



**COLORADO**  
Department of  
Transportation

**DATE:** October 20, 2021  
**TO:** Transportation Commission  
**FROM:** Rebecca White, Director, Division of Transportation Development  
Jeff Sudmeier, Chief Financial Officer  
**SUBJECT:** 10-Year Plan Update and Fiscal Constraint

**Purpose**

This memo explains the timing and process to update the 10-Year Plan and includes a discussion on anticipated available funding for 10-Year Plan projects.

**Action**

No action is required. This agenda topic is for informational and discussion purposes only.

**Background**

Projects in the 10-Year Plan were based on statewide outreach, funneled through rural Transportation Planning Region (TPR) and Metropolitan Planning Organization (MPO) prioritization within the framework of TC guiding principles. The 10-Year plan represents a multimodal approach to planning with transit and highway projects combined together to address our transportation challenges and needs.

With the near completion of the first four years of the 10-Year Plan Strategic Pipeline of Projects, it is now time to prioritize and advance projects from the out years of the plan considering the sustainable funding provided by SB 260 as well as Colorado's share of the federal infrastructure funding. Lastly, SB260 requires CDOT to update its plan to be in compliance with the new standard for greenhouse gas emissions.

**Details**

Staff has developed a draft 10-Year Plan update schedule that includes Transportation Commission discussions on revisions to the prioritization framework in November which will be used to assist in the prioritization process for the 10-Year Plan update over the next several months. An accelerated schedule has been proposed in order to position the Department to begin allocating revenues and implementing the Greenhouse Gas requirements also identified in SB 260.

The Division of Accounting and Finance has developed an estimate for planning purposes of reasonably anticipated revenue through CDOT and the Enterprises that may be available to fund the updated 10-Year Plan. Over the next four years this is estimated to total approximately \$2 billion or \$500 million/year, and approximately \$400 million or \$200 million/year in subsequent "out years".

In the next four years (year 5-8, or FY 23-FY 27), this totals approximately \$2 billion or \$500 million/year on average through CDOT, Bridge and Tunnel Enterprise, High Performance

Transportation Enterprise, and the Non-Attainment Enterprise, with resources split relatively evenly between CDOT and the Enterprises. This estimate incorporates both “net new” revenue through SB 21-260 (i.e. revenues above FY 22 baseline levels, after accounting for debt service due on SB 17-267 Certificates of Participation (COPs), as well as anticipated incremental revenue (above FAST Act levels) included in the proposed federal Infrastructure Investment and Jobs Act. Additionally, the estimate of available revenues has been reduced to “set aside” an amount estimated to be required to “keep up” with inflation in Maintenance and Operations programs. Specific sources in the estimate include:

- Anticipated SB 17-267 revenue remaining from the fourth and final issuance, after funding remaining “year 4” projects.
- Incremental HUTF revenue (including new SB 21-260 HUTF revenue)
- Multimodal Mitigation Options Fund revenue (CDOT share only; funded through SB 21-260)
- Incremental federal-aid highway program revenue (above current FAST Act levels) from the proposed Infrastructure Investment and Jobs Act, including flexible revenue to CDOT, the new Risk and Resiliency Program, and new bridge program.
- Non-Attainment Enterprise revenue (funded through SB 21-260)
- Anticipated project-specific financing through the High-Performance Transportation Enterprise
- Anticipated project-specific funding and financing through the Bridge and Tunnel Enterprise (funded in part through new SB 21-260 revenue)

An estimate has also been developed for subsequent “out years” (years 9-10 or FY 27-FY 28 and beyond). The “out year” estimate is significantly lower, primarily due to an assumed return to “more typical” levels of federal funding in transportation authorizations following the Infrastructure Investment and Jobs Act, and increasing costs of keeping up with inflation in Maintenance and Operations programs. This estimate totals approximately \$200 million/year on average through CDOT, Bridge and Tunnel Enterprise, High Performance Transportation Enterprise, and the Non-Attainment Enterprise, with resources split relatively evenly between CDOT and the Enterprises.

#### **Next Steps:**

- **Confirming Year 4 Projects:** Staff will review the remaining unfunded projects identified in the 4<sup>th</sup> year of the original 10-Year Plan, which will be discussed with the Commissioner in November.
- **Timeline:** The proposed schedule was developed to ensure a transparent, stakeholder focused process. This schedule includes TPR discussions on project priorities from years 5-10 of the 10-Year Plan and coordination with the MPOs on those same priority discussions.

#### **Attachments**

10-Year Plan Anticipated Funding Presentation



# 10-YEAR PLAN: REVENUE OUTLOOK AND UPDATE APPROACH

OCTOBER 2021



## Background-Need for Plan Update

- Progress delivering years 1-4 of the 10-Year Plan (reviewed last month).
- New funding provided by SB 260 along with expected dollars should the federal infrastructure bill pass (**today's focus**).
- New SB 260 requirements, primarily the new standard for reduced greenhouse gas emissions.

# BUILDING THE UPDATED 10-YEAR PLAN

- **The 10-Year Plan “pipeline” was built around two primary staging periods:**
  - Years 1-4: Prioritized projects for near-term delivery
  - Years 5-10: Out year projects
- **Looking across the entire time period of the current plan, we are transitioning from completing the last year of the original 4-yr priority list to determining the next set of projects and possibly adding additional years to the plan.**
- **Approached this way, and comprehensively considering the flow of dollars from SB260 and the federal bill, there are three periods of revenue.**

~\$3.0 billion including Enterprises (\$750 M/year)

Years 1 – 4 (FY 19 – FY 22)

~\$2.0 billion including Enterprises (\$500 M/year)

Years 5 – 8 (FY 23 – FY 26)

~\$0.8 billion including Enterprises (\$200 M/year)

Years 9 – 12 (FY 27 – FY 30)

# 10 Year-Plan FY 19 - FY 22

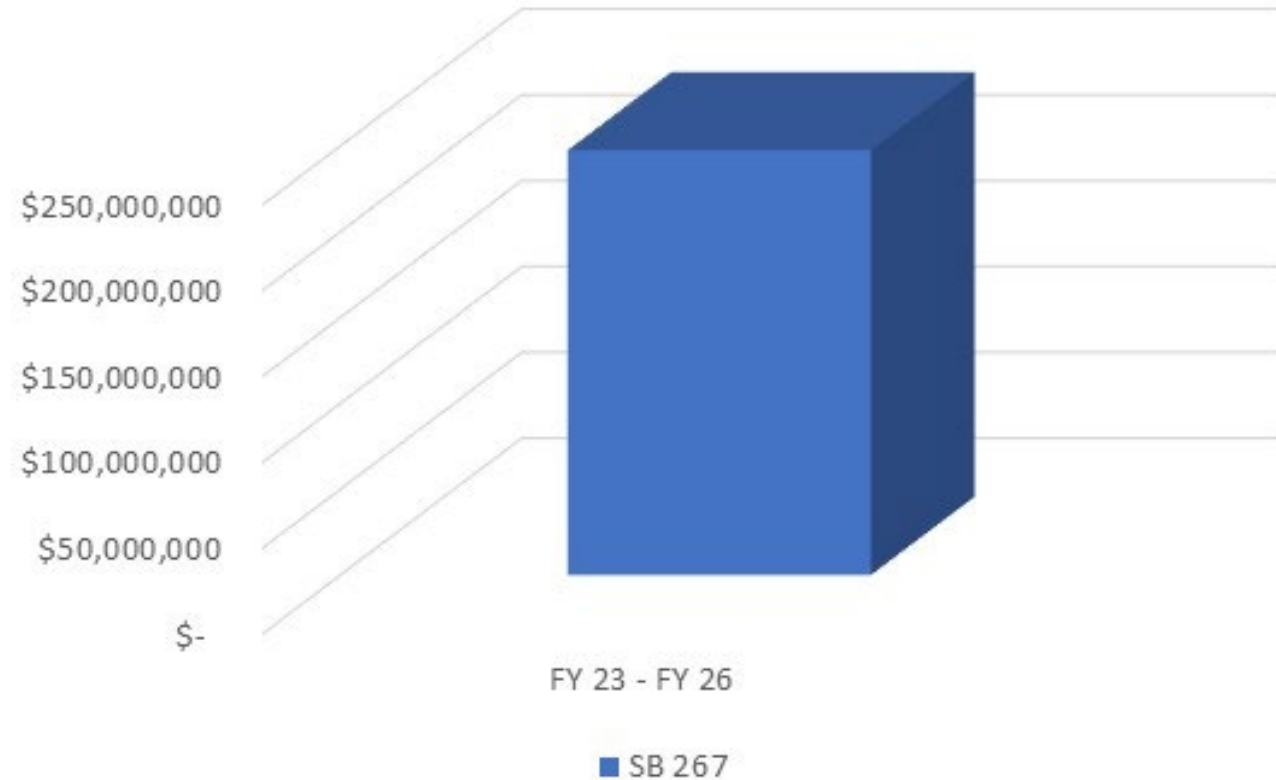
- The first four years of the CDOT 10 Year Plan (10YP) (FY 19FY 22) incorporated funding from a variety of sources, including:
  - SB 267 COPs
  - SB 1 General Fund Transfers
  - SB 260 General Fund Transfer
  - Supplemental allocations from the TC Program Reserve
  - Federal Coronavirus Recovery and Relief funds
- These sources leveraged a significant amount of additional funding from Bridge Enterprise, HPTE, local contributions, and discretionary grants

# 10 Year-Plan FY 23 - FY 26

- Funding for the next four years of the 10YP (FY 23 – FY 26) will also come from a variety of sources, including:
  - SB 267 COPs
  - SB 260 revenue from the HUTF and the MMOF
  - Federal Infrastructure Investment and Jobs Act (if passed by Congress), including new Risk and Resiliency Programs and new bridge program
- These sources will leverage a significant additional funding from Bridge and Tunnel Enterprise, HPTE, and Non-Attainment Enterprise

# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

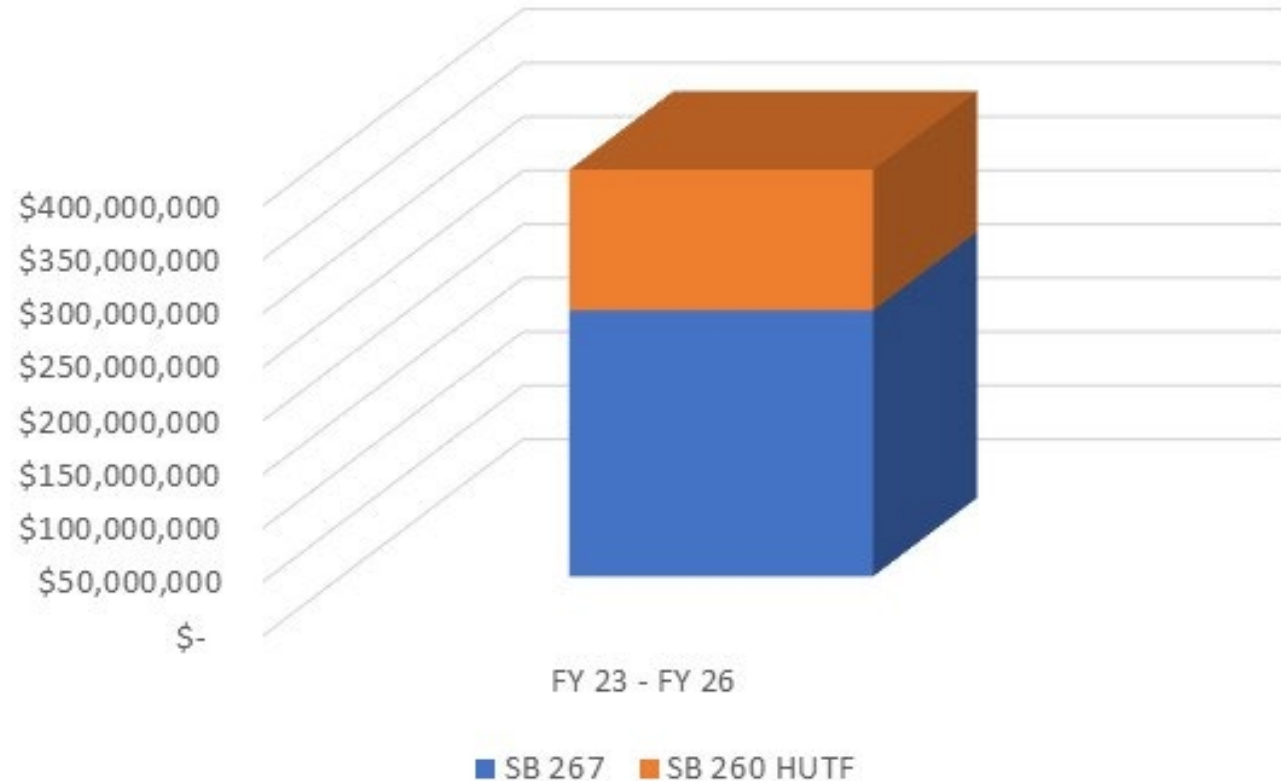
- SB 267 - ~\$250 M
  - Assuming \$600 M in proceeds for the fourth and final tranche plus \$30 M in interest earned on proceeds to date.
  - Approximately \$380 M of remaining Proposed Year 4 projects, leaves an estimated \$250 M available for the next four years of the 10YP (FY 23 – FY 26).





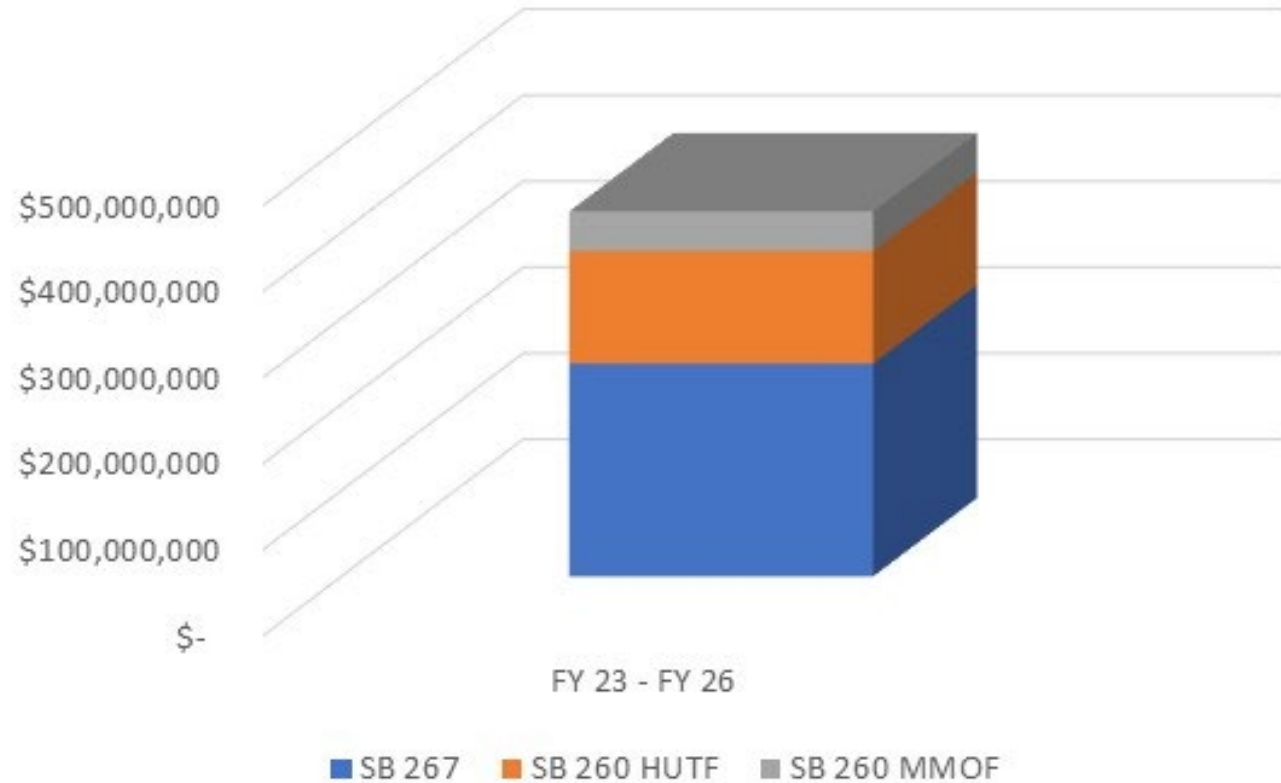
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- SB 260 HUTF - ~\$130 M
  - HUTF revenue increases over the decade as new fees phase in.
  - Amount is reduced in early years due to temporary reduction of FASTER fees.
  - While totaling an estimated \$740 M over the next four years, the majority of that amount is needed to pay debt service on SB 267 COPs, leaving an estimated \$130 M available.



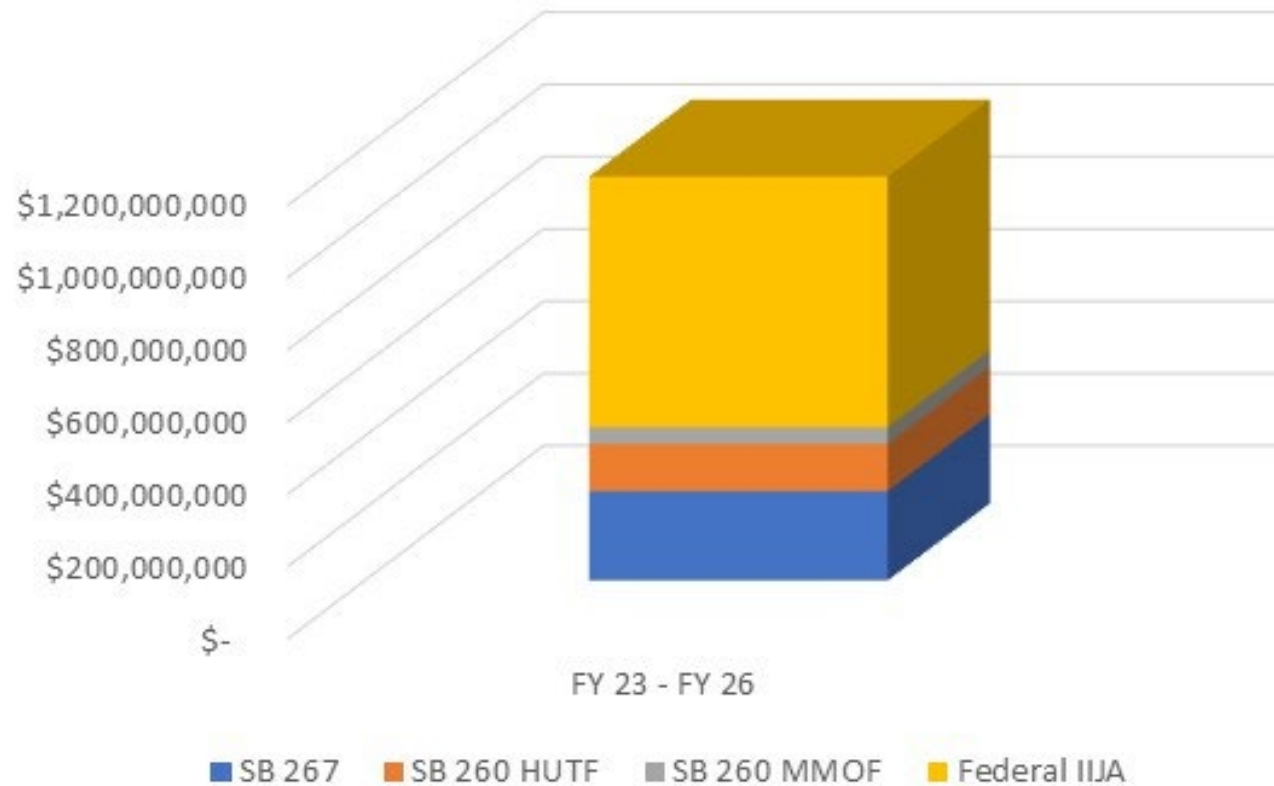
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- SB 260 MMOF - ~\$50 M
  - 15% of Multimodal and Mitigation Options Fund revenues are directed by CDOT and are anticipated to total nearly \$50 M through FY 26.



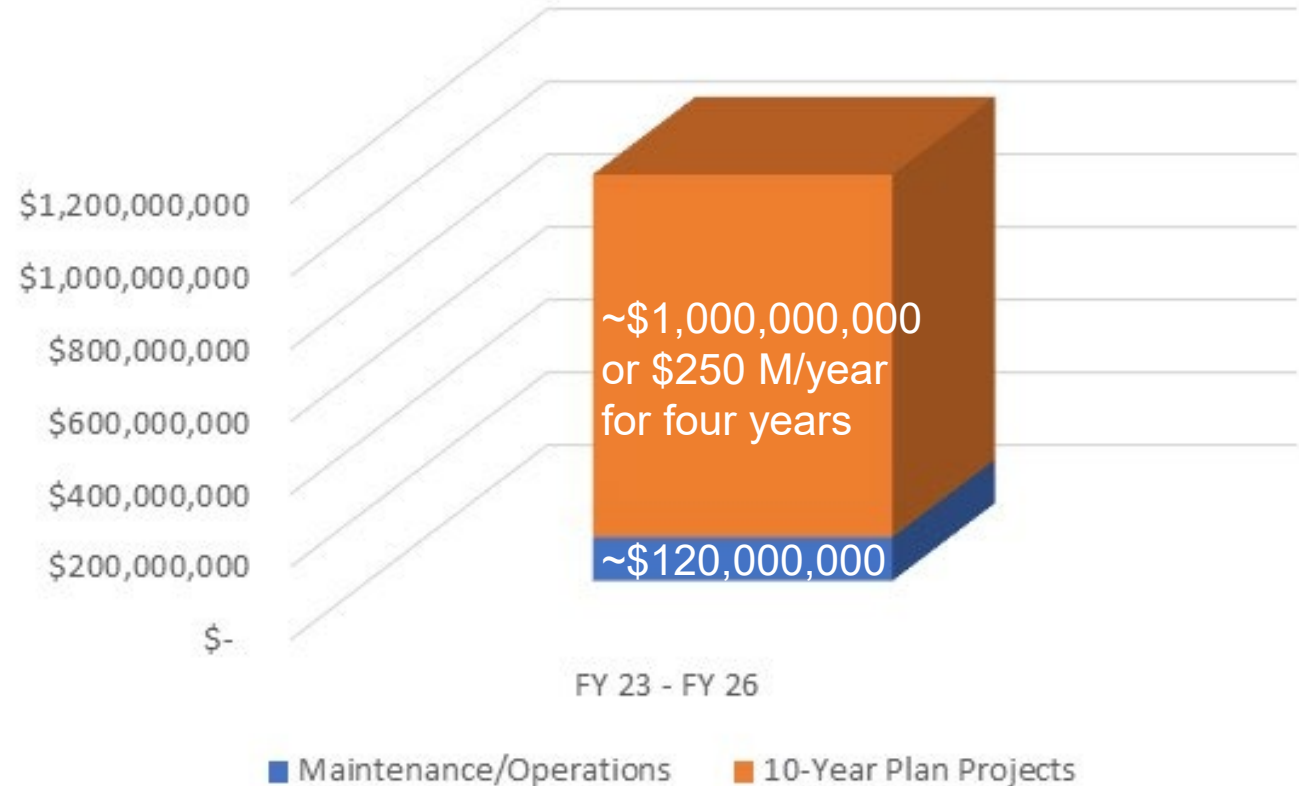
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- Federal Infrastructure Investment and Jobs Act ~\$700 M
  - The Infrastructure Investment and Jobs Act is anticipated to bring nearly \$380 M in additional, flexible revenue to CDOT through FY 26 (above FAST Act levels), an additional \$90 M in a new Risk and Resiliency Program, and an additional \$225 M in a new bridge program



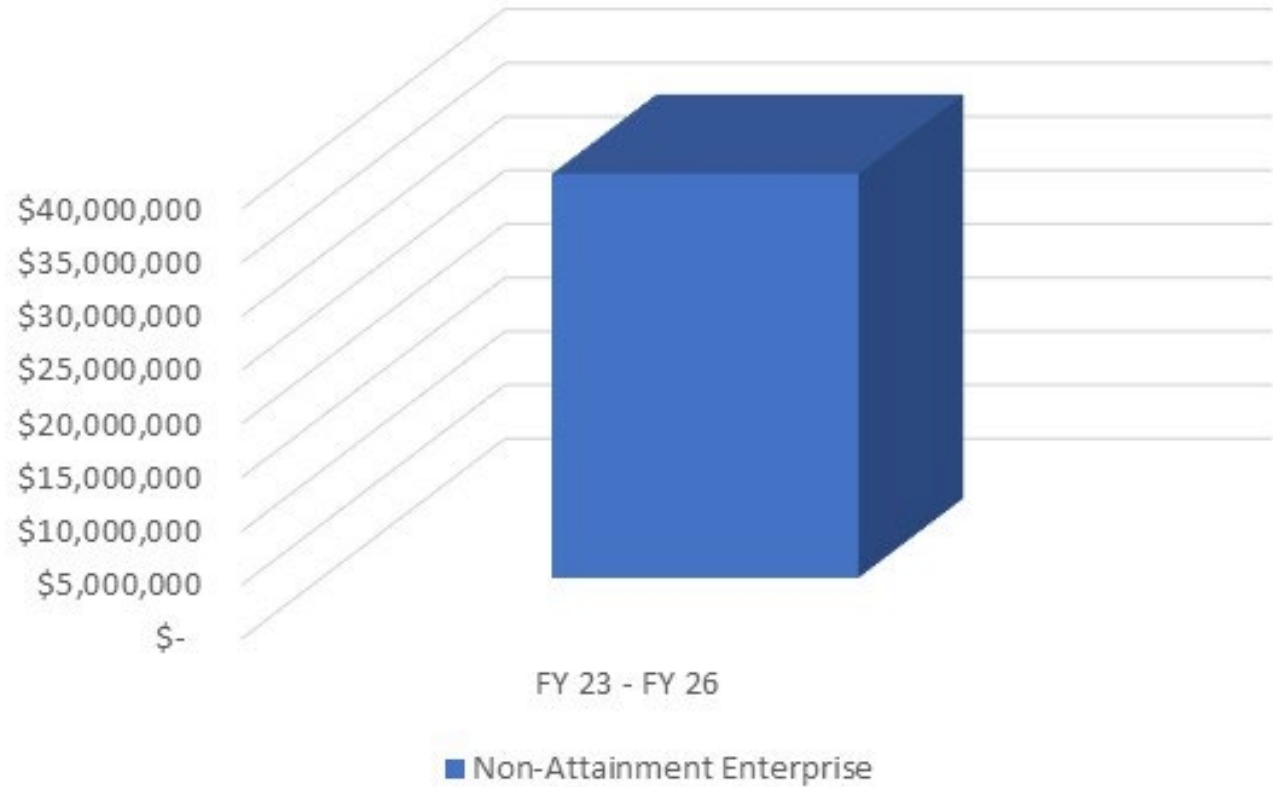
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- In addition to funding 10-Year Plan projects, available incremental revenue must also support escalating costs in base programs, in particular Maintenance and Operations programs.
- Approximately \$1 B or nearly \$250 M/year is estimated to be available for 10YP projects over the next four years, after accounting for these costs, plus funding through the Enterprises....



# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

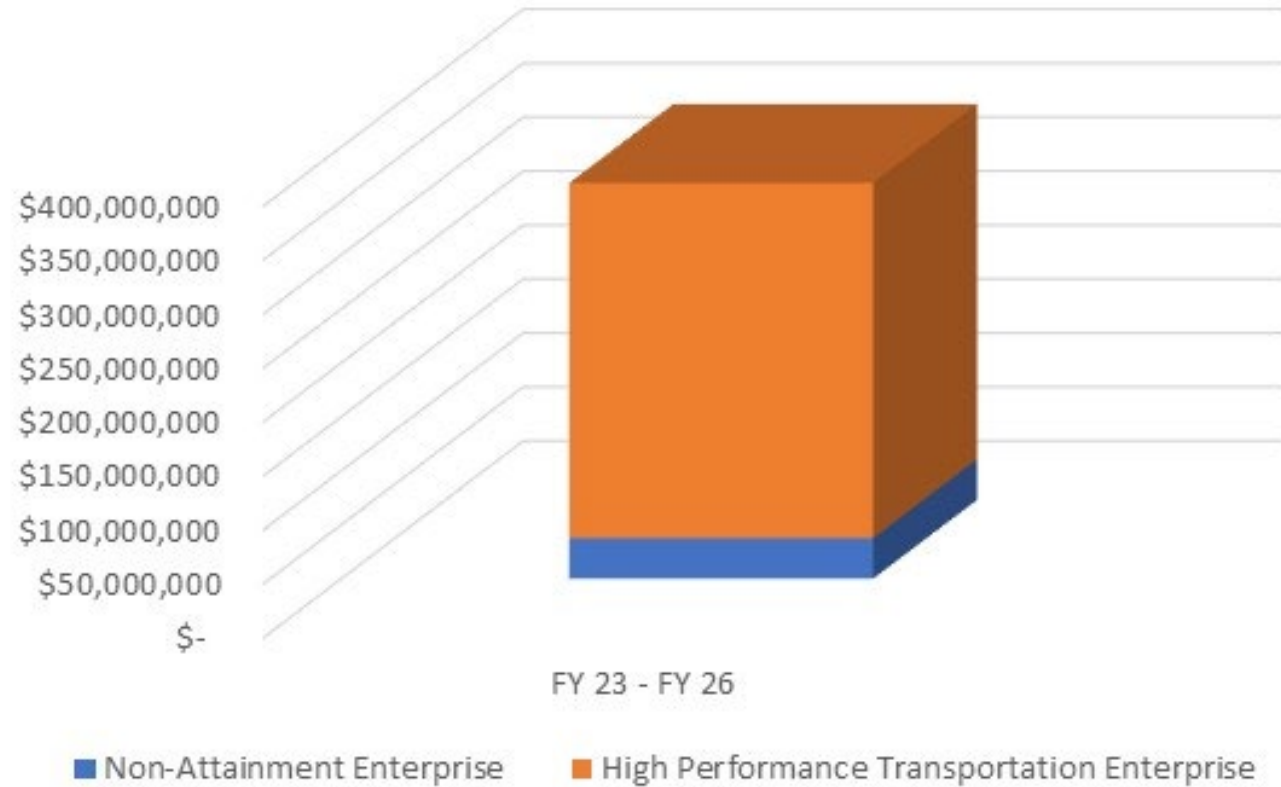
- Non-Attainment Enterprise - ~\$40 M
  - Approximately \$40 M is estimated to be available through FY 26 for projects that mitigate air quality impacts in the Front Range Non-Attainment area.



# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

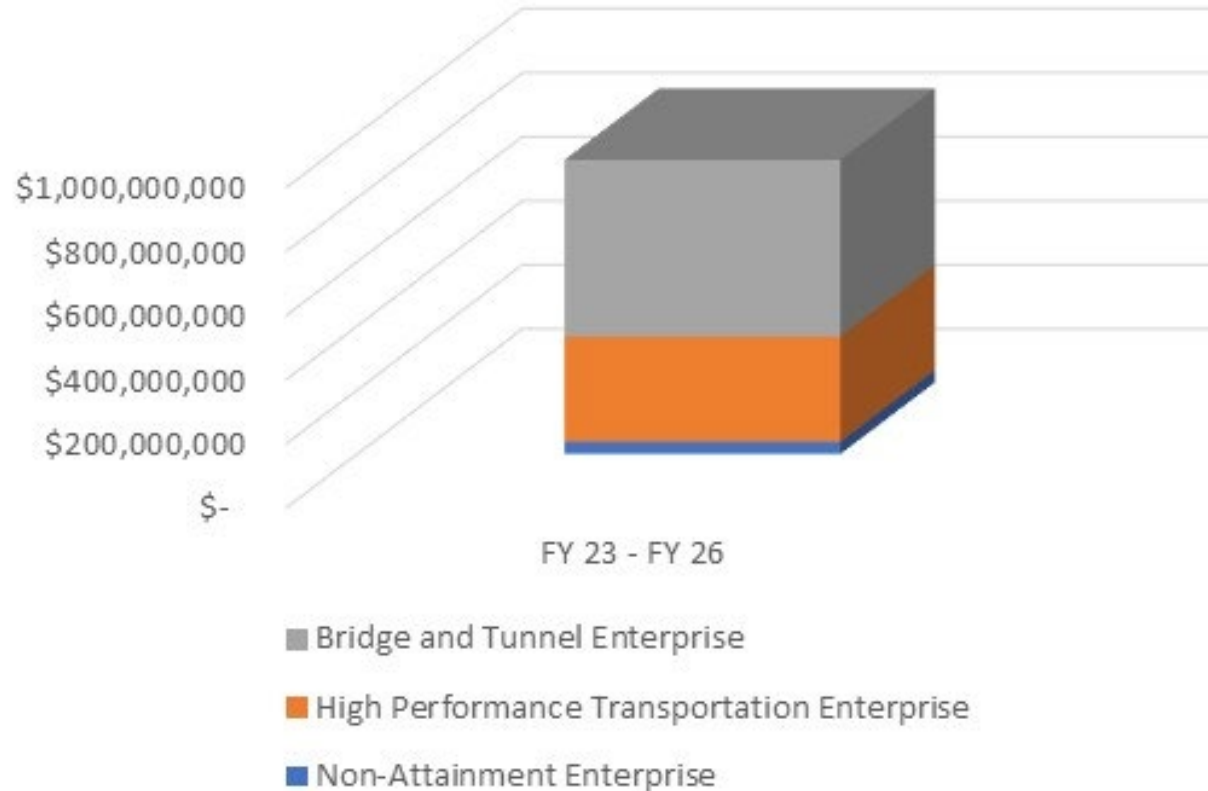
- High Performance Transportation Enterprise - ~\$325 M\*
  - Approximately \$325 M in financing is anticipated through the HPTE for 10YP projects in the next four years (I-70 Floyd Hill, I-270, I-25 N).

\*HPTE revenue is based on sketch level traffic and revenue studies and is subject to change based on more in-depth studies that are currently ongoing.



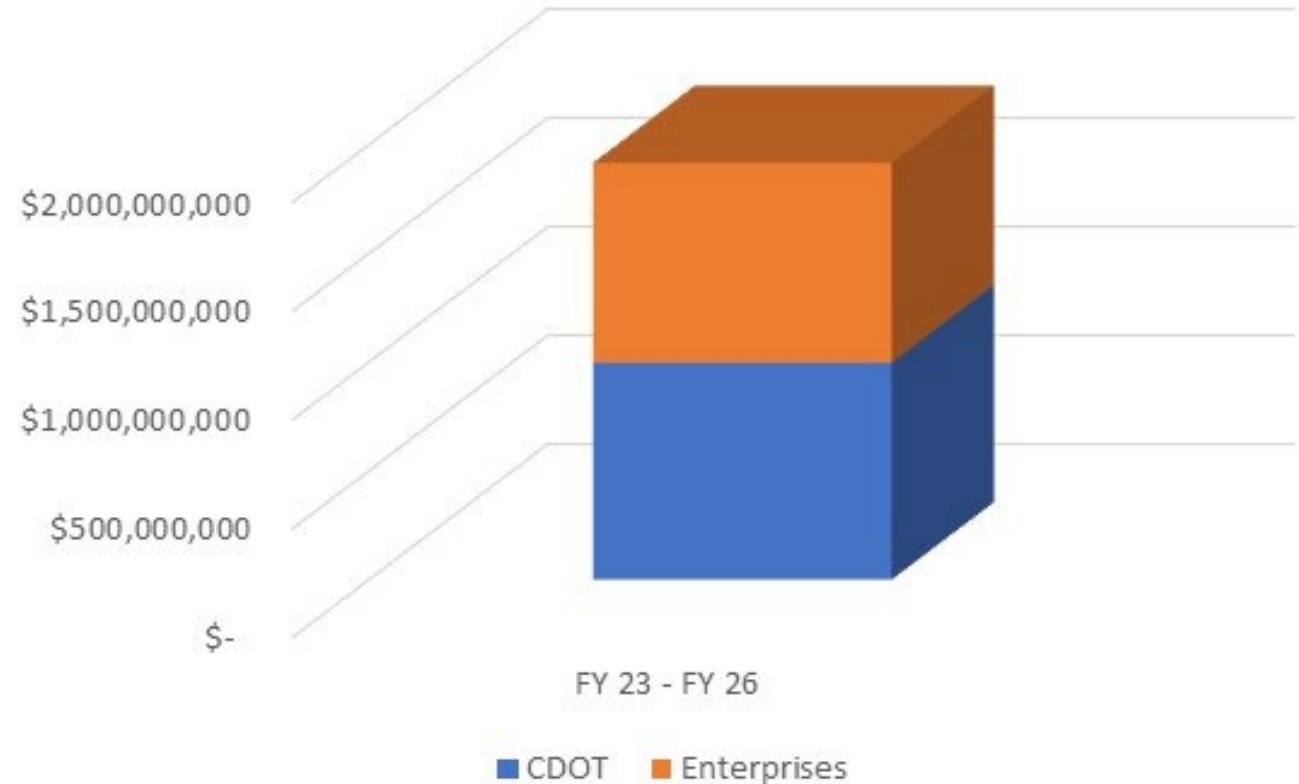
# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

- Bridge and Tunnel Enterprise - ~\$550 M
  - Up to \$550 M may be available for 10-YP projects over the next four years through pay-go and financing, including anticipated commitments on I-70 Floyd Hill, I-270, Vail Pass, and EJMT.
  - This is supported in part through new SB 260 revenue to the BTE, anticipated to exceed \$500 M over the course of a decade.



# 10-YEAR PLAN REVENUE SOURCES FY 23 – FY 26

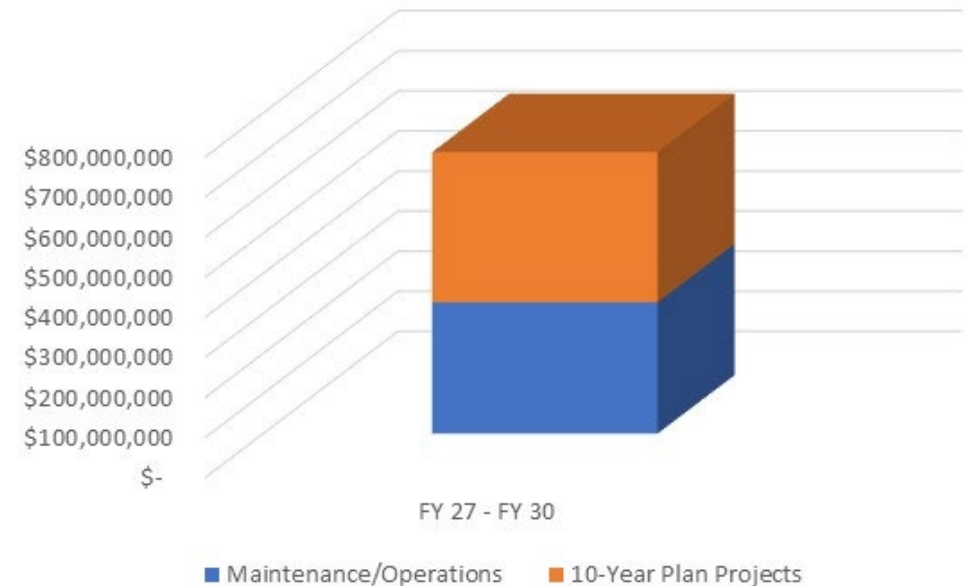
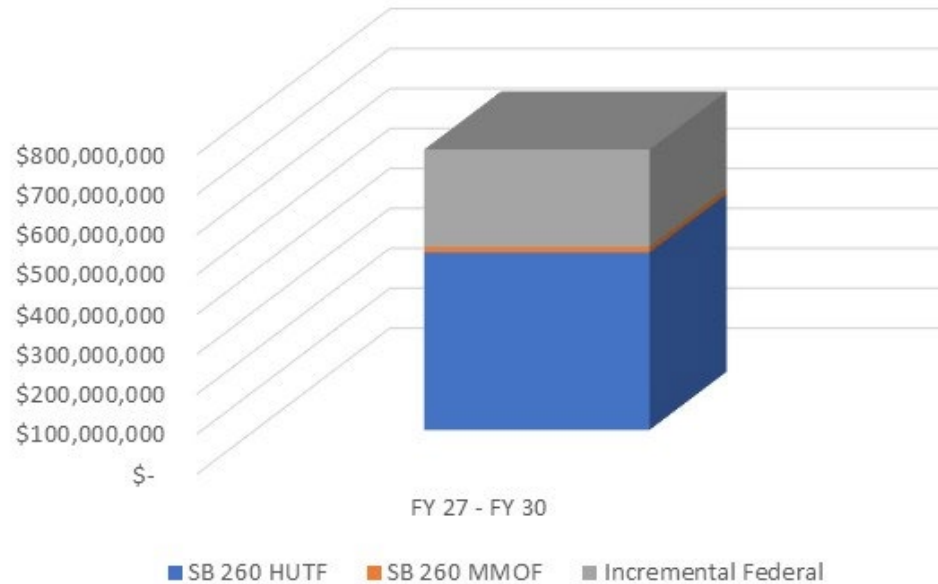
- Combined CDOT and Enterprise resources available for the next four years of the 10YP are estimated to approach \$2 B.
- On average, this equates to approximately \$250 M/year for 4 years in CDOT funding, leveraging a similar amount of Enterprise funding for a total of \$450-\$500 M/year.
- The first projects will move forward with residual SB 267 funding later this FY, with projects pulled forward from the 10YP as revenues become available.





# 10-YEAR PLAN REVENUE SOURCES FY 27 – FY 32

- Revenues available for 10YP projects in the “out years” will be lower, around \$100 M/year plus funding through the Enterprises.
- While SB 260 revenues will be “ramping up,” SB 267 will be in the rear view mirror, as will the federal stimulus/reauthorization (Infrastructure Investment and Jobs Act).
- Additionally, the cost of keeping up with inflation on Maintenance and Operations will mean a growing proportion of incremental resources will be required to keep up with costs.



# 10-YEAR PLAN REVENUE

~\$3.0 billion including Enterprises (\$750 M/year)

Years 1 – 4 (FY 19 – FY 22)

~\$2.0 billion including Enterprises (\$500 M/year)

Years 5 – 8 (FY 23 – FY 26)

~\$0.8 billion including Enterprises (\$200 M/year)

Years 9 – 12 (FY 27 – FY 30)

# KEY VARIABLES AND CONSIDERATIONS

- Infrastructure Investment and Jobs Act
  - If not passed and federal funding levels remain flat, revenues available for the next 4 years of 10YP projects are reduced significantly.
- “Base” HUTF Revenue
  - Forecasting of “base” HUTF revenue remains highly variable as the pandemic continues, and as long-term impacts to travel and VMT remain unknown. When “base” HUTF revenues fall, less SB 260 revenue is “net new.”
- SB 260 Fee Revenue
  - As new fees with no history of collections, forecast uncertainty is very high and collections could prove substantially higher or lower than forecasted.
  - Revenue from EV fees are not “net new,” but rather offset what would otherwise be a loss to “Base” HUTF revenue.
  - Reductions to FASTER fees will significantly reduce the FASTER Safety program over the next few fiscal years, absent committing other funds to backfill and may require committing funds that would otherwise be available for 10 YP projects.
- Enterprise Revenue
  - Enterprise revenue is subject to approval by Enterprise Boards and in the case of HPTE and Bridge and Tunnel Enterprise are tied to specific projects (i.e. I-70 Floyd Hill, I-270, etc.) rather than a formulaic equity allocation.
- SB 267 COPs
  - Actual proceeds are a function of interest rates and will not be known until time of issuance.

## Next Steps in the Planning Process

- Review remaining “year 4” projects
- Determine next set of priorities for new 4-year list
- Re-establish out-year projects
- Consider adding additional years (to reach 2032)

# 10-Year Plan Update Timeline: October 2021-March 2022

## October 2021

- TC and STAC discusses fiscal constraint for the updated 10-Year Plan
- TC Project Selection Criteria Discussion
- Region staff continues to refine project scopes and budgets from 5–10-year list

## November 2021

- Round 1: MPO /TPRs prioritization meetings
- MPO/TPRs will review existing projects in years 5-10 and additional projects.

## December 2021

- Some continued Round 1 MPO/TPRs discussion (In-person/virtual)
- Coordination with MPOs for prioritization discussions
- TC considers adoption of final GHG rule

## January 2022

- Round 2 MPO/TPRs prioritization meetings (if needed)
- Discussions with stakeholder groups (Both Metro Area and Environmental stakeholders)

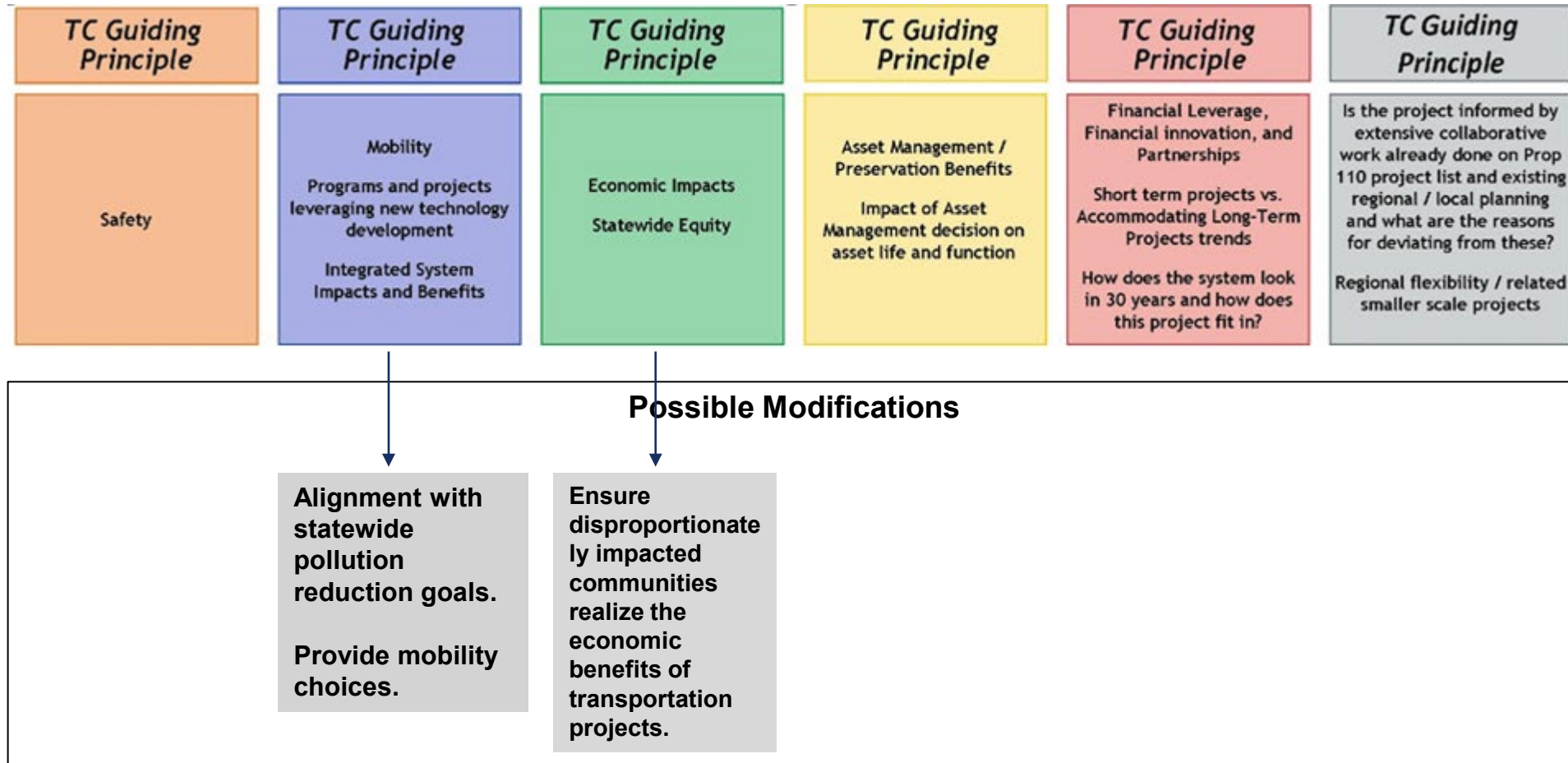
## February 2022

- **Draft Updated 10-Year Plan Developed and Available for Review**
- Initial GHG results shared with STAC and TC
- Additional stakeholder outreach if needed

## March 2022

- STAC advises and TC reconfirms updated 10-Year Plan

# Transportation Commission Project Selection Framework





**DATE:** October 14, 2021

**TO:** STAC

**FROM:** Herman Stockinger, Deputy Director  
Rebecca White, Director, Division of Transportation Development  
Theresa Takushi, Greenhouse Gas Climate Action Specialist

**SUBJECT:** GHG Pollution Reduction Standard for Transportation Planning Rulemaking

**Purpose**

This memo provides an update on the status of the Greenhouse Gas (GHG) Pollution Reduction Standard for Transportation Planning rulemaking and stakeholder engagement process.

**Action**

N/A

**Background**

The draft rule was noticed by the Secretary of State on August 13, 2021, followed by a 60-day written comment period and nine public hearings held across the state.

CDOT on behalf of the Transportation Commission of Colorado filed a Miscellaneous Rulemaking Notice with the Colorado Secretary of State to extend the public comment period to November 18, 2021 at 12:00pm (noon). Along with an extension of the public comment period to November 18, 2021, CDOT intends to issue an updated rule and provide additional supplementary materials relevant to the rule. These documents will be provided for public review early next week.

**Comments received to date**

Formal comments are posted on CDOT's Rules website, and are available for public review. As of October 14, 2021 CDOT has received over 95 formal written comments on this rule. CDOT has completed nine public Rulemaking Hearings across the state. The hearings were held in a hybrid format with a virtual and in-person option. Over 100 oral public comments were made during the 9 hearings. Over 75% of comments received to date support the rule with the main themes including the call for Colorado to be a leader on transportation planning, clarity on the GHG Reduction Level tables, equity considerations, and encouraging increased multimodal transit and vehicle electrification, expanding public transit, and investing in bicycling and pedestrian infrastructure. Several commenters requested more time to review the rule.

At the STAC on October 15, 2021, staff will provide a more complete update on the comments received and next steps.

**Next Steps**

CDOT staff will provide monthly updates throughout the rulemaking process.





**COLORADO**

Department of Transportation

# PROPOSED Greenhouse Gas Pollution Standard For Transportation Planning

STAC  
October 2021





Background

Summary of public input period

Extension of public comment period/Next Steps



Draft rule issued Aug 13 for 60+ day review

Along with draft rule, CDOT provided

- Cost/Benefit Analysis
- Fact Sheet
- Q/A document
- Spanish translation of key materials, including the rule

Press release, e-blast and social media to reach stakeholders and members of the public

Commitment to hold 9 public hearings across the state during the public comment period



# Hearing Process

- Format was a formal public hearing under the Administrative Procedure Act
- Several adaptations to encourage broad engagement
  - Each hearing held in dual format (virtual and in-person)
  - Extended hearing times to allow for after-work participation
  - Spanish translation
  - Pre-recorded, plain-language overview of the rule (also translated) provided on website to watch at a convenient time
  - Hearings live-streamed on YouTube and full recordings available on website
  - Regional facebook ads

- ✓ Grand Junction, 9/17
- ✓ Denver, 9/23
- ✓ CO Springs, 9/24
- ✓ Littleton, 9/27
- ✓ Limon, 9/29
- ✓ Fort Collins, 9/30
- ✓ Glenwood Springs, 10/4
- ✓ Firestone, 10/5
- ✓ Durango, 10/7



# Hearing--lessons learned

- Virtual engagement is strongly preferred
- Commenters prefer to take full advantage of a virtual format (having scheduled comment window)
- Spanish translation in a hybrid format provides extreme technical challenges; especially when held in community centers



## Comments Received to Date (still receiving daily)

- Over 200 comments have been received to date
  - 100+ oral comments from public testimony at one of the 9 hearings
    - Posted on CDOT's YouTube Station
  - 95+ written comments have been received
    - Posted on our website
    - More have been coming in this past week
- Over 75% of comments supportive of the Rule



# General topics heard from oral and written testimony

(includes comments received to date)

- Personal impacts due to climate change
  - Fires, air quality impacts
- Safety of all users - bike/ped included
- Call for Colorado to be a leader
- Need to consider equity as part of this rule
- Clear, measurable GHG reductions
- Strong enforcement
- Waiver - use sparingly



# Other comments heard from oral and written testimony

(includes comments received to date)

- Request more time
  - Review rule
  - Understand modeling
- Precedence of action
- Impact on future projects
- Urban/rural differences (rule/mitigations)



# Rule-Specific Comments

(includes comments received to date)

- Remove “baseline” and Table 2 from rule itself
- Inclusion of VMT
- Changes to waiver and enforcement provisions
- More clarity on mitigation measures
- MPO requirements for 2025
- Greater consideration of disproportionately impacted communities
- Timing of review/approvals





## Next Steps

- Filed a Notice of Extension of Comment Period to November 18, 2021
- Early next week CDOT will release
  - Updated rule based on stakeholder feedback to date
  - Supplementary technical materials
    - Mitigations framework
    - Modeling tech support document
- Anticipating an additional public hearing (virtual only) to be held in early November
  - Focused on the updates to the rule



# Updated Rulemaking Timeline

subject to change and refinement due to TC action and rulemaking development

## Authorize Rulemaking

Transportation Commission authorize staff to commence rulemaking and delegates a Hearing Officer to conduct rulemaking hearing.

July 15, 2021

## 9 Rulemaking Hearings

Opportunity for Public Testimony

August 13, 2021

September 14, 2021\*

December 16, 2021

## Rule Effective

Rule becomes effective.

January 14, 2022

## Notice Rulemaking

Notice the rulemaking with Secretary of State and public comment period begins.

## Adopt Rule

The Transportation Commission considers Proposed Rule for Adoption.

*\*Hearings may be held on or after September 14, 2021. Hearings to be a mix of virtual/in-person and held in multiple locations around the state.*



**60 Day Written Comment Period  
Starts 8/13 and Ends 10/15**

**Comment Period Extended 30  
Days to 11/18**