



COLORADO

Department of Transportation

Division of Transportation Development
Multimodal Planning Branch
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Denver, CO 80222

DATE: December 4, 2017
TO: Statewide Transportation Advisory Committee
FROM: Herman Stockinger, Director, Office of Policy and Government Relations
Debra Perkins-Smith, Director, Division of Transportation Development (DTD)
SUBJECT: Development of Project List for Potential 2018 Ballot Question

Purpose

To discuss approach and proposed projects for development of a list of high priority projects across the state should a transportation ballot measure be proposed in 2018.

Action

Input requested on both approach and proposed projects. The Statewide Transportation Advisory Committee (STAC) will be asked to review staff work up to this point and provide direction to staff in advance of the December Transportation Commission (TC) meeting.

Background

Why Are We Having This Conversation?

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.

What is the Development Program and why are the Tier 1 Projects a Good Starting Point?

In 2016, CDOT staff created what was known as the "Development Program"- an inventory of state highway major investment needs. The projects were organized into two tiers. Tier 1 was a \$2.5 million fiscally-constrained group of higher priority project funding needs referred to as the "10-Year Development Program". Tier 2 projects included all other project needs and was not fiscally-constrained. The development of the list was with substantial support and input from transportation planning partners across the state.

Having this inventory of major investment needs has been valuable, so when funding opportunities arise, such as competitive federal infrastructure grant opportunities arise (e.g. TIGER, FASTLANE, & INFRA) or new funding sources are identified (e.g. SB 17-267), CDOT has a ready-list of unfunded or underfunded priorities to select from. The Development Program list of projects has often been cited by legislators and others as the projects CDOT would likely build if additional funding were to be made available. Earlier this year, during the 2017 Legislative Session, the prospect of a ballot question through HB 17-1242 caused CDOT staff to refine the "Tier 1" project list to better understand project scopes, cost and construction timelines. Through this effort, the Tier 1 inventory grew to about \$6 billion in project funding needs to cover Tier 1 project costs of about \$6.6 billion (toll revenue as well as expected state and local funding commitments make up the difference).

Size of the Project List

While the size and type of the funding (sales tax or other source of funding) is still uncertain, the scenario CDOT is working under currently would raise about \$360 million for state highways. In this scenario, \$60 million annually and any annual growth on the \$360 million base would be funds set aside to help maintain the existing system, and \$300 million would be set aside for bonding, equal to about \$4.2 billion in projects over twenty years.

Details & Decision Points

Tying SB 267 List and Ballot List Together (for now)



SB 267 provides, over four years, \$1.8 billion in projects that will be selected from the Development Program. The first \$800 million were conditionally approved by the TC in November, pending the outcome of federal grant applications. Years 3 and 4 have not yet been selected. Staff is proposing that we tie the SB 267 projects and ballot projects into one list, for now, for the following reasons:

- Shows voters that the legislature has taken the first step to begin filling the gap with existing state funds;
- By including all projects into an approximately \$6 billion list, it allows for flexibility for which projects would be funded with ballot funds, and which projects would be selected for years 3-4 of SB 267 funds;
- We may disconnect the list in 2018 as we continue to work with ballot advocates and as they hone in on actual ballot language and strategy.

Decision Point:

- For now, create a \$6 billion list that combines SB 267 and potential ballot list project (staff recommendation);
- Or, scale back the combined lists to a number less than \$6 billion;
- Or, disconnect SB 267 and the ballot.

Distribution of Funds

The original 10-Year Development Program’s Tier 1 inventory of projects utilized, for planning purposes, was roughly the existing CDOT Regional Priority Program (RPP) formula to provide planning targets to each CDOT region (however, as costs have been refined and projects updated since development, the Tier 1 inventory is no longer reflective of the original planning targets). The RPP formula is based on 50% population, 35% state highway system lane miles, and 15% state highway system Truck Vehicle Miles Traveled. For the purposes of the equity conversation, it is important to note that approximately 20% of Region 4’s 23.2% currently is allocated to Region 4 counties within the DRCOG MPO.

CDOT staff is requesting STAC’s input for how the funds should be distributed around the state. This input will be used at the December 2017 TC meeting, as well as future TC meetings. The table below provides an overview of formulas.

	RPP- %	*Draft Ballot List (Nov 13)- %	Sales Tax Collected, estimated %
Region 1	35.5	36.6	52.3
Region 2	19.9	19.1	13.3
Region 3	14.3	13.8	10.9
Region 4	23.2	23.1	20.2
Region 5	7.1	7.4	2.8
			0.4 (out of state)

** Very Draft “moment in time” - Does not account for recent cost estimation changes, project changes, or potential addition of statewide programs over the last several weeks, which have caused the numbers to skew a bit.*

Decision Point:

- Ensuring high priority projects are selected is the most important, but roughly follow RPP formula (current staff recommendation);



- Or, STAC may recommend a different formula for distribution of funds for Transportation Commission consideration.

Creation of Statewide Strategic Programs

Developing a list of priority “projects” is not the only way to ensure key priorities are being addressed. Another option for STAC to consider is recommending the reduction of the *project* list value, and using some funds for statewide *programs*. For example, listed below are just a few of the options STAC may consider for statewide program funds:

- **Curb Ramps:** Chairman Rogalski has updated STAC on the TC is considering how to fund the federally mandated statewide Curb Ramp Program. The TC is considering allocating funds in FY '19 expected to be available through SB 267 COPs for the program. STAC could recommend adding the remaining obligation to the ballot fulfills an important pedestrian statewide priority.
- **Technology & Fiber:** Technology and fiber placement is a key priority for the department and the state. STAC could either choose a set of “technology projects” to include in the ballot, or create a statewide Technology Program to ensure fiber and technology is addressed.
- **Shoulders:** Many of our state highways have inadequate or even *no* shoulders. A statewide Shoulder Program would improve safety and mobility, particularly in rural Colorado and also ensures a distribution of funds to some areas that may not have large, high priority projects on the list.
- **Other:** (e.g. Asset Management priorities, Bike/Pedestrian-specific improvements)

Decision Point:

- Recommend the TC create a \$500 million statewide program pool of funds. If agreed to by the TC, staff would report back in January 2018 to the STAC and TC with recommended program amounts. Recommended program amounts would be based on staff research of statewide needs in the chosen areas (staff recommendation);
- Or, recommend a smaller or larger amount for statewide programs;
- Or, use other existing sources of funds or the “growth” of new revenue funds over time to continue to address these priorities, and don’t include on the ballot a list of statewide programs.

Review of Project Lists

When developing a list of projects for the statewide ballot, a few important elements should be considered. These include:

- Every project must have a quantifiable need and benefit that can be articulated to the public.
- Local planning partners should agree the ballot list represents the top priority project(s) in their area.
- Projects should be equitably distributed around the state so every region of the state benefits.
- Every TPR should have at least one project (in addition to the local funds they would receive as part of a statewide ballot question).
- Much like each TPR in the state should have at least one project, every county in the Denver Metro area should also have at least one project.
- What other key elements should be represented in a project list?

Because the size of the ballot question is undetermined, it is still possible that the size of the ballot question could be more, or less, than the \$360 million in the first year estimate that forms the basis of the department’s consideration. If more money is made available, CDOT’s expectation would be those additional funds would help supplement the more than \$200 million annual deficit in maintenance-related needs across the state (and would not be bonded against for additional large projects). However, if fewer funds are made available, CDOT may need to reduce the overall ballot/SB 267 list by \$1 billion or more. Therefore, it is a valuable exercise to determine which projects should be scaled back in the event of a smaller project list, and which projects, if any, should be removed from the list.

Decision Point:

- Support the project selection consideration points and recommend to the TC that staff be directed to complete work on a draft project list totaling \$6 billion (minus any reduction for statewide programs) to be considered at the January 2018 meeting (staff recommendation);
- Or, support the first bullet (above), but also recommend to the TC that staff be directed to begin the process of identifying a smaller list (\$1 billion smaller) that includes reduction in project scopes as well as potentially the removal of one or more projects from the list.

Transit Funds



Promoters of a 2018 ballot question are still considering how any funds made available for transit priorities should be distributed. Options include but are not limited to:

- All funds flow through CDOT and may or may not have specific direction on how the funds should be distributed.
- All funds flow directly to local governments or local transit agencies, with no funds flowing through CDOT.
- Some funds flow to CDOT for selection of large capital transit projects and operating support across the state, and some funds flow directly to local governments or local transit agencies for smaller capital and operating needs.

Decision Point:

- CDOT staff should begin to identify potential large projects for transit, which may or may not be on the current Development Plan, and identify options for how funds might be distributed to local agencies if the money was directed to CDOT (staff recommendation);
- Or, CDOT should wait for direction from ballot proponents before considering transit projects for the ballot.

Next Steps

- Current-January and beyond: PMO and Regions continue to refine project costs and scopes.
- December 8: STAC reviews and potentially refines list at the December meeting.
- December 13: TC reviews and potentially refines list at the December meeting.
- December 14: STAC email summarizing TC direction
- January 17-18: TC “adopts” a draft project list for the potential 2018 ballot question at the January meeting.
- January 26: STAC meeting to review TC decisions and updated costs

Attachments

- Attachment A: Presentation
- Attachment B: Draft Project List
- Attachment C: Map of Draft Projects





Getting to January

Developing a Ballot List



Responsibility

- Transportation advocates currently plan to file a ballot question in January
- They need TC to “adopt” a ballot list by that time
- If, in January, it does not appear there is the need for the TC to adopt a list, they will not do so
- **DECISION POINT: Prepare for TC to adopt a list in January if necessary**
 - Or, recommend TC not adopt a draft list



How Much Do We Have to Spend? *(we don't know, but we can speculate)*

- One possible scenario would provide \$360 million for highways in the first year
 - \$60m plus annual growth of the \$360m base to maintain the existing system
 - \$300m fixed for bonding, equal to about \$4.2b
- $\$4.2b + \$1.8b$ (SB 267) = \$6b of projects
- One challenge- this estimate could be off by over \$1 billion



Why “Combine” Ballot and SB 267?

- Shows voters the legislature has taken the first step to fill the gap with existing funds
- Provides most flexibility for final two years of SB 267
- Provides most flexibility overall for project selection and ensures highest priorities are “on the list”
- We may disconnect the list if necessary next year (in working with ballot advocates and their strategy)
- **DECISION POINT: For now, create a \$6b list that combines SB 267 & ballot**
 - Or, recommend TC adopt a smaller list than \$6b (better to add than subtract, but it looks like our need is less too)
 - Or, recommend TC disconnect SB 267 & ballot (if you think these lists should be separate)



How to Determine Distribution of Funds?

- Original Tier 1 portion of Development Program was distributed in a way that was close to the RPP formula
- RPP is an existing formula with broad acceptance
- Likely ballot question will be sales tax. Should this be considered as a distribution formula?
- Staff has worked on selecting priority projects that match up “somewhat” with the existing RPP formulas
- RPP is 50% population, 35% highway system lane miles, and 15% highway system Truck Vehicle Miles Traveled (VMT)



Distribution of Funds

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** Very Draft “moment in time” - Does not account for recent cost estimation changes, project changes, or potential addition of statewide programs*

- **DECISION POINT: Roughly follow RPP formula**
 - Or, recommend different formula for distribution of funds



Should There be Statewide Strategic Programs in Addition to Projects?

- Ensures even wider distribution of funds across the state
- Statewide programs will reduce the \$6b in projects by corresponding amount
- Addresses specific program needs that might “sing” to voters
- May be able to address identified statewide needs that are small project by project but are significant when considered statewide



What Statewide Programs Might We Choose?

- Curb Ramp Program: \$75 million (or remaining commitment)
- Fiber & Technology: \$100 million?
- Statewide Shoulders: \$50m-\$100m?
- Asset Management Category?
- Bike/Ped Category?
- Other Ideas?

- **DECISION POINT: Recommend to TC creation of up to \$500 million in statewide programs (and suggest specific programs)**
 - Or, do not recommend statewide programs
 - Or, recommend statewide programs in an amount larger or smaller than \$500 million



Choosing the “Right” Projects- Needs

- Local partners won't say we picked the wrong project(s) in their area
- Projects have quantifiable need and benefit we can “prove” to the public
- Every TPR needs a top priority project - in Denver Metro every area of the region needs a project
- Mapping statewide distribution- how important is it?



Scaling the Project List

- Need to understand what comes off list if the question is \$1 billion less (what is scalable or what doesn't happen at all)
- When should that scaling be identified?
 - (before January?)



"Quick" Review of Project List

- Region Review of Project Lists
- Confirm Statewide Priorities Decision Point
- **DECISION POINT: Provide TC the ballot list staff provided to STAC (with any new cost updates available) for consideration and tentative support from STAC**
 - Or, Provide a modified list that reflects project reduction resulting from inclusion of statewide priorities
 - Or, Provide a modified list that includes the removal or addition of specific projects
 - Or, Provide a project list that “draws a line” between funded and potentially unfunded priorities (but is still not larger than \$6b)- for example \$5b funded and \$1b potentially unfunded



Talking Transit

- Promoters of ballot question have not decided how to handle transit
- Possible that CDOT divides all the transit money with transit funds as an “off the top” percentage
- Possible that transit fund decisions are shared by highway proportions, split along the 60% to CDOT, 40% to locals
- Possible CDOT has no say in transit funds
- Transit could receive ~ \$80 million per year
- **Decision Point: CDOT should identify large projects for transit- which may or may not be on existing project list AND identify how funds might be distributed to local transit agencies by CDOT**
 - Or, wait until direction is given from ballot decision-makers
 - Or, Identify either larger projects OR distribution scenarios to local agencies but not both



Transit Corridors?

- Potential Transit Corridors & Projects
 - Major capital improvements to local transit agencies
 - Denver: SH 119 BRT, SH 7 BRT, Colfax BRT, others
 - Colorado Springs: New Downtown Transit Center
 - RFTA: Bus storage & maintenance facility, I-70 Rifle - Glenwood
 - Fort Collins: Elizabeth Corridor BRT expansion
 - Pueblo: Maintenance facility relocation, Pueblo Union Depot
 - More: Durango, Gunnison RTA, Steamboat, Grand Valley, others
 - Major capital improvements in support of Bustang, Bustang Outrider and other regional/statewide transit
 - Park-and-rides along I-70 & I-25
 - Stop improvements along highways where regional transit travels, i.e. US 50 East & West, US 285, US 550, US 40, US 24, SH 82, SH 119
- Support for Transit Operations
 - Funding support for transit operations across the state
 - More service is often the “capacity expansion” for transit



Timeline- Key Milestones

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November 14: RTD meeting to discuss draft list to vet with STAC and review cost estimates on Tier 2 and to better define project scopes

November 14-December 7 and beyond: PMO continues cost estimating, prioritizing biggest projects and biggest question marks.

December 8: STAC meeting - STAC reviews and potentially refines list

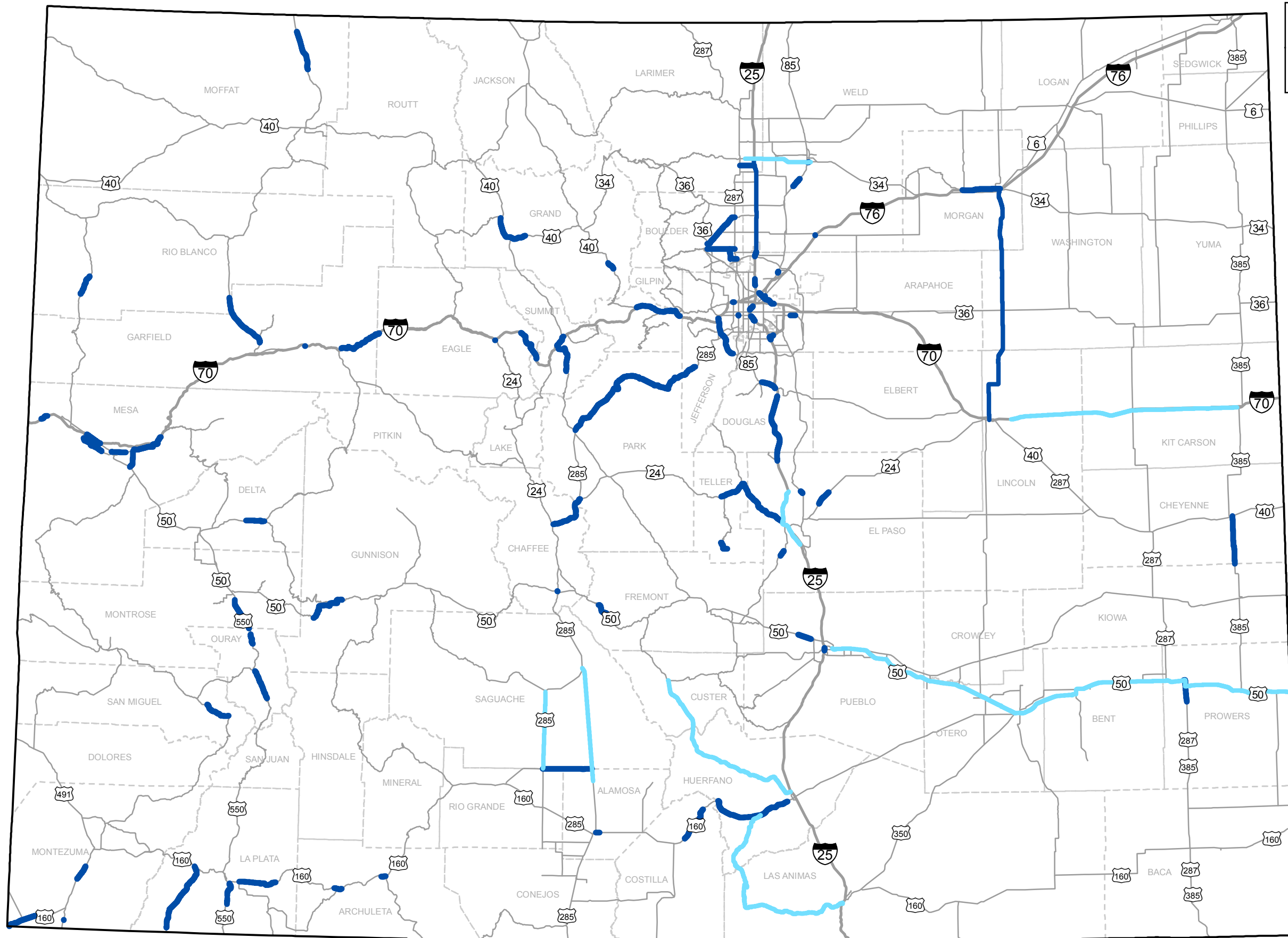
December 9-January 16: PMO continues cost estimating. Communications Office and others help determine how best to “show” the need picture.

December 13: TC meeting - TC reviews and potentially refines list

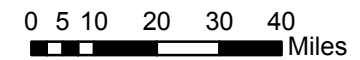
December 14: STAC email summarizing TC Direction

January 17-18: TC “adopts” a \$6 billion list and staff knows how to make the list smaller if necessary

January 26: STAC meeting to review TC decisions and updated costs



- Potential Ballot List Projects
- Potential Ballot List Projects (Still under scope refinement)

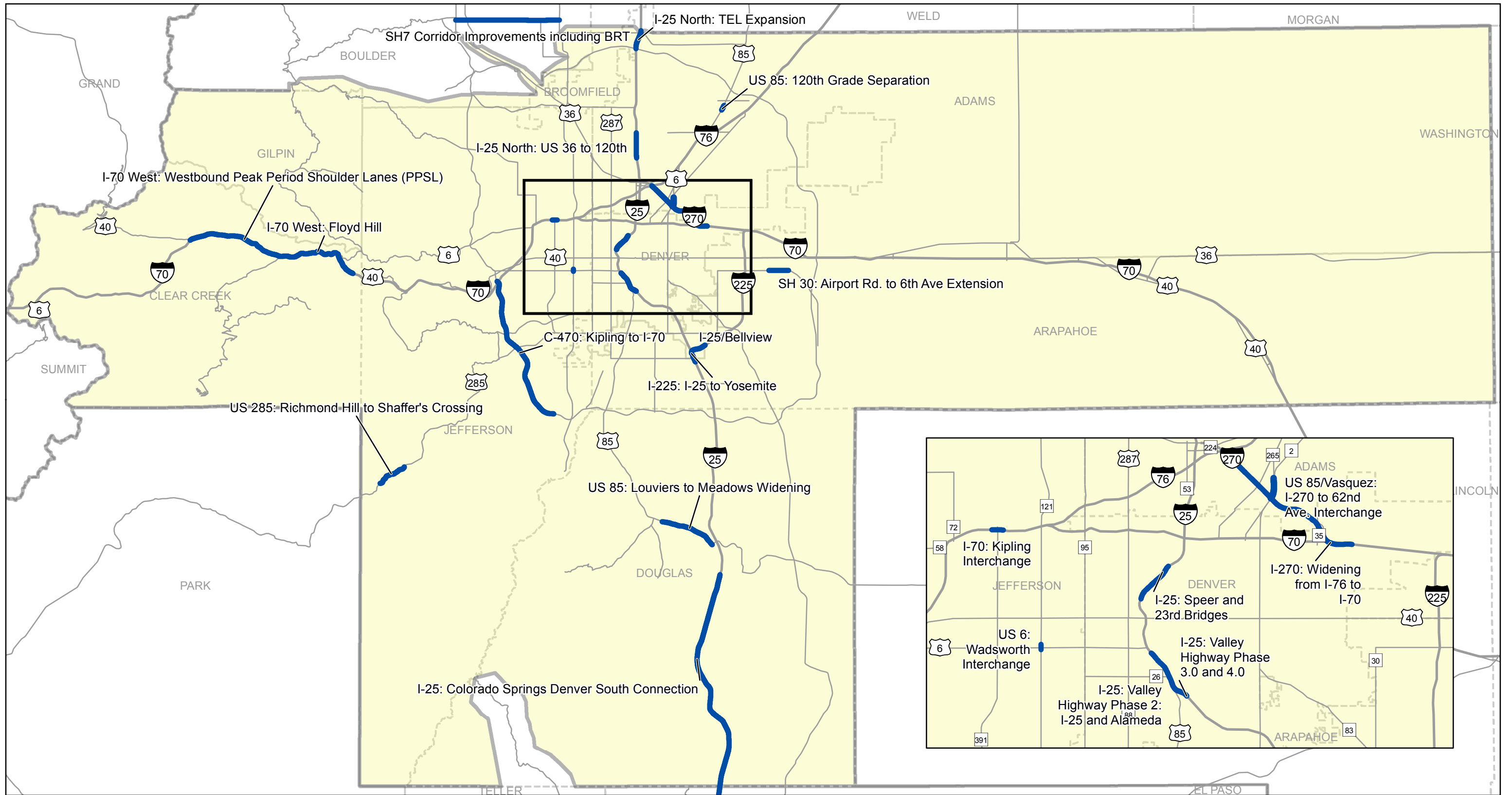


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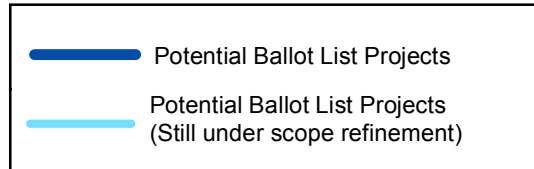


Potential Ballot List Projects

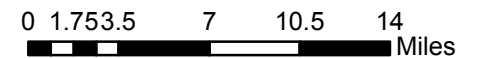


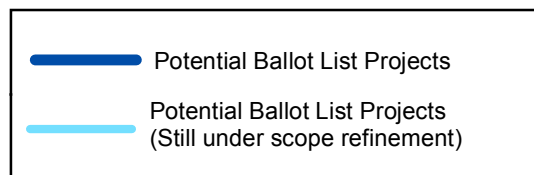
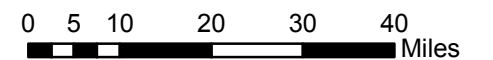
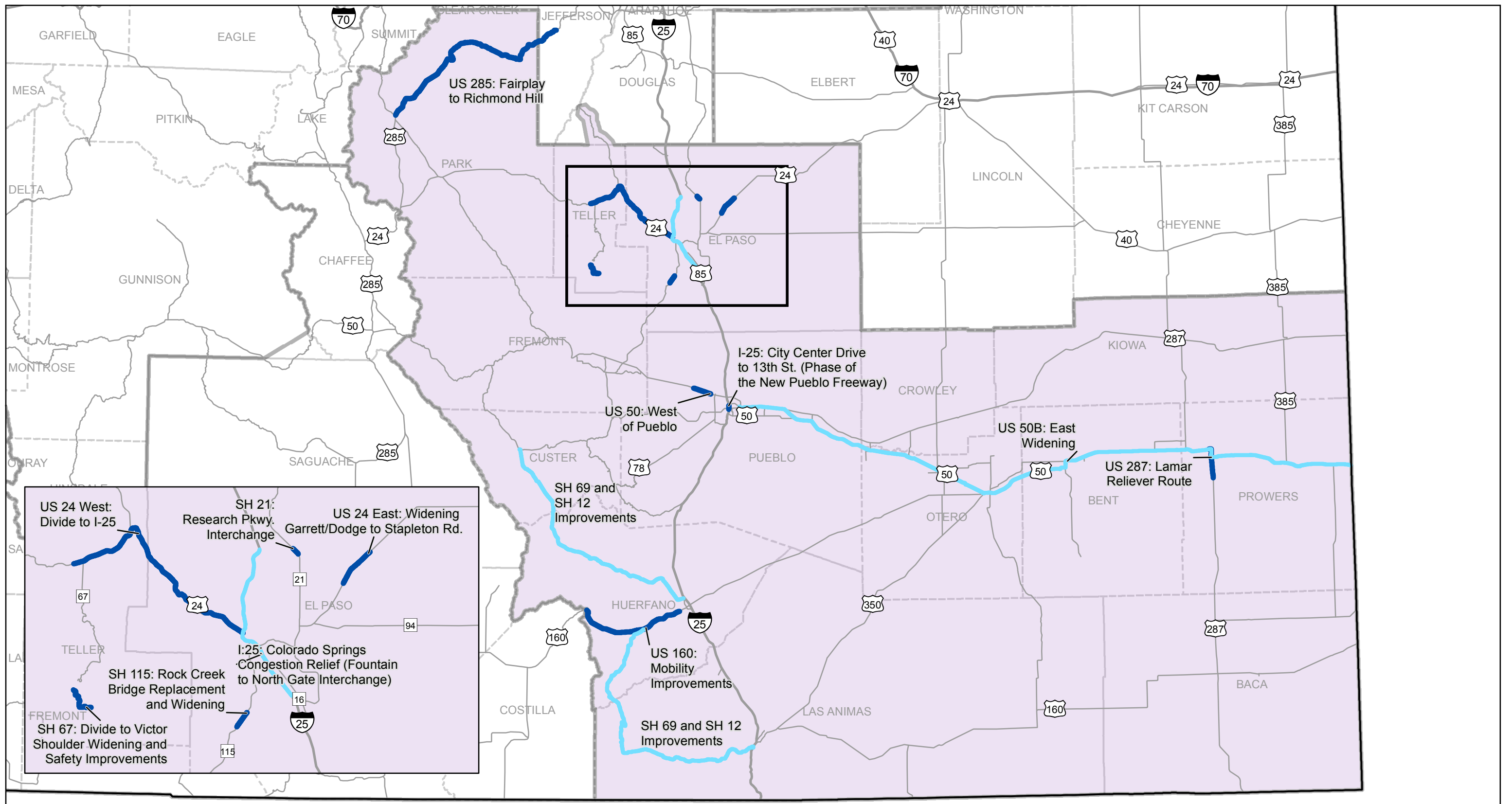


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Potential Ballot List Projects: Region 1

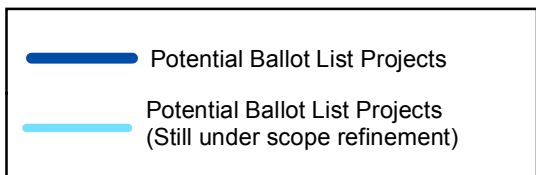
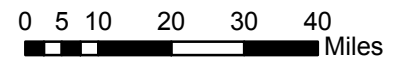
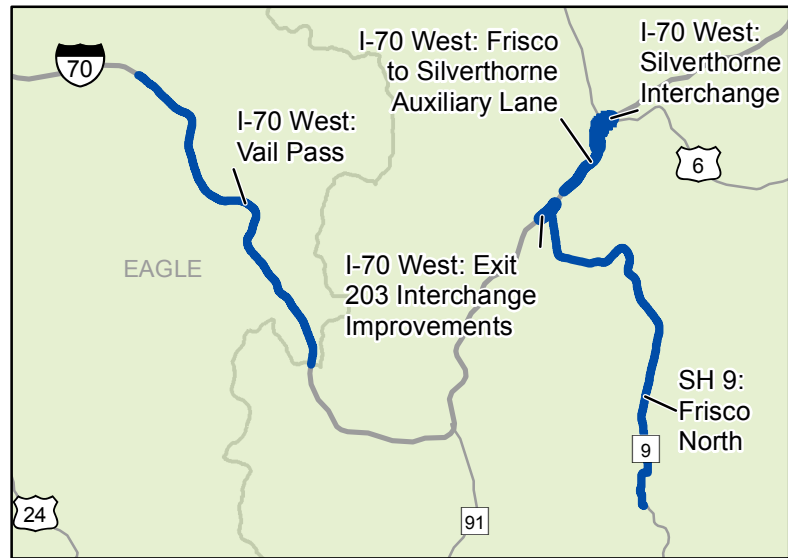
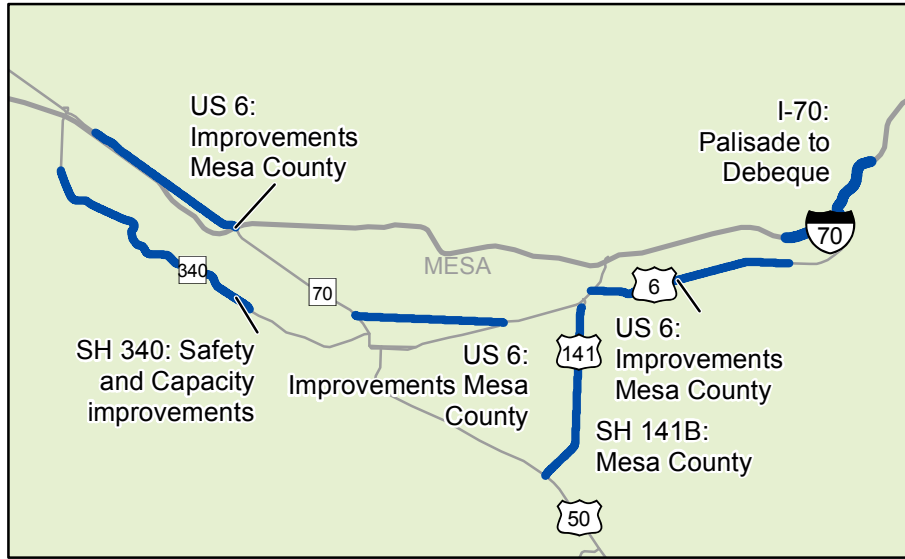
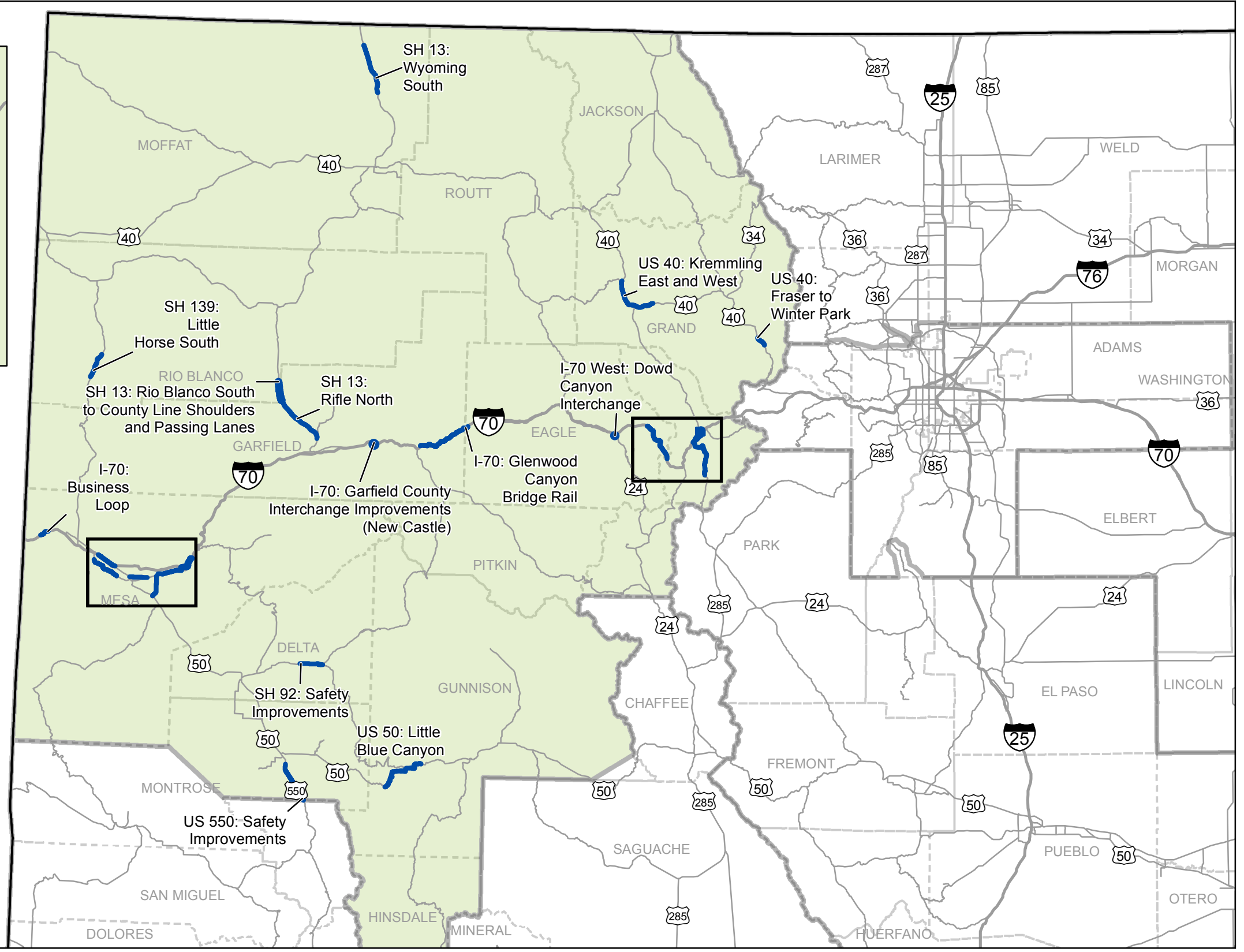




Potential Ballot List Projects: Region 2

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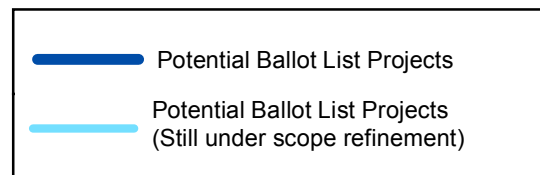
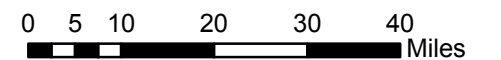
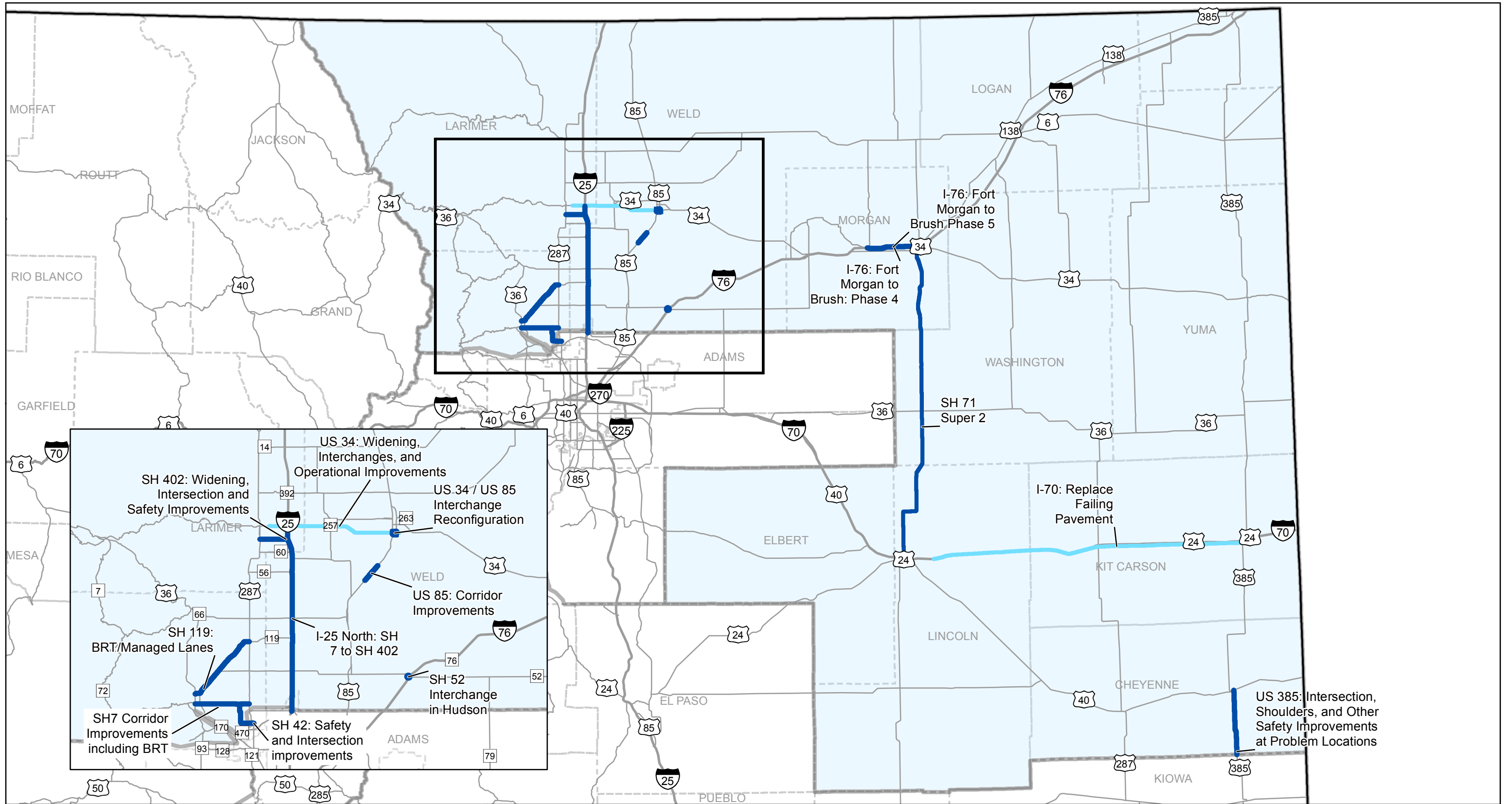




Potential Ballot List Projects: Region 3

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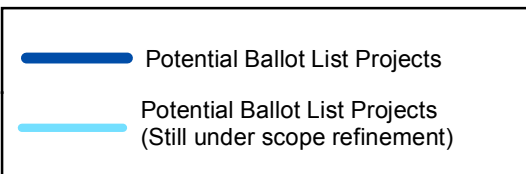
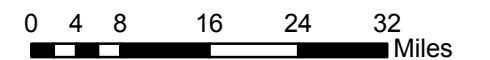
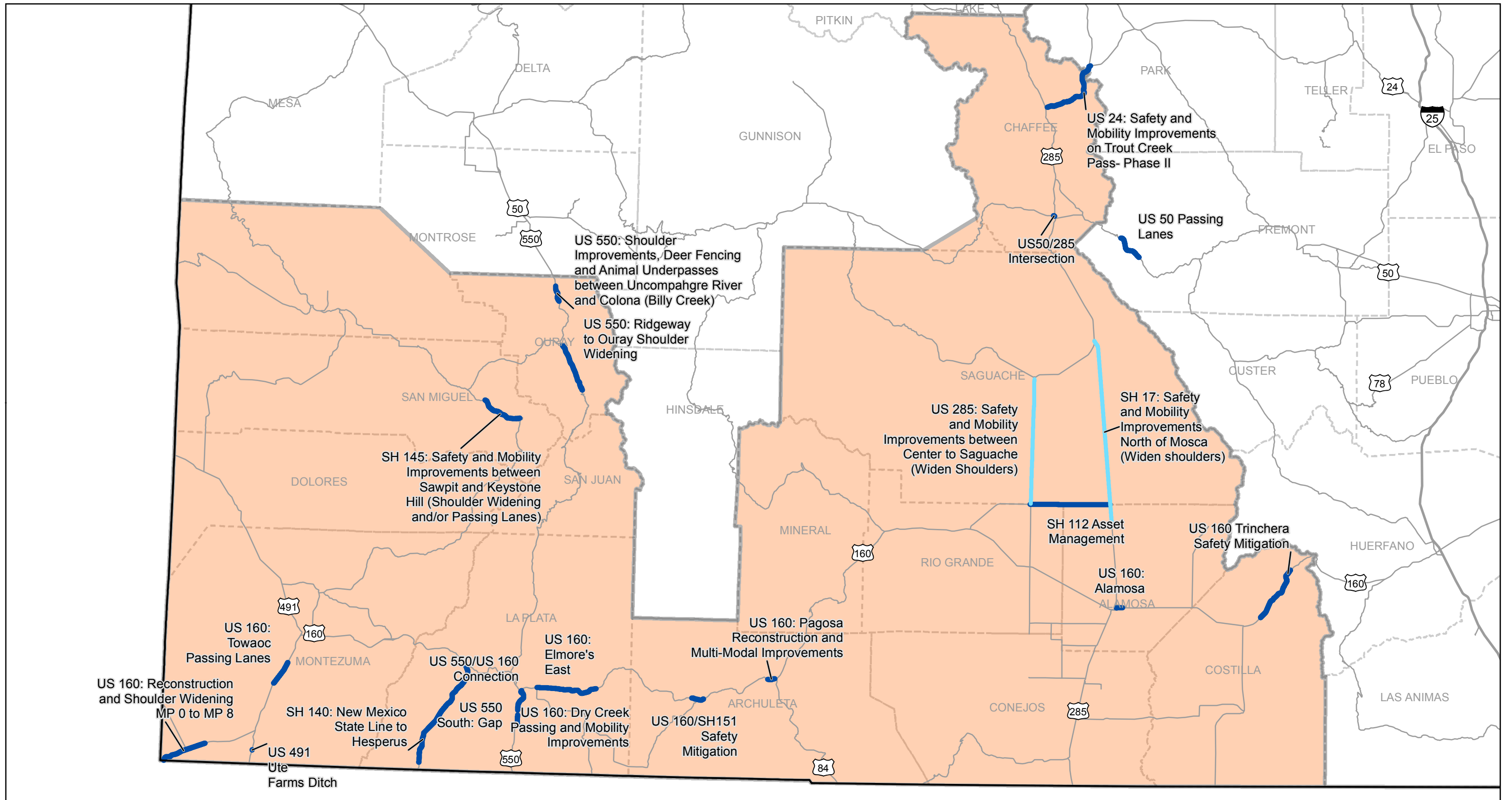




Potential Ballot List Projects: Region 4

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Potential Ballot List Projects: Region 5

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