

Colorado Department of Transportation, Division of Transportation Development, Planning Branch

Northwest and Southeast Coloradans meet with Panel

“Rural Colorado is sending [the panel] a clear message. They are talking about basic survival, needs not wants. Maintain the roads. Keep the bridges from falling down. Give us a little shoulder to work with.”

-Cas Garcia,
Panel Member and
former Transportation
Commissioner from the
San Luis Valley

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The Transportation Finance and Implementation Panel traveled from one corner of Colorado to the other during past month,

At meetings in Meeker and Pueblo, the panel devoted morning sessions to input from the public, Transportation Planning Regions representatives and CDOT Regional Transportation Directors. Meetings also included electronic polls of local participants. The Panel's afternoon sessions deliberated policy issues, including the potential of severance tax (see page 2) and the appropriate role for the state in support of transit (see page 3).

Panel member and former Transportation Commissioner from the San Luis Valley, Cas Garcia summarized the public comments from both meetings, “Rural Colorado is sending [the panel] a clear message. They are talking about basic survival, needs not wants. Maintain the roads. Keep the bridges from falling down. Give us a little shoulder to work with.”

The public and transportation leaders in both regions discussed the impacts of trucks on their communities. In the Northwest, the explosive growth of the

energy industry has generated unprecedented truck volumes. In the Southeast, continued growth along the Front Range attracts increasing numbers of trucks connecting Gulf Coast ports to Colorado's urban centers. During recent construction on U.S. 287 workers witnessed as many as 160 trucks pass during a half hour period.

Regional leaders recognized shoulders as key to highway safety. Shoulders offer truckers and all drivers a way out of dangerous situations. The Northwest's booming tourism economy generates demand for recreational bike travel, reinforcing the need for shoulders.

Skyrocketing home prices in resort towns result in workforce housing dozens of miles away. Diane Mitsch-Bush, Routt County Commissioner and Vice-Chair of the NW TPR explained the need for increased transit, “Our roads are no longer just farm to market or tourist roads. Our roads are vital for commuters. We need to expand our well used commuter transit services. Transit reduces traffic, increases safety and provides reliable transportation for our workforce during inclement weather. This matters to workers and employers alike.”

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.

The Panel's Technical Advisory Committee has created a comprehensive list of more than 30 revenue options.

Ups and Downs of the Severance Tax

The energy industry boom occurring across Colorado and rise in severance tax revenues has drawn attention to the tax as a potential source of revenue for Colorado's transportation needs.

Steve Colby, who administers the severance tax at the Department of Local Affairs, briefed the Panel on the current status of the tax and its potential to raise revenue.

Colby stressed that severance tax revenues are generated statewide, revenues are largely spoken for, and in the long term severance revenues are not a stable revenue stream.

Mineral based property tax revenue as a percent of total property taxes serves a relative measure of production. There are 21 counties that earn more than five percent of

property tax revenues from mineral extraction. Seven counties scattered across the state (Rio Blanco, Garfield, Weld, Montezuma, La Plata, Las Animas and Cheyenne) earn more than 50 percent of property tax revenue from mineral extraction.

Severance revenues are distributed through a complicated formula that sends about 50 percent of revenues back to local government and 50 percent to the Department of Natural Resources. Colby noted that there are two severance tax ballot initiatives in the works, neither with a focus on transportation.

Severance tax revenues are subject to the cycles of the natural gas market and historically variable. The long term promise of revenues is limited by forecasts of production declines that begin as early as 2009.

Technical Advisory Committee Update

The Panel's Technical Advisory Committee (TAC) meets the Tuesday following meetings of the full panel. The TAC is composed of transportation policy experts from around the state.

The TAC has explored multiple policy issues and ideas since its first meeting. An early topic of discussion was differentiating a fee from a tax. While a fee can be established without voter approval and Colorado has strong case law that support fees, concerns about the political acceptability of fees remain and the ability to retain revenue with TABOR restrictions.

The Colorado State Patrol and Colorado Department of Revenue briefed the committee on its use of highway user trust fund revenues, the so called off-the-top. The committee is considering the potential of funding option to replace the off-the-top spending and retaining trust fund revenues for transportation infrastructure.

At the request of the Panel the TAC has created a comprehensive list of more than 30 revenue options. To trim the list the TAC has worked toward the creation of evaluation criteria. The criteria include characteristics such as stability, equity, administrative burden and user connection.

Jennifer Finch, CDOT's Director of Transportation Development, briefed the Panel on transit operations in Colorado. The Panel requested the briefing as it begins consideration of the role of state in transit funding and operations.

Transit operations take many forms: urban bus/light rail operations, resort area shuttles, rural service and transportation services for the elderly and disabled. Together these operations provide substantial value to Colorado. 70,000 workers and their employers rely on transit. More than 1.5 million trips were provided to the elderly and disabled in 2006. In the Denver and Colorado Springs area alone, the Texas Transportation Institute estimates that transit services prevented 10.3 million hours of road delays.

Local government taxes and transit users together provide 80 percent of \$1 billion spent statewide on transit in 2006. The state administers \$11M federal funds for rural transit and service for the elderly and disabled. The state also supported \$22M of capital funding for transit in 2006, with an additional \$43M is projected to be spent through 2010.

Around the country states play a variety of roles in transit, from grant administrator in Colorado to owner and operator of transit systems throughout the Northeast U.S. to oversight agency and capital provider in California. 31 states provide capital support to transit and 30 states provide operating subsidies for transit.

CDOT currently sponsors three studies to investigate the potential for new passenger rail operations. A study of governance structures for passenger rail operations is due this fall. An ongoing study about the relocation of freight rail operations from the Front Range to Eastern Plains builds on an initial study performed in 2003. Widely publicized are feasibility studies of passenger rail operations along the I-25 and I-70 corridors.

The initial response of panel members was that there is expanded role for statewide government in support of transit. Inter-regional connections were a focus of comments, as well as the potential of the state as a source of capital with local governments supporting operations.

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
July 12th - Pueblo

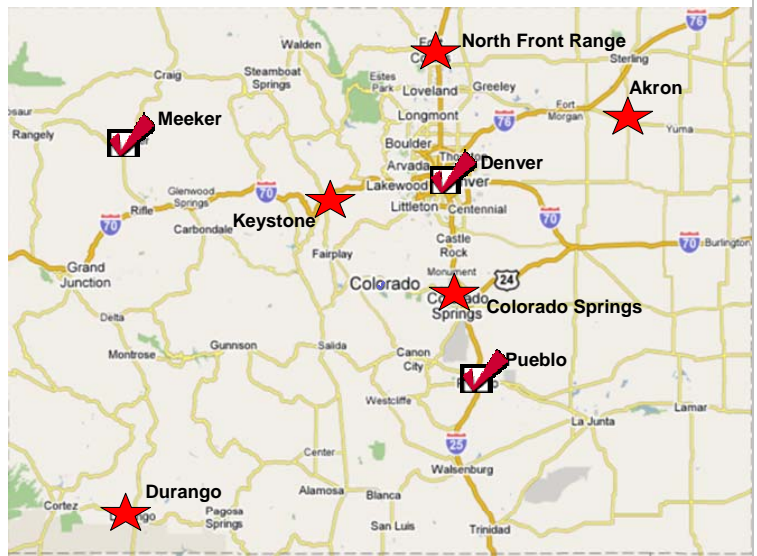
July 31
Akron
9 AM
Washington County Events Center,
552 West 2nd

New Date
August 24
Keystone
Time and Location - TBD

New Date
September 10
Durango
Time and Location - TBD

New Meeting
September 25
North Front Range
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>

NW and SE System Concerns



Shoulders

Adequate shoulders are a key public concern in rural Colorado. Shoulders increase safety and the ability for cyclists to safely travel. In Northwest Colorado (CDOT Region 3) about 70 percent of major collector and secondary roads lack shoulders.



Natural Disasters

Natural disasters, whether blizzards, rock slides, or fires, dramatically disrupt rural transportation. As Weldon Allen, CDOT Region 3 Director, told the panel, "In rural areas, we can't just ask people to drive one block over to avoid a closed road." For instance the detour route around Glenwood Canyon adds about 150 miles to a trip between Rifle and Gypsum.



Transit

As resort area workers move farther from their jobs to find affordable housing and the elderly population grows, rural transit providers experience increasing demands for service. During the most recent long range planning process four rural transportation planning regions dedicated state highway funds for expenditure on transit capital.



Bridge Maintenance:

Northwest Colorado (CDOT Region 3) has 11 bridges in poor condition with an estimated repair cost of \$92M. The Region is currently allocated \$3M per year for bridge repairs. Southeast Colorado (CDOT Region 2) has 43 bridges in poor condition with an estimated repair of \$110M. Nine of the 43 bridges are weight restricted forcing trucks to detour around the bridges. The Region is currently allocated \$9M per year for bridge repairs.

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Send comments, questions and ideas for *The Update* to Andrew Stober, andrew.stober@dot.state.co.us.