



Colorado Transportation Finance and Implementation Panel

Recommendations Discussion Revised
November 13, 2008
CDOT Auditorium

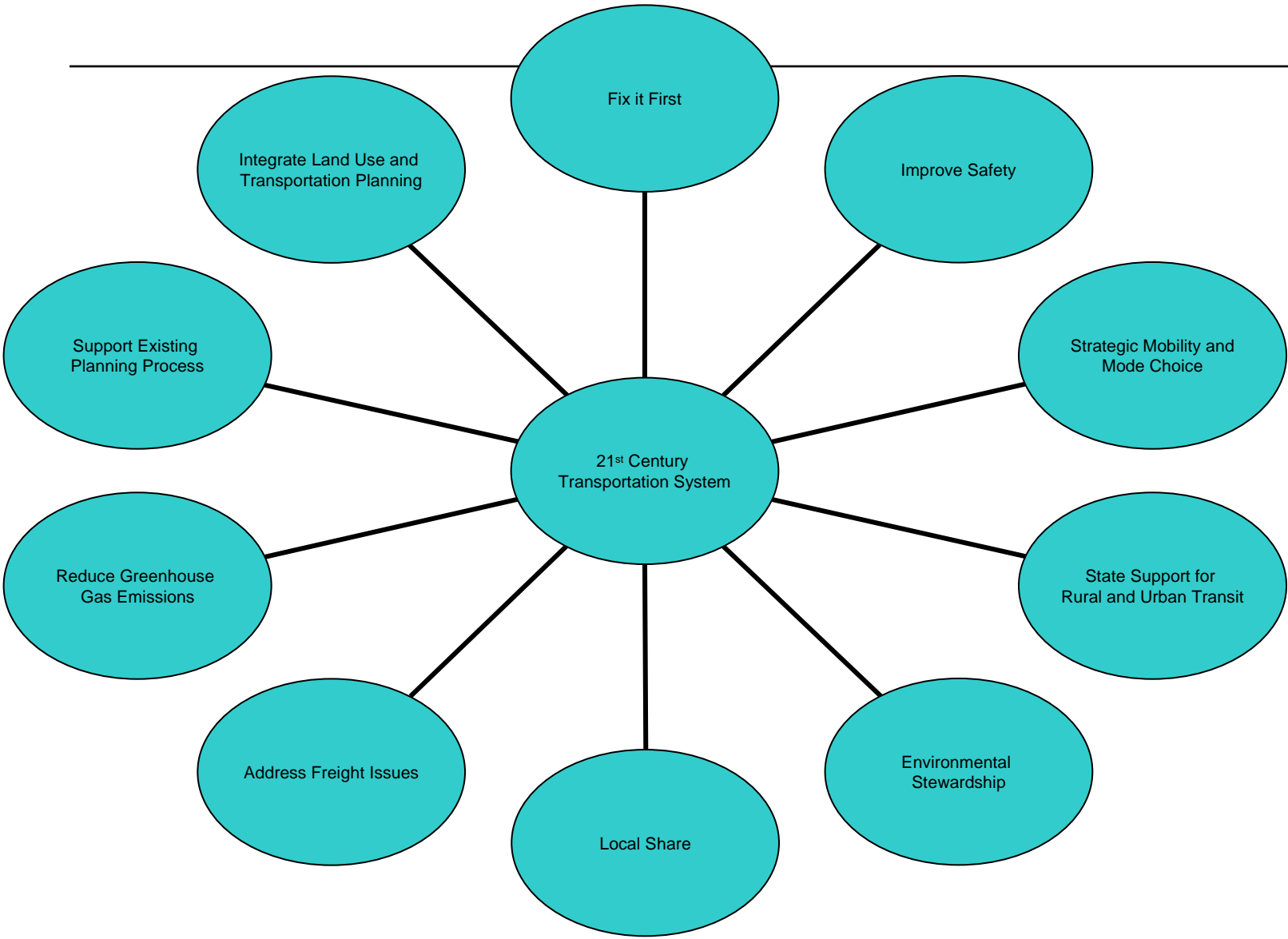


Statement of Commitment

The Transportation Finance and Implementation Panel remains committed to the vision, policies and investment category recommendations made in the 2008 *Report to Colorado* and to the \$1.5* billion additional annual investment goal for transportation.

* 2008 Dollars

Transportation Policy Statements



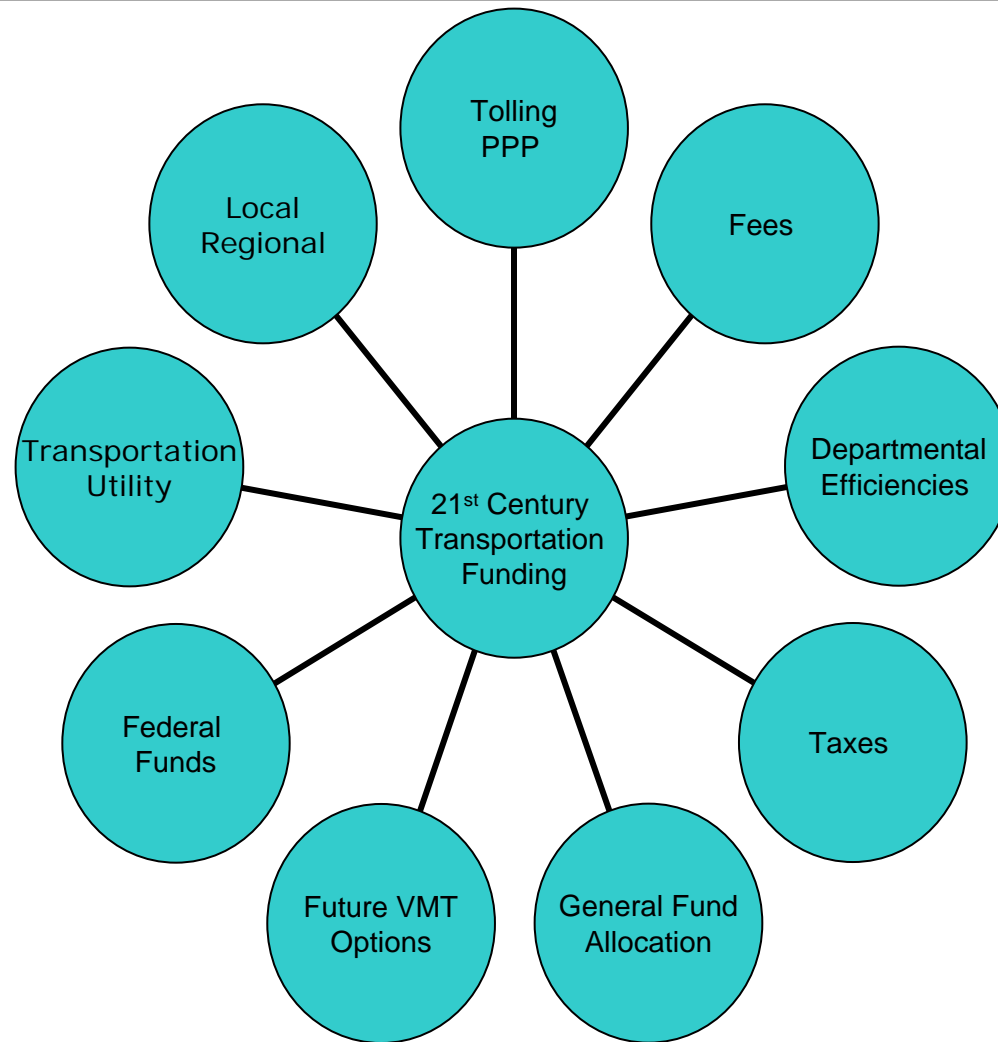


Guiding Principles

Proposals for funding transportation should prioritize:

- Long term sustainable revenue streams
- Local share for cities and counties
- Strategies for making increased investments over time
- Strategies to accelerate investments wherever possible
- Flexible funding sources to invest in alternative modes of transportation

Elements of a Transportation Strategy





Departmental Efficiencies

- Efficiency and Accountability Assessment Committee
 - Recommend Transportation Commission create a standing committee to review Departmental efficiency on an ongoing basis
 - In addition to Commissioners, committee should include external partners, representing construction, planning, environmental, contracts, etc.



Tolling and Public Private Partnerships

Items that would have the most impact on advancing tolling as a financing tool:

- Encourage greater use of Public Private Partnerships
- Require state to collaborate with local officials to evaluate toll corridors
- Authorize toll revenues to be invested in alternative modes within corridors
- Reconsider restrictions on tolling existing capacity
- Support departmental efforts to build technical and financial expertise
- Encourage use of congestion pricing to manage capacity on congested corridors



User Fees

Transportation user fee options that fall within the purview of the Legislature*:

- Registration fee
 - Rental Car fee
 - Maintenance fee
 - Bridge safety fee
 - License plate fee
 - Emissions fee
 - Impact fees
- *The proceeds of a fee, unlike a tax, are used to pay for a particular government service and not for general expenses. Fees are paid by those that benefit from the service. For example, when you visit a State park you pay an entrance fee that supports the park system*



Federal

A coordinated advocacy strategy to pursue additional federal dollars should include:

Short Term

- Economic Stimulus (new Congress)
 - Should include as much infrastructure investment as possible without earmarks

Long Term

- Federal Reauthorization
 - Support increases in federal funding
 - Pursue authorization to advance VMT fee system
 - Utilize CDOT's Reauthorization task force to develop additional specific recommendations



General Fund Allocation

Look for opportunities to support dedicated, predictable and sustainable allocations for transportation from the General Fund

- Support Governor Ritter's Budget Submittal which includes \$30m annually for bridges in newly created Reserve Fund



Taxes

Transportation needs a long term dedicated and sustainable revenue stream to support multimodal investment and one that can be shared with local governments.

Incremental Examples (2008 \$):

- Sales tax 0.1% = \$90 m/year
- Income tax 0.1% = \$129 m/year
- Fuel tax* 5¢ = \$115 m/year
- Sales tax on fuel* 2.9% = \$178 m/year
- Index fuel tax* CPI = \$23m first year

*Constitutional amendment required to make revenues available for alternative modes



Future VMT Options

The Panel recommends movement toward pricing mechanisms that reduce energy consumption, affect travel patterns and address overall system needs in transportation

These include:

- Vehicle miles traveled fee pricing
- Vehicle emissions pricing

Recommend effort to develop a pilot to test this approach. Should consider the cost of system improvements, VMT and GHG reduction strategies.



Pricing Transportation as a Utility

Evaluate utility pricing models for potential application to transportation pricing based on use and system needs. (Nebraska and Oregon examples)

Examples include:

- Trash collection
- Water utility
- Electrical utility



Local and Regional Funding

- Support local and regional efforts to pursue funding increases for transportation at the local level holding existing allocations harmless
- Support an allocation to the cities and counties on any potential statewide ballot initiative
- Support RTAs as a way of leveraging new state transportation funding