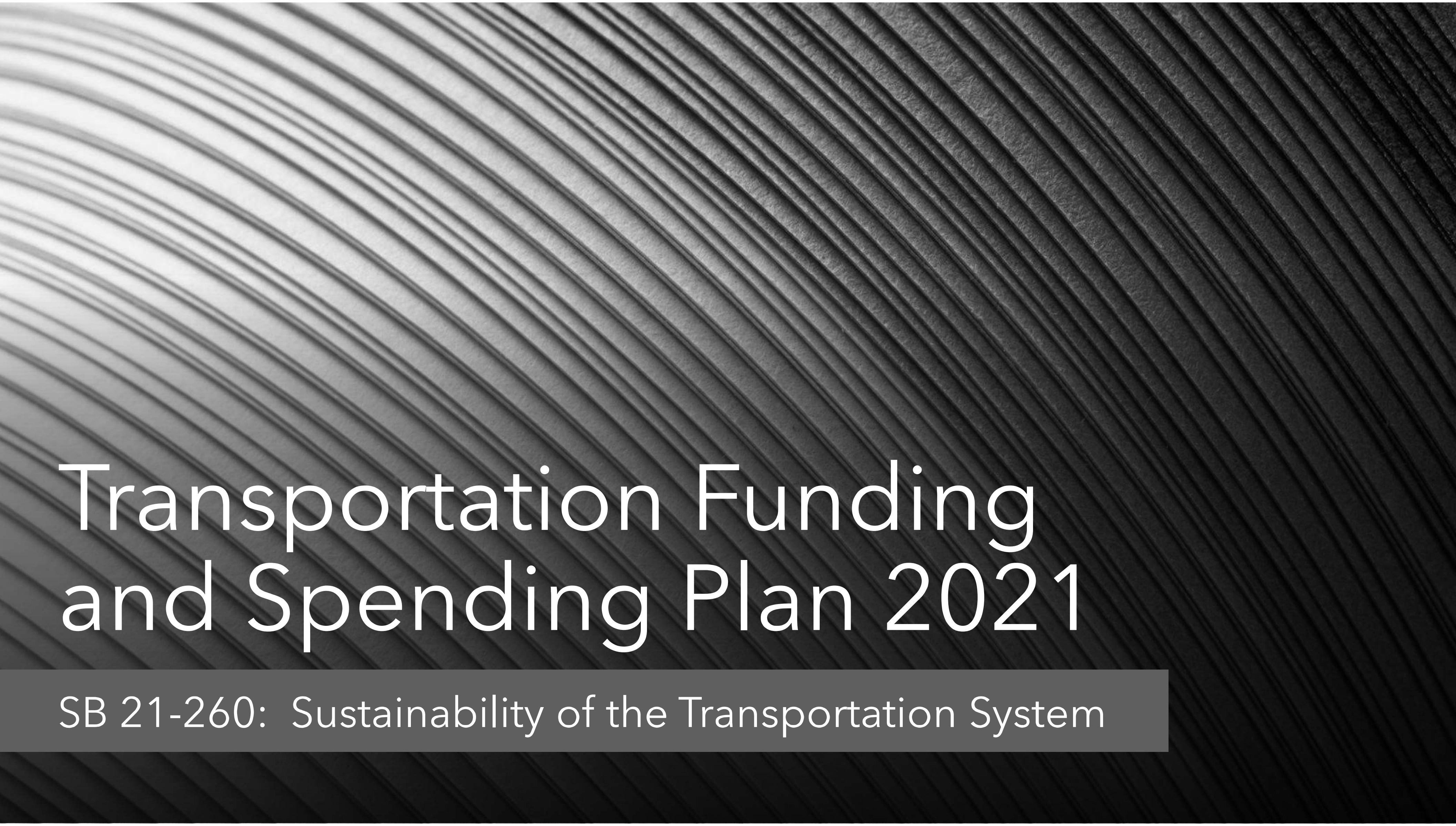

Transportation Funding and Spending Plan 2021

SB 21-260: Sustainability of the Transportation System

A different take in 2021

Air Quality Takes Center Stage

Business Objective

More funding to fund the $10B
10-Year State Transportation Plan

SB 21-260

Funding, Spending and Policy

Dollars and Cents:

Funding Side of the Plan

General Fund

- Partial COP Debt Service Funds
- Stimulus Funds
  - State
  - Federal

Fee Increases[1]

- Road Usage Charge
- Truck Fee
- EV Fees
- Delivery Fees
- TNC Fees
- Rental and Personal Car Share

[1] *See slide 23 for more detail.*

Dollars and Cents:

Spending Side of Plan[2]

ELECTRIC VEHICLE INFRASTRUCTURE AND FLEET REPLACEMENT ENTERPRISES

MOBILITY AND MULTI MODAL

AIR QUALITY/GHG REDUCTION PROGRAMMING

STATE HIGHWAY PROJECTS

LOCAL PRIORITIES

Dollars and Cents:

Making Progress Toward the Goal

- A growing and sustainable revenue stream for transportation infrastructure and modalities
- Provides an avenue for financing large scale/expensive projects
- Allows $1B in COP Tranches 3 and 4 to proceed to reaffirm SB 267 commitment
- Brings all users of the road as payers of the road
- Gas and EV fees flow through the HUTF and existing allocation formula
- Alignment of Fed Infrastructure Package with Plan and Assessment

Dollars and Cents:

Concerns Arise

- Only funds approximately 2 years of 10 Year Plan
- Enterprises exist in perpetuity while revenue grows
- EV fee increments revenue may not keep up with gas tax/fee revenue declines as EV's replace ICE vehicles
- Will federal stimulus funds materialize for State Highway Fund after guidance? If not, then what?
- Does "5-year reopener" keep door closed on more GF for 5 years?

Enterprise Challenges

Independent Authority to raise fees

No Benchmarks

No End or Phasing Out

Limited Accountability

Prop 117 Compliant?

Rural Payers/Urban Use

State Highways Shorted?

Numbers based upon 3/25 Concept/Awaiting updated numbers on SB 260

State Portion for Highway, Road and Bridge Funding of Total Package

	Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	CONCEPT TOTAL	2033
COP Proceeds		500	500	0	0	0	0	0	0	0	0	0	**1000**	
General Fund		0	0	0	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	$660.00	0
Fees			67.40	70.79	111.68	117.10	160.04	168.75	210.63	222.84	236.89	252.85	$1,618.97	270
Mobility Portion (minus 10%)			-6.74	-7.08	-11.17	-11.71	-16.00	-16.87	-21.06	-22.28	-23.69	-25.28	-$161.90	-27
State Stimulus for COP		47	47	47									$141.00	
State Stimulus for Projects		57	57	57									$171.00	
CDOT COP Portion		-46.3	-46.3	-46.3	-67.5	-67.5	-67.5	-67.5	-67.5	-67.5	-67.5	-67.5	-$678.90	-150
FASTER Reduction		-27	-45										-$72.00	
NET TOTAL NEW DOLLARS*		**$483.70**	**$526.36**	**$74.41**	**$33.01**	**$37.89**	**$76.54**	**$84.37**	**$122.07**	**$133.05**	**$145.70**	**$160.06**	**$1,877.17**	**93**

"Total new dollars" removes the COP GF/Stimulus contribution as it repays bonds doesn't go to projects. CDOT's COP portion paid out of CDOT new revenue and doesn't go to projects.

Unexpected Environmental Policy Additions Weigh Bill Down

Section 28 – Transportation Capacity Projects	New GHG reduction requirements for projects.
Adds a "Social Cost of Greenhouse Gas Pollution" estimate methodology	Attaches to GHG Reduction Roadmap
States causal relationship between adverse health impacts from motor vehicle emissions and road projects	Increased liability for company fleets and road projects

Section 28: Capacity Projects

- Language model's upon California regulation SB 743
- Will interfere or prevent capacity and congestion mitigation projects across Colorado
- Will impact/interfere with local land use planning
- Increase costs, increase time and increase risk that project will not be completed
- Creates Private Rights of Action

Section 28: Capacity Projects

- Transportation capacity project
  - Any change in a roadway that increases the maximum throughput for at least one mile
  - Construction of new or additional travel lane, widening or restriping of lanes or shoulders
- "**Transportation capacity projects can cause** adverse environmental impacts, including, but not limited to, acceleration of climate change and **adverse health impacts**."
  - "Impacts fall most heavily on "disproportionately impacted communities"
- "Necessary and appropriate to require state's primary transportation planning entities (CDOT/MPOs) to engage in **enhanced level of planning, analysis, community engagement, and monitoring"**

Section 28: Capacity Projects

- CDOT/Commission proposed rules to:
  - Take additional steps in the planning process for projects to **account for impacts on the amount of statewide GHG pollution expected to result from such projects**, minimally:
    - Implement relevant regulations issued by AQCC per 25-7-105 *(Commission duties)*
    - Reduce GHG to achieve GHG pollution reduction targets of 25-7-102 (2)(g) - *GHG Regs/HB 1261*
    - **Consider impacts on GHG of induced demand resulting from transportation capacity projects.**
    - **Consider the role of land use in the transportation planning process and develop strategies to encourage land use decisions that reduce VMT and GHG emissions**

Section 28: Capacity Projects – *Regionally Significant Projects*

- If "regionally significant", CDOT shall
  - **Model air pollutant emission impacts including appropriate monitoring and measurement of criteria pollutants**
  - Construction plan to provide **public reporting of pollutant data** and public alert when exceedance events occur
  - Plan to **mitigate air quality impacts** on DICs in area, especially fine particular matter pollution

Other Unexpected Policy Additions

- E-MPOs
  - Premature easing of RTA Requirements
- Reverses TABOR/Ref C Revenue Cap
- Authorizes all General Fund dollars directed to state highway fund to be spent on multi-modal projects

Necessary Changes to SB 21-260

- Remove Section 28 - Transportation Capacity Projects 43-1-128
- Provide General Fund Assurances
- Establish Common Enterprise Structure Elements
- Increase Stimulus Funding
- Accelerate Parity For EV Owners
- Remove/ Modify E-MPO
- Remove Social Cost of GHG estimate methodology provision
- Provide legal protection from liability

What’s next

- Continued Negotiations
- Finance Committee Hearing
- Monitoring of Federal Action

FYI.

Slides from Governor’s Office Deck

RANSPORTATION BILL SUMMARY

FEE REVENUE/PARAMETERS	DRAFT BILL
Road Usage Fee	Fee starts at 2 cents and goes up 1 cent annually to 8 cents; indexed to inflation after FY32. **Projected revenue of $1.552 B**
Bridge and Tunnel Enterprise Fee	**Now called Bridge and Tunnel Enterprise Fee.** Lowered to reflect same fee schedule as RUF above. **Projected revenue $401 m.**
EV Equalization Fee	Additional fee on top of existing $50 (4,8,12,16,26,36,51,66, 81,96) Goes from $55 - $159. Review/re-assess parity in yr 5 for changes in yr 6. **Projected Revenue $321.9 m**
TNC Fee	30 cent fee. **Projected revenue of $203 m**
Delivery Fee	27 cent fee on all retail deliveries at point of sale. . **Projected revenue $1.214 B**
Personal Car Share	Lift current $2 exemption. **Projected revenue of $17 m**
Rental Fee	Index existing $2 fee. Project Revenue $74.6 m
Taxi Fee	Conduct a study on fee. Projected revenue is zero until after study determines rate.
Autonomous Vehicle Fee	Conduct a study on fee. Projected revenue is zero until after study determines rate.

TRANSPORTATION FEE ALLOCATIONS

FEE	Total	HUTF State	Non-Attainment	Bridge & Tunnel Enterprise	Revitalizing Main Streets	MMOF	HUTF Local	Commercial Charging Enterprise	Fleet Electric. Enterprise	Public Transit Enterprise
Road Usage Fee	$1.552.3 B	$931.4 m					$620.9 m			
Road Impact Fee	$401.4 m			$401.4 m						
Electric Vehicle Fee	$321.9 m	$193.1 m					$128.8 m			
TNC Fee	$203.2 m		$152.3 m						$50.8 m	
Retail Delivery Fee	$1,214 B	$107.4 m	$31.5 m	$121.4 m		$109.2 m	$161.1 m	$310.2 m	$238.3 m	$134.9 m
Personal Car Share Fee	$17.0 m	$10.20 m					$6.80 m			
Rental Fee	$74.6 m	$44.8 m					$29.8 m			
General Fund (See Note Slide 4)	$426 m				$85.1 m	$340.9 m				

DEAL COMPONENT/CONCEPT	DRAFT BILL
Alignment with Federal Infrastructure Plan	Includes language to conduct multi agency review of Federal Infrastructure Plan to reassess distributions of funds and make recommendations with legislature.
Review of General Fund Contribution	Includes language to review the General Fund commitment in year 5.
Review of the EV Equalization Fee	Includes language to review the EV & RUF Fees in year 5 to ensure parity.
RTA Enabling Language	Includes language to empower local communities to have greater autonomy and control of their transportation funding.
Future Proofs our transportations system	Includes language to study how best to incorporate a safety fee on autonomous vehicles and studies how best to prepare for fees based on VMT and electricity usage moving forward.

ACCOUNTABILITY & TRANSPARENCY

ATTUNING TO COLORADO'S NEEDS

Each enterprise will develop a ten year plan that will be used to assess the funding levels needed to achieve the desired outcomes. Project management public dashboards will show key performance indicators for projects within Enterprises and CDOT. CDOT will update their existing 10 Year Plan.

ACCOUNTABILITY

CDOT and Enterprises will maintain clear accountability mechanisms, engage a wide variety of stakeholders to ensure funding achieves intended outcomes, and will regularly report to the transportation commission, legislature, and construction partners.

CLIMATE GOALS

CEO and CDPHE, in consultation with CDOT, will report annually on progress towards 2030 EV plan and GHG Roadmap goals resulting from enterprise and transportation investments in this plan.

TRANSPARENCY

Enterprises will maintain accessible and transparent summary information regarding implementation status, funding, and expenditures on their websites. CDOT will continue with their new commitment to enhanced accountability and transparency measures.