. Should we determine there is no other source of funds for these projects, staff would recommend revisiting this decision.

Summary of Categories for \$6 Billion List					
	Base Projects \$5.5b via RPP	Additional R1 large projects instead of statewide program funds	Fiber & Technology	ADA Sidewalk Improvement Program	Safety Shoulders, Rest Area Restoration, Small Freight Projects & Truck Parking, Wildlife Crash Mitigation
Region 1	\$1,960,923,000	\$120,700,000	TBD	TBD	\$0
Region 2	\$1,094,643,000		TBD	TBD	\$67,660,000
Region 3	\$786,149,000		TBD	TBD	\$48,620,000
Region 4	\$1,274,640,000		TBD	TBD	\$78,880,000
Region 5	\$390,591,000		TBD	TBD	\$24,140,000
	5,506,946,000	\$120,700,000	\$100,000,000	\$61,000,000	\$219,300,000
				Total	\$6,007,946,000

Review of Project Lists

Appendix B is the current list of priority projects, totaling about \$5.6 billion, divided roughly by the RPP formula. If the Transportation Commission approves this draft list, staff will continue to refine project scopes and begin creating fact sheets for the projects which will quantify the need and benefits of each project. Highlighted in red are the projects that were reduced or adjusted in some way since you last reviewed the projects in December.

Also included are line items for statewide programs as well as a new row reflecting our statewide preservation need. This is intended to reflect and not lose track of our significant deficit in reaching the Transportation Commission's modest Risk Based Asset Management goals.

Transit (now Multi-Modal Mobility Funds)

Ballot advocates continue to discuss transit programs. There was widespread support in failed HB 17-1242 for a "multi-modal mobility" program that would include a wide variety of alternative modes/strategies, including fixed route and on-demand transit needs (both capital and operating), bicycle and pedestrian programs, Transportation Demand Management (TDM) and innovative forms of multi-modal mobility and other multi-modal options. It is currently proposed that all funds come with a significant local/state match. Current conversations center around how to divide these multi-modal mobility funds, and three categories are rising to the top:

- Bond for large projects: This would be no more than a third of the multi-modal funds, and would bond for large transit and bicycle/pedestrian needs around the state. CDOT would likely be tasked with working with planning partners to determine the projects, and they would eventually be listed on the ballot. Because of the match requirement, CDOT would need to work with local partners to determine their



interest/willingness to provide a match before a project is added to the project list. Project examples could include Colfax BRT, SH 119 and SH 7 BRT, Colorado Springs downtown transit center, Glenwood Springs maintenance facility (RFTA), large commuter bike path projects, etc.

- Local decision-making: At least half of the funds would be divided around the state by some to-be-determined formula, with major metropolitan areas (like DRCOG) receiving pass-through funds from CDOT to select projects, and more rural areas (Transportation Planning Regions) helping to decide local funding through a process set up by CDOT (likely to mirror an existing selection process, such as the Transportation Alternatives Program (TAP) process).
- State-wide priorities: About 10% of the funds would go to CDOT to prioritize statewide needs, such as Bustang, Bustang Outrider, statewide transportation studies, and park and ride construction.

CDOT's Division of Transit and Rail (DTR), as well as the bicycle/pedestrian arm of the Division of Transportation Development (DTD) have been considering potential projects for the bonded portion of the multi-modal mobility funds. We will await further guidance on how to proceed, but anticipate presenting a list for adoption by the Transportation Commission in 2018.

Advisory Committee Input

The State Transportation Advisory Committee does not meet until January 26; therefore, as a body, they did not provide a recommendation. However, this information was provided to all STAC members and input from their individual review will be discussed at the Transportation Commission workshop.

Options

- Option 1: TC adopts enclosed project list in January (staff recommendation)
- Option 2: TC provides feedback on project lists for staff and recommends staff come back to TC for adoption in February
- Option 3: TC does not adopt a project list

Next Steps

- January 17-18: TC reviews and “adopts” a draft project list for the potential 2018 ballot question or other available revenue sources
- January 26: STAC meeting to review TC decisions and updated costs
- Late January: Transportation advocates expected to file a ballot question for the November, 2018 election
- February and Beyond: Staff continues to refine both highway and multi-modal mobility projects as necessary

Attachments

- Attachment A: Presentation
- Attachment B: Draft Project List
- Attachment C: Resolution for Adoption

