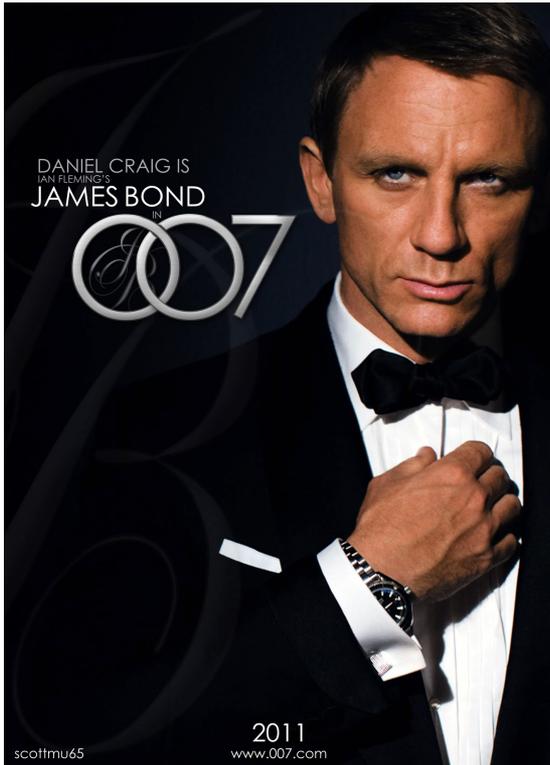




# Restoring the State's Commitment to Transportation

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Capitol Solutions



# Who are we?

- Born out of northern Colorado
  - Northern Colorado Legislative Alliance – Chambers and economic development agencies in Fort Collins, Loveland and Greeley
  - Frustrated with a 2075 Projected Completion date for 3 lane expansion of North I-25
- Recognized that we weren't alone in our frustration.
  - Every region of the state is has a corridor, a project that is languishing
  - Mountain communities, Colorado Springs, Eastern Plains, Western Slope

# Our Goal Today

- Secure your support of bonding for transportation
- Secure your support for restoring General Funds for Transportation
- Discuss other funding options for addressing transportation and how these fit together

# Our Challenge

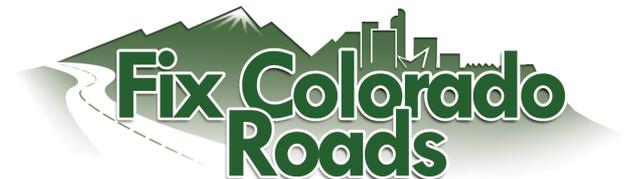
- I-25 Fort Collins to Longmont does not have enough capacity which causes frequent traffic delays
  - North I-25 is now at Level of Service D, LOS E by 2025, LOS F by 2035 = 3 hours to Denver and DIA
  - Population by 2040: 52%+ Larimer, 111%+ Weld
- \$1.2B cost to widen I-25 from Fort Collins south to Northglenn
  - No funding committed
  - Can't be accomplished on "Pay as You Go"

# Our Challenge

- \$1B annual shortfall in CDOT budget
- Large capacity projects around the state are languishing
  - 2075 projected completion of North I-25 North
  - Unclear when I-70 will happen
- Vehicle travel on Colorado's highways increased by 73% from 1990 to 2013 with population growing 57% in the same period.
- Colorado devotes NO dollars from the state general fund to our road system – causing our road maintenance and expansion to fall behind our economic and population growth.
  - No funding for transportation since 2009 and passage of 228
    - \$3 Billion in state revenue growth since 2009.
- Missing window of opportunity with low interest rates to leverage dollars to accelerate and build projects statewide

# Economic Impact of Unsafe Roads

- The status quo threatens our safety, the vibrancy of our economy, our attractiveness as a destination for business and tourism.
- Colorado is the only state among our competitors who does not have a general fund line item for transportation.
- Governor Hickenlooper to JBC, Nov 12, 2015. “We have an infrastructure deficit. We should be very real that when business is deciding where they want to live, where they want to build their business and their lives, they are going to look at traffic. In Utah, between Provo to Ogden, 6 lanes the entire way, light rail and they have half the population.”



# Voters Want Solutions

- 90% of Coloradans know our roads and bridges are in dire need of repair and expansion. *(NCLA Poll, April, 2015)*
- In every region of the state, our fellow citizens believe fixing Colorado's roads is more important than other funding priorities, including education. *(CCA Poll, June 2015)*
- 75 percent of voters believe Colorado should find money to fund transportation projects in the state's current budget by changing spending priorities or finding new ways to save money in government programs. *(NCLA Poll, April 2015)*



# Momentum is Building

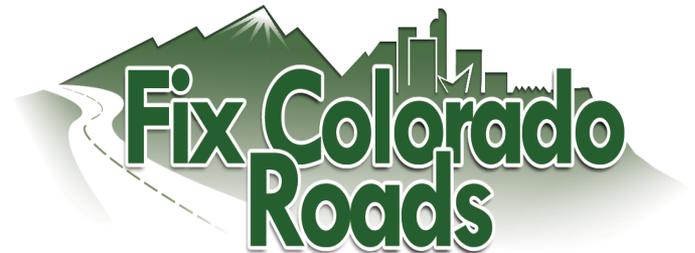
## ▣ Governor Hickenlooper Remarks to Joint Budget Committee,

**“We need to figure out some way to get \$200M plus and be able to figure out, [because] 228 has a very strong time limit, how to have a longer window so we can actually go out and take advantage of the low interests rates we have right now. Who knows how much longer we have — we actually have a window right now where we can address our transportation issues in a much more ambitious way.”**



# Our Framework

- Fix Colorado Roads Funding and Finance Program
  - A new, permanent **General Fund commitment** to transportation infrastructure with a continued **CDOT commitment** to dedicate a small portion of their budget to finance a **\$3.5 billion Fix Colorado Roads bond program**
  - Sponsored by Senate Transportation Committee Chair Randy Baumgardner and House Minority Leader Brian DelGrosso



# 1999 TRANS

- 1999 TRANS: Successful 1.7B bonding program delivering 28 Projects Statewide.
  - 50% of Federal Gas Tax (14% of CDOT Budget)
- I-25 T-REX project was the signature project of the 1999 TRANS program.
- The referred measure passed with 62% of the vote.
- And the 28 projects have been successfully delivered.
- Last \$167M payment of bonds is 2017

# TRANS II

- 2016 TRANS II effort reignited conversation about transportation
- \$3.5 B Bonding Program
  - \$250M annual payment
- Modeled after 1999 TRANS
- 61% of voters support bonding (*NCLA Poll, April 2015*)
- 66 Projects Statewide
  - I-70 West and I-25 Signature Projects
- SB 228 amended
  - Allow funds to be used for Operations and Maintenance
  - Extend time for full \$1B of funding for 228 to be fully realized to 10 years
- Hospital Provider Fee inserted into debate

# The Imperative of Bonding

- Only way to spur road building throughout state as soon as possible
- Accelerate completion of projects statewide
- Immediate and simultaneous construction of projects of all types and sizes.
- Only way to complete large-scale, economically significant transportation projects
- Least expensive way to fund construction
  - Lock in low, 3-4%, interest rates
  - Forestall 7-8% construction inflation
- Assures Colorado's continued competitiveness

# Funding the Bond Program

- SB 228 replaced SB 1 and HB 1310 in 2009
  - SB1 and HB 1310 were protected, general fund allocation mechanism for transportation
- 228 was enacted as a 5 year program allocating up to \$200 million per year based upon complicated formulas
- SB 228 is volatile and was intended to be temporary.
  - Promise was made to develop a permanent source of general fund funding within the 5 year window.
- With projections, 228 will only deliver a maximum of \$300 Million.
  - Not the \$1B promised
- No plan for general funds beyond 228 expiration in 3 years.

# Funding the Bond Program

- Transportation is an essential function of government
  - General Fund needs to play role
- Replace SB 228 Funding Mechanism
- New General Fund Appropriation
  - Goal of \$200 M protected annual appropriation
- CDOT contribution to the total annual payment
  - Policy changes to assure CDOT's Asset Management Program (O&M) is not unduly affected

# Other Funding Options

- Other new revenue sources
  - Sales Tax
  - Gas Tax
- Obligation of general fund to transportation still imperative
- The Fix Colorado Roads funding and finance program is but the first, and imperative, step in addressing the larger transportation funding challenge.

# The Projects

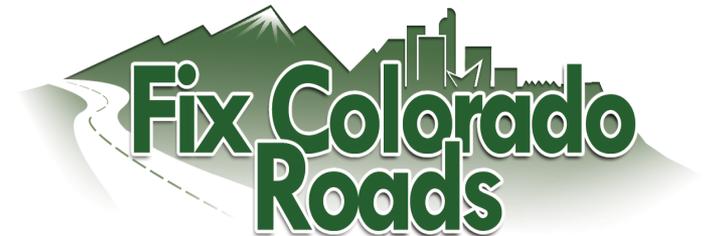
- Aligning new projects list in cooperation with CDOT and their 10 Year Planning program
- Signature Projects
  - North I-25 from Fort Collins to Northglenn
  - I-70 West
    - Minimum Program of Improvements
    - Plus \$100M “Down Payment” on Maximum Program of Improvements
  - South I-25 from Castle Rock to Monument
- 50+ Regionally Significant Projects throughout state

# Our Ask

- Support bonding of existing and new revenue sources for transportation
- Support Permanent allocation of General Funds for Transportation
- Support other means to fund transportation

# Join Us!

- Sign on as a Fix Colorado Roads coalition member
- Get your members to join the effort and sign the petition
- [FixColoradoRoads.com](http://FixColoradoRoads.com)
- Follow and Retweet! @FixColoradoRoads
- Talk to our legislative leaders



# Questions / Discussion



# Contact

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