

Panel meets with national experts and hears of Denver metro area needs

“Between now and 2030 Denver’s metro area will add a city the size of Dallas to its population.”

-Jennifer Schaufele,
Executive Director, Denver
Regional Council of
Governments

Governor Ritter’s Transportation Finance and Implementation Panel kicked off a statewide tour (tour dates on page 3) by meeting with Denver Metro-Area officials on May 31. The meeting held at the Denver Regional Council of Governments (DRCOG) marks an expansion of the panel’s fact-finding efforts to include regional perspectives along with broad policy issues.

The panel’s morning session was devoted to deliberation with national experts on vehicle miles traveled (VMT) fees, development impact fees, gas tax indexing and bonding revenue sources.

The three revenue sources and bonding are technically proven strategies which the panel sought to gain insight into the political elements of successful implementation.

Jim Whitty, who leads Oregon’s VMT efforts, emphasized the value of pilot programs to dispel myths and prove technology. Ruthanne Berger, who leads the Transportation Impact Mitigation Fees program in Riverside County California, noted that the most significant challenge was convincing the public that fees would be spent as promised. Returning fees to source

communities has helped to solidify political support for the fees. David Margolis of the Pennsylvania Department of Transportation pointed to a ceiling on the state’s gas tax index as a key to its two decade political survival.

The panel was briefed on transportation concerns in the Denver – Metro area during its afternoon session. Regional Transportation District General Manager, Cal Marsella told the group of plans to cover projected deficits in the FasTracks program. DRCOG’s Executive Director, Jennifer Schaufele described the planning for region’s growth over the next 20 plus years., “Between now and 2030 Denver’s metro area will add a city the size of Dallas to its population.”

The panel also heard about the areas significant highway maintenance, reconstruction and congestion mitigation needs from Region Six transportation director Randy Jensen. The 1.2 mile I-70 viaduct is in need of \$700M of repairs, while I-25 north of Denver needs \$85M of reconstruction. These and other needs are in addition to the seven major corridor studies being under-taken in the region with a minimum build out cost of \$11B.

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The Update is prepared by the Division of Transportation Development’s Planning Branch to keep CDOT employees and the public informed about the work of the Transportation Finance and Implementation Panel. The Update will be distributed periodically during the term of the panel.

Oregon's VMT Pilot Program

The Oregon Department of Transportation recently completed pilot implementation replacing gas taxes with a vehicle miles traveled (VMT) fee. A VMT fee has been described as the near perfect source revenue, because of its connection between use of the highway system and revenue collected.

The pilot program utilized state of the art technology that provided participants with privacy, and the state with accuracy and reliability.

The GPS devices used in the pilot program only receive a signal, so no vehicle tracking was possible and no record of the vehicles whereabouts maintained. The state was divided into two zones, with one zone around the Portland Metro Area. Travel in the Portland Metro Area during rush hour was billed at 10

cents/mile. Off-peak travel and travel at all times in the rest of the state was billed a 1.2 cents/mile. A third zone was designated as out-of-state, when the vehicle operated beyond the Oregon's borders no charge was levied.

At the gas pump, the on-board device communicated to the pump the miles driven in each zone and the driver was billed accordingly. The state gas tax was not charged.

The state anticipates a 20 year implementation time frame for the project, after making the technology mandatory for new cars. The cost to drivers for the technology would be less than \$100 and capital costs for the state \$35M with annual operating costs comparable to the gas tax. Those without the technology, including out of state visitors, would continue to pay the gas tax.

Impact fees make an impact in California

Since 2003, Southern California's Western Riverside County Council of Governments (WRCOG) has administered a Transportation Uniform Mitigation Fee (TUMF). The TUMF ensures that growth does not create gridlock on regional and local thoroughfares.

Under the TUMF, Western Riverside County is divided into five zones. Regardless of zone development pays the same fee. For instance single family construction pays \$10K/unit and retail \$12.94/SqFt. The TUMF is structured so that 48.7% of funds generated in each zone go back to that zone to be programmed for projects. Another 48.7% is allocated to regional inter-zone

projects programmed by the Riverside County Transportation Commission, and 2.6% is allocated for regional transit projects, 1 percent for habitat conservation.

Revenue to date is \$409M. These revenues have supported the programming of 146 projects, 14 of which have been completed. The fee funds only the capital costs of projects. Operation and maintenance are supported local governments.

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DRCOG Convenes Finance Forum

Transportation finance and policy experts from across America were in Denver on May 30 to address the Colorado Transportation Finance Forum. The Forum, sponsored by DRCOG, CDOT and others, attracted some 200 participants to the Denver Convention Center.

Governor Ritter opened the event by emphasizing the importance of transportation to economic development, "every economic development discussion I have includes transportation." The governor credited a portion of the \$62M investment in a new wind blade factory on the Eastern Plains to highway and rail line access. He noted the continued need to recognize how the environment and land-use impact and are impacted by transportation.

In addition to presentations on gas tax indexing and VMT and development impact fees, the forum heard about tolling efforts in Dallas, the passage of a regional transportation authority (RTA) in Colorado Springs, and the development of a high performance transportation system as a new frame for 21st century transportation challenges.

The voter approved Pikes Peak RTA could serve as a model for a statewide initiative. The RTA raises \$70M annually from sales tax revenue. Fifty five percent of the funds support capital projects, 35 percent maintenance programs and 10 percent go to public transportation. Upon completion of the capital projects the sales tax will decline to level that continues support for maintenance and transit programs.

Michael Replogle, transportation director for Environmental Defense offered a new vision for transportation systems on the national, regional, and local level. With transportation networks essentially built-out policy makers should focus on the performance of the networks. Performance measures including reliability, condition, and modal choice should drive investment. Replogle also made the argument for market based mechanisms, like congestion pricing, to achieve a high-performance system meet mobility goals and mitigates environmental impacts.

All the Forum presentations are available from the DRCOG web site at:

<http://www.drcog.org/index.cfm?page=ColoradoTransportationFinanceForum>

Panel Statewide Tour Schedule

During the next three months, the Governor's Panel will travel the state to gather local input on their efforts.

May 31- Denver

June 29 Meeker

9 AM
Fairfield Center,
200 Main Street

July 12th Pueblo

9 AM
Convention Center,
320 Central Main St

July 31 Akron

9 AM
Washington County Events
Center,
552 West 2nd

August 23 Keystone

9 AM
Keystone Conference
Center

September 13 Durango

Time and Location - TBD

October 4 Colorado Springs

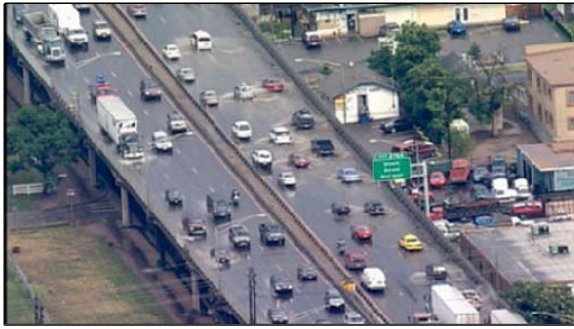
Time and Location - TBD



Learn more about the panel's efforts at Governor Ritter web site:

<http://www.colorado.gov/governor/blue-ribbon-transportation-panel.html>

Denver's Major Maintenance



I-70 Viaduct

\$700 million cost to replace 1.2 mile-long elevated structure in heart of Denver. On average, this facility carries 130,000 – 150,000 trips per day. Interim repairs underway until project can be fully funded (\$23 M estimate for critical repairs). Funding for a project of this magnitude will need to come from non-traditional funding streams.



I-25 North Interim Repairs:

Interim repairs are underway to focus on the most deteriorated sections at a cost of \$3.3 M / mile. Total repair need \$85 M. Funding for the interim repairs comes from R4 Surface Treatment Program. To fund all repairs from resurfacing funds would not allow any other roads in the Region to be resurfaced.



I-25 / Santa Fe Bridge:

\$70 million cost. The Santa Fe Bridge is over 50 years old and is a significant safety issue. This facility carries over 200,000 trips per day. The bridge is scheduled to be reconstructed as part of the first phase improvements on the Valley Highway corridor.



Eisenhower-Johnson Memorial

Tunnel:

\$50 million cost. The EJMT is almost 35 years old and with many complex internal operating systems that need upgrading to today's standards, such as electrical, ventilation, and sanitary sewer.



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