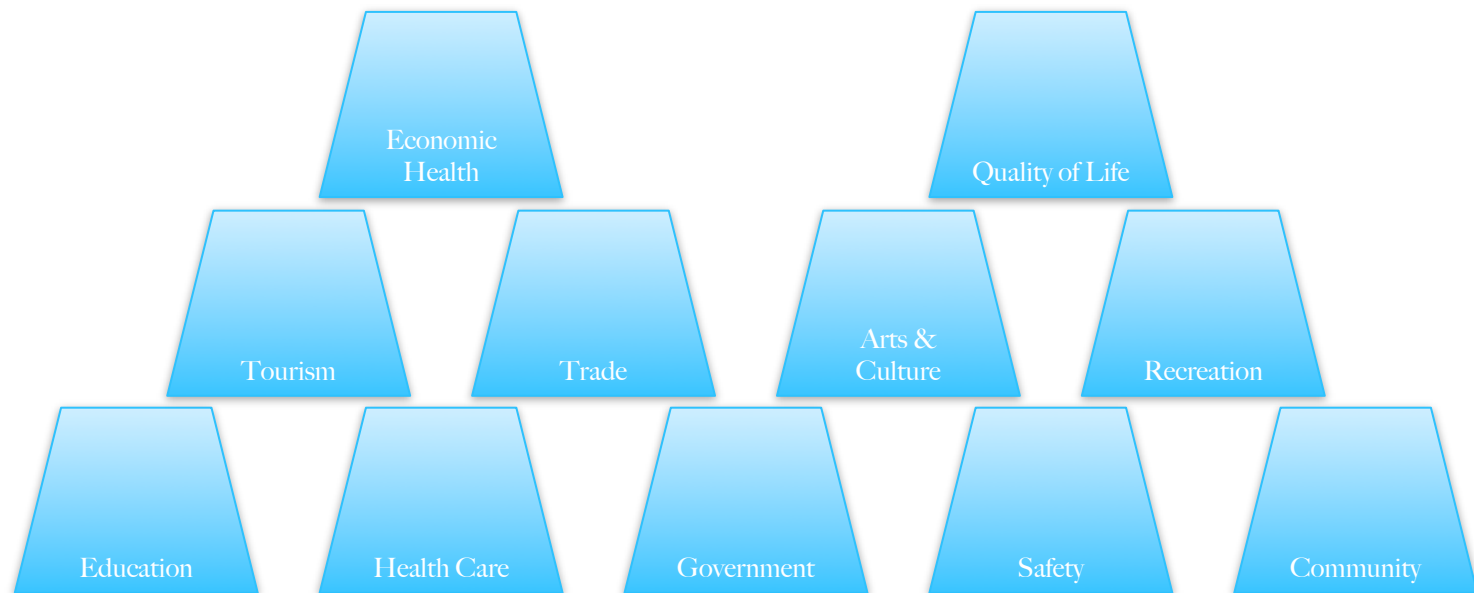


MPACT64

Transportation Infrastructure for Colorado

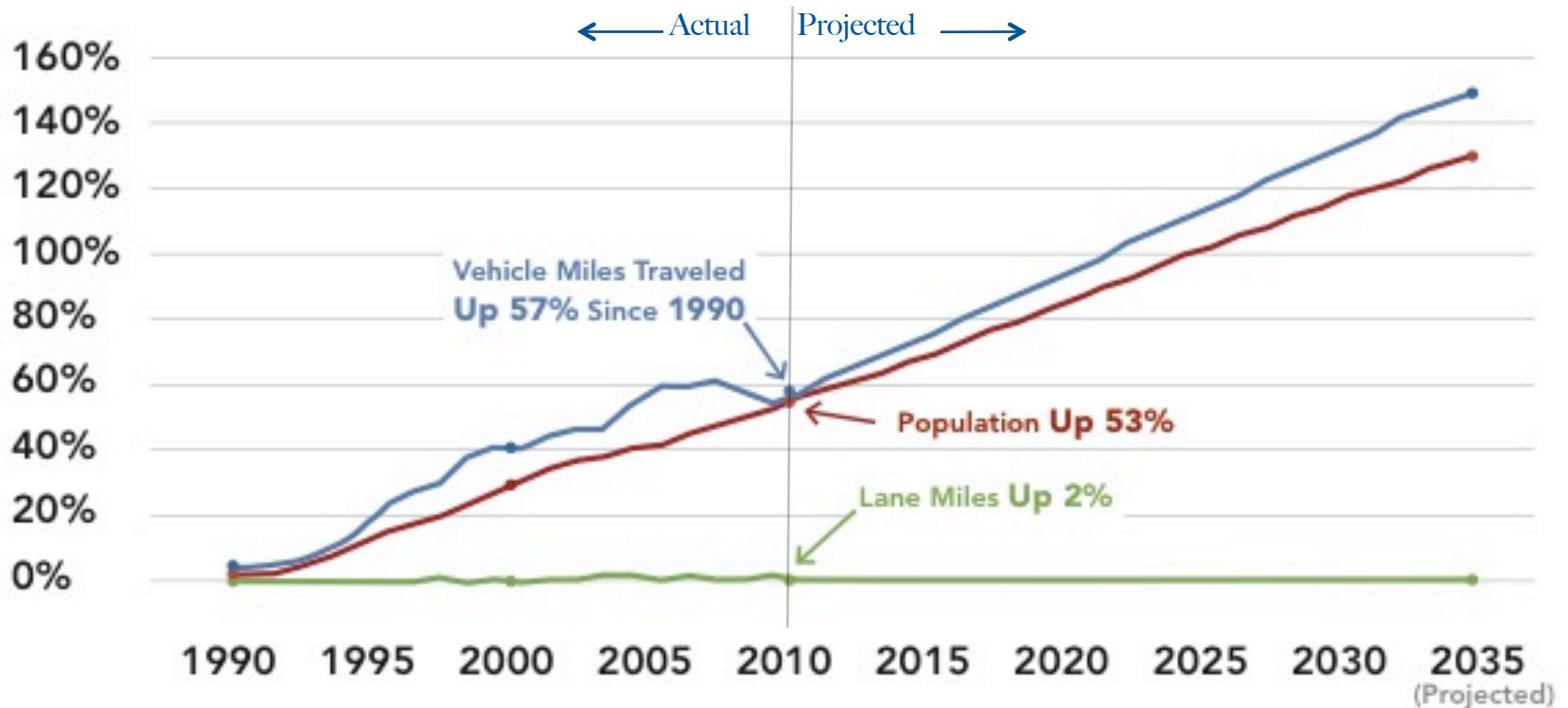
We Can't Afford to Wait

Transportation is the Foundation

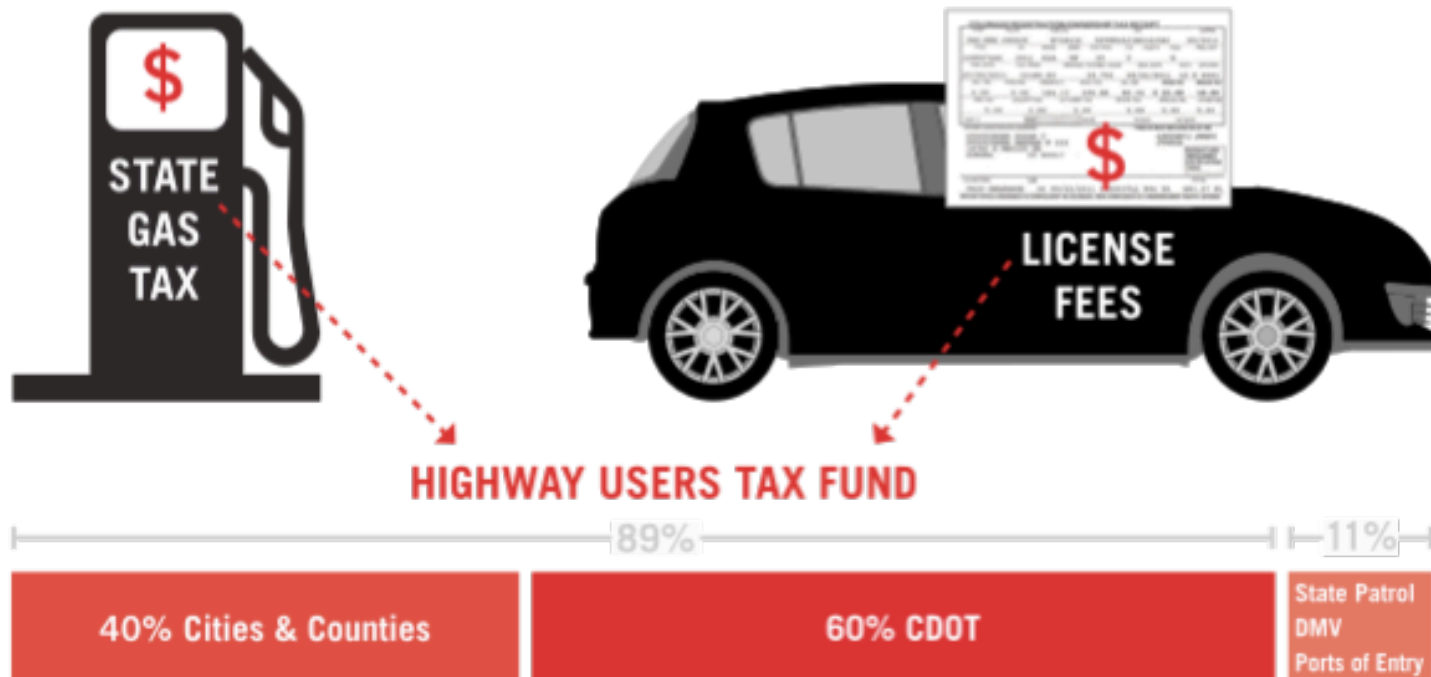


Growth Since 1990

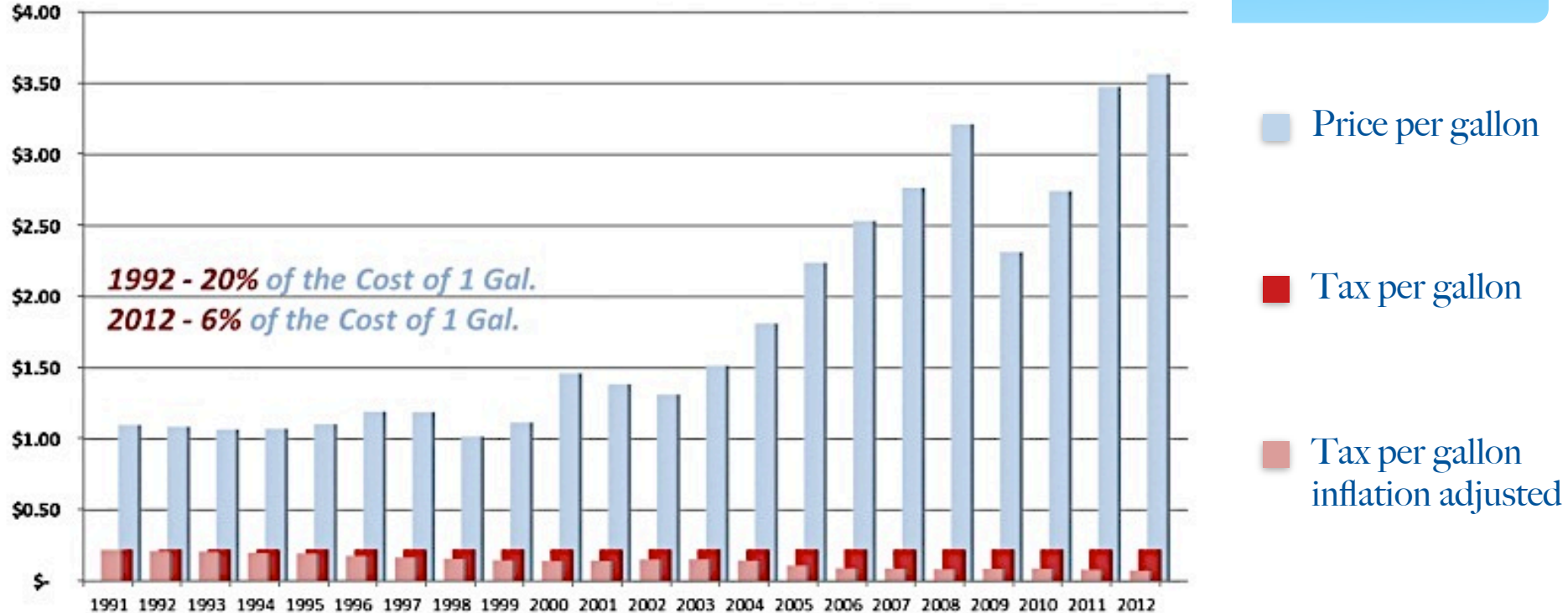
Colorado Actual and Projected Growth: 1990-2035



How We Pay for Transportation

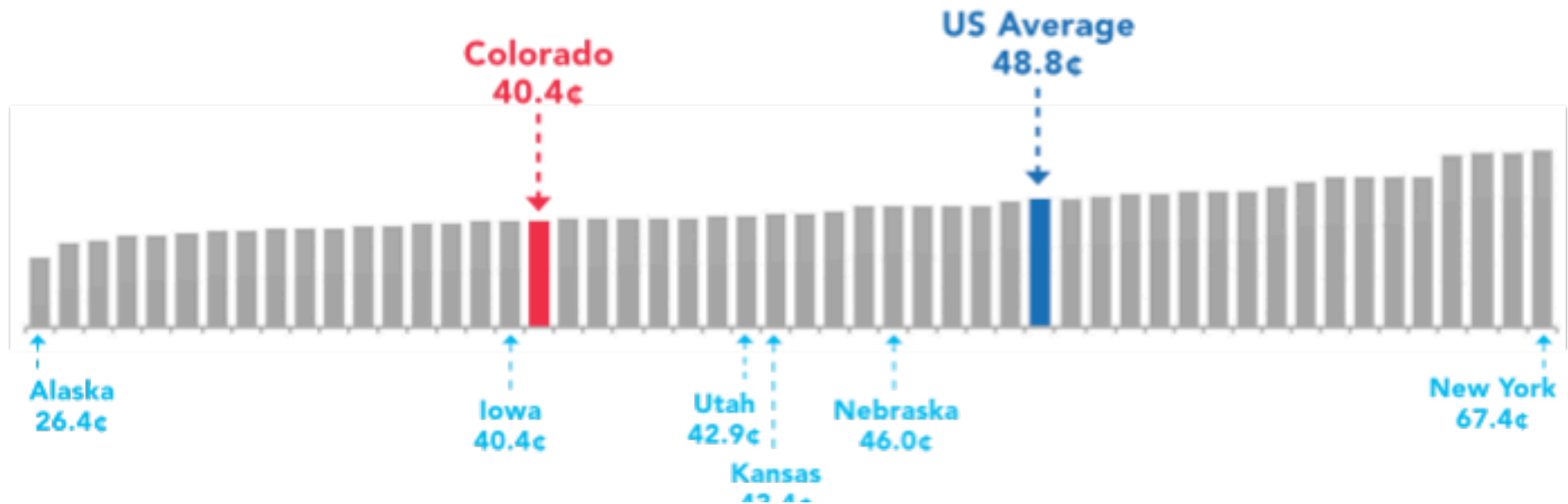


What is the Fuel Tax Worth?



Colorado vs. Other States?

Gasoline Motor Fuel Taxes as of January 1, 2012



Total Colorado HUTF for 2012-13 (in Millions \$)

Funding Source — Millions FY 12-13

- * Motor Fuel Excise Taxes — 527.8 (last raised in 1991)
- * Motor Vehicle Registrations — 185.7
- * Motor Vehicle Penalty Assessments — 48.0
- * SB 09-108 Road Safety Surcharges — 116.9
- * SB 09-108 Daily Vehicle Rental Fees — 25.0
- * SB 09-108 Late Vehicle Registration Fees — 22.4
- * SB 09-108 Oversize/Overweight Surcharges — 1.4

Total ————— 927.2

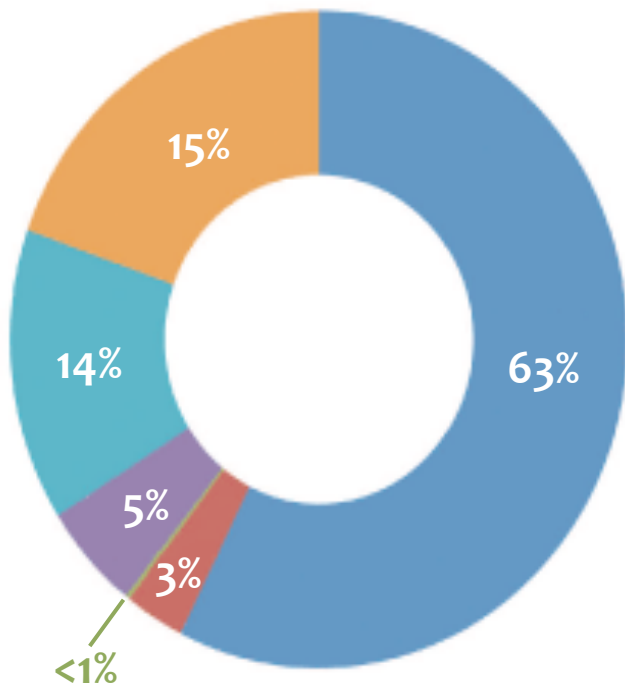
Where Does HUTF Go?

Fiscal Year	FY12-13	% Total
* Off-the-Top Appropriations (State Patrol, Department of Revenue/Ports of Entry)	104.2	11.2%
* CDOT	499.4	53.8%
* Counties	185.0	20.0%
* Municipalities	125.7	13.6%
* Other distributions	12.9	1.4%
TOTAL —————	927.2	

Where Does CDOT Money Go?

CDOT Expenditures

FY2012 (in millions) → \$1,104,588,163*



■ \$684.3 [63%] MAINTAIN What We Have

■ \$167 [15%] Debt Service

■ \$158.9 [14%] Pass-Through Funds
Multi-Modal Grants

■ \$57.8 [5%] DELIVERY of Programs
& Administration

■ \$34.6 [3%] MAXIMIZE What We Have

■ \$2.5 [<1%] EXPAND Capacity

*Safety investments are included in every category

How Much Do Streets & Highways Cost?

\$60 million
Annual Snow
Removal



\$275,000
2" Asphalt Paving
Per Lane Mile

\$50 million
Interchange



A Lot and Growing Every Day

Growing Transportation Dilemma

- * Diminishing motor fuel tax revenues

- * 22 years since last CO increase (1991)

- * Growing statewide needs

- * 2007 CTFIP (Ritter Blue Ribbon Panel) identifies \$1.5B annual shortfall

- * FASTER (SB09-108) raises \$173M/YR

- * Underfunded/unfunded local & regional needs add to the problem



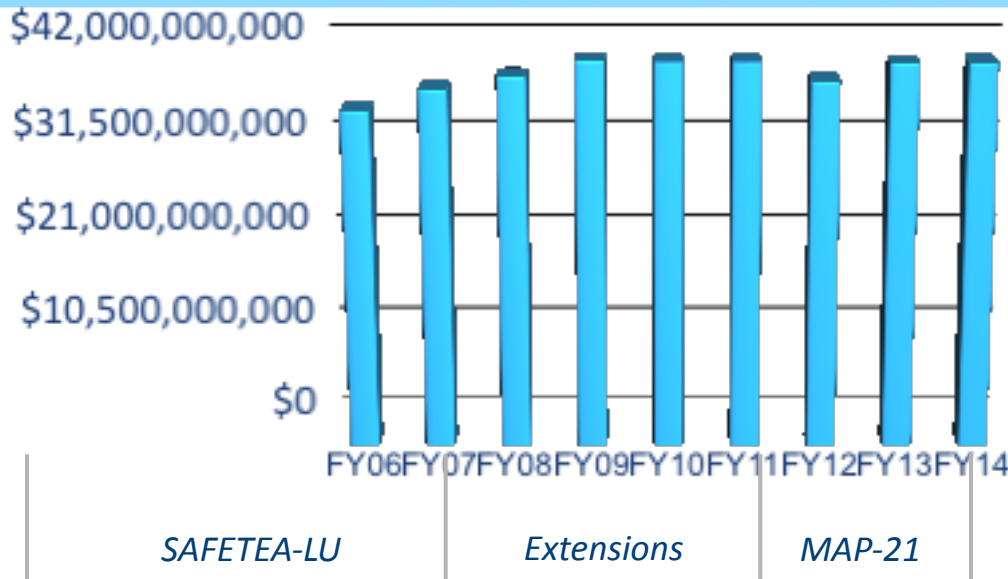
Sources: Esri, DeLorme, NAVTEQ, USGS, Interma... **esri** POWERED BY

CDOT Minimum Needs

Annual Funding Gap			
After RAMP/TRANS Bond Debt Retirement			
Annual Funding			
		RAMP	TRANS
		Retirement	
Transportation Category	Annual Gap*	2013-2017	2018-2022
Maintain the System	\$157	\$150	\$167
Rural Road Safety/Reliability	\$100	\$0	\$0
Congestion Relief/Mobility	\$500	\$150	\$0
Inter-Regional Transit	\$15	\$0	\$0
TOTAL	\$772	\$300	\$167
*TBD Colorado		Deficit	Deficit
All \$ in millions		\$432	\$605

Will Federal Funding Fill the Gap?

Annual Federal Highway Investment

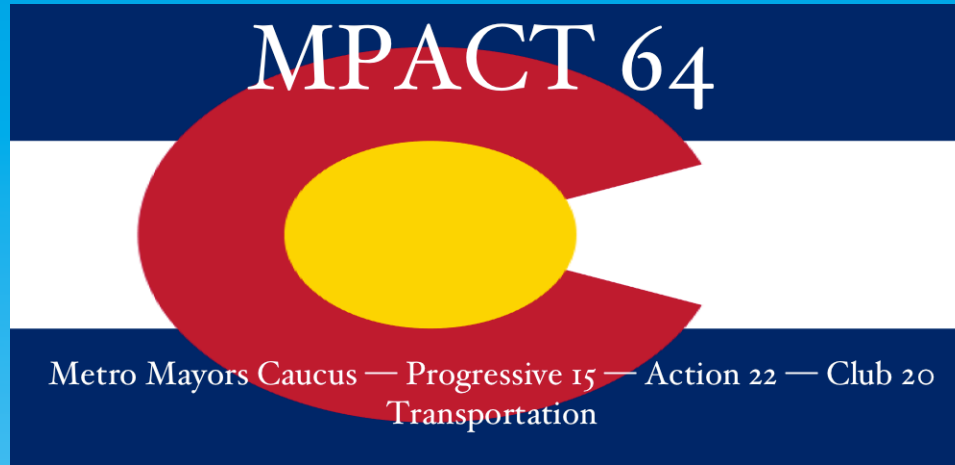


According to the CBO, the federal Highway Trust Fund (HTF) will be empty by 2015.

Congress could:

- raise the federal gas tax by 10 cents;
- continue to backfill the HTF with general fund dollars; or
- operate on existing revenue collections (meaning reduced federal HTF spending from about \$51B to roughly \$35B in 2015).

For Colorado transportation, the federal government through MAP-21 will provide about \$530M annually if fully funded.



MPACT64

Transportation Infrastructure for Colorado

We Can't Afford to Wait

Local Needs Also Adding Up:

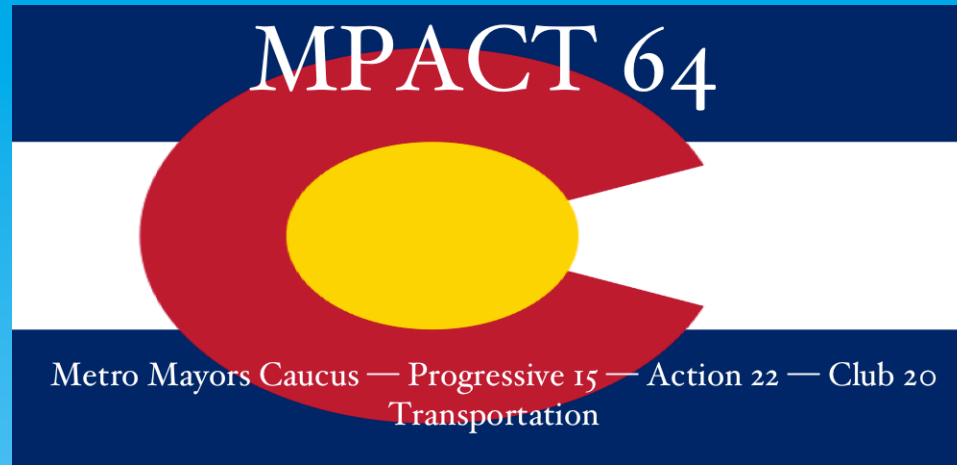
CML & CCI Presented to the Joint Transportation Committees of the Legislature

- * CML told the Committees that they had conducted a survey of their members gauging the state of their local transportation systems. According to CML, the following were their key findings (excerpted from the Move Colorado website)
 - * 90% list streets as a budgetary challenge
 - * 53% list street maintenance/improvements #1
 - * 59% report unfunded identified street projects
 - * 24% report unfunded identified bridge projects
- * CCI backed increasing funding for transportation with an affirmative statement:
 - * “CCI supports efforts to generate increased transportation revenue to address state and local transportation infrastructure needs – including a referred ballot measure to increase transportation revenues – provided that any new revenues generated are shared among state, county and municipal governments in the same proportions as current HUTF payments.” – Colorado Counties, Inc.

MPACT64 Participants as of 5/1/13

Ken Conyers	Action 22
Cathy Garcia	Action 22
Betty Clark-Wine	Action 22
Joe Kiely	Action 22
William Buck	CAST
Steven Skadron	CAST
Joyce Burford	CAST
Stuart Fraser	CAST
Elena Wilken	CASTA
Ann Rajewski	CASTA
Chip Taylor	CCI
Eric Bergman	CCI
Andy Karsian	CCI
Rebecca White	CDOT
Don Hunt	CDOT
Herman Stockinger	CDOT
Dale Hancock	Club 20
Terri Binder	Club 20
Russell George	Club 20
Bonnie Petersen	Club 20
Mark Radtke	CML
Miz Cordero	Colorado Competes
Tony Milo	Colorado Contractors Association
Danny Katz	CoPIRG
Maria Garcia Berry	CRL Associates
Roger Sherman	CRL Associates
Jennifer Webster	Denver Metro Chamber of Commerce

Pat Cronenberger	DRCOG
Steve Cook	DRCOG
Ed Icenogle	Icenogle/Seaver/Pogue
Nancy Sharpe	MACC/CCI
Donald Rosier	MACC/CCI
Jack Hilbert	MACC/CCI
Erik Hansen	MACC/CCI
Robin Kneich	MACC/Denver
Diane S. Barrett	MayorHancock/Denver
Nancy McNally	MMC
Jim Gunning	MMC
Catherine Marinelli	MMC
Marjorie Sloan	MMC
Rick Pilgrim	MMC
Matt Appelbaum	MMC
Bob Murphy	MMC
Peter Kenney	MMC
Marc Williams	MMC/CML
Patrick Quinn	MMC/MACC
Melissa Osse	Move Colorado
Jeff Kullman	Move Colorado
David Foy	Progressive 15
Randy Grauberger	Progressive 15
Cathy Shull	Progressive 15
Will Toor	Southwest Energy Efficiency Project
Kathleen Osher	Transit Alliance



Public Opinion

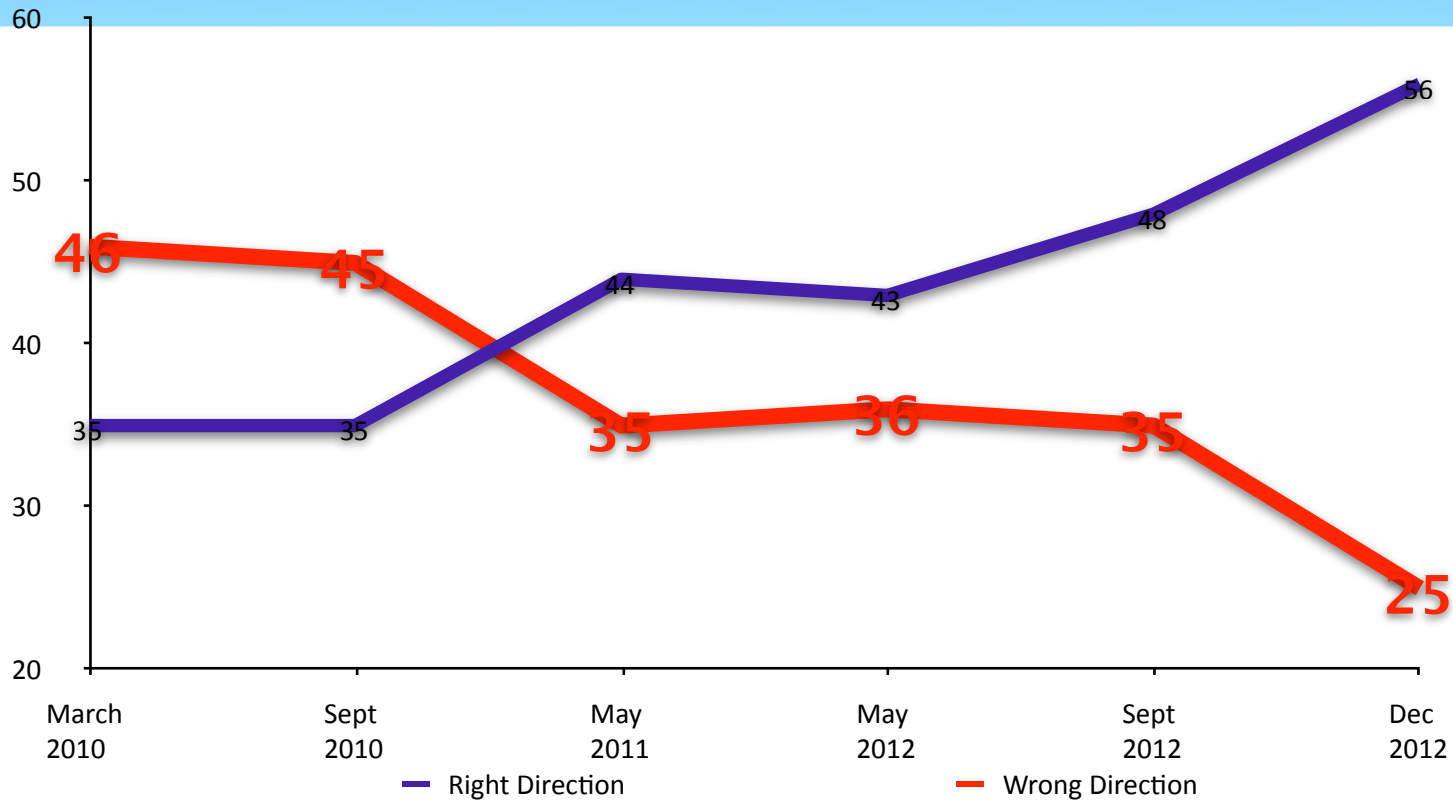
What Do Coloradans Think?

Colorado Transportation Coalition Poll

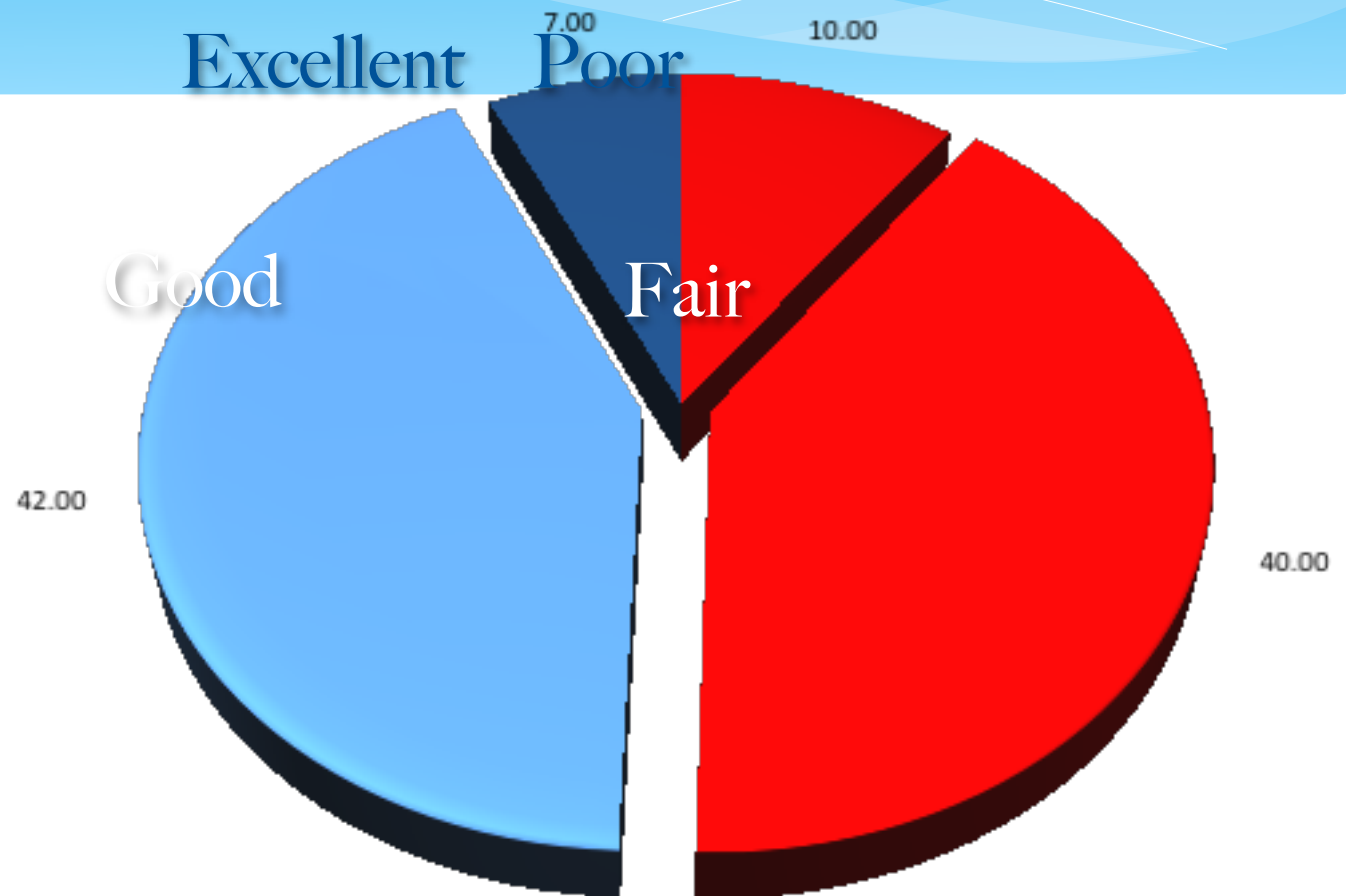
- * Colorado Association of Transit Agencies
- * Colorado Concern
- * Colorado Contractors Association
- * CRL Associates
- * Denver Metro Chamber of Commerce
- * MoveColorado

1000 Coloradans polled on transportation issues November 2012

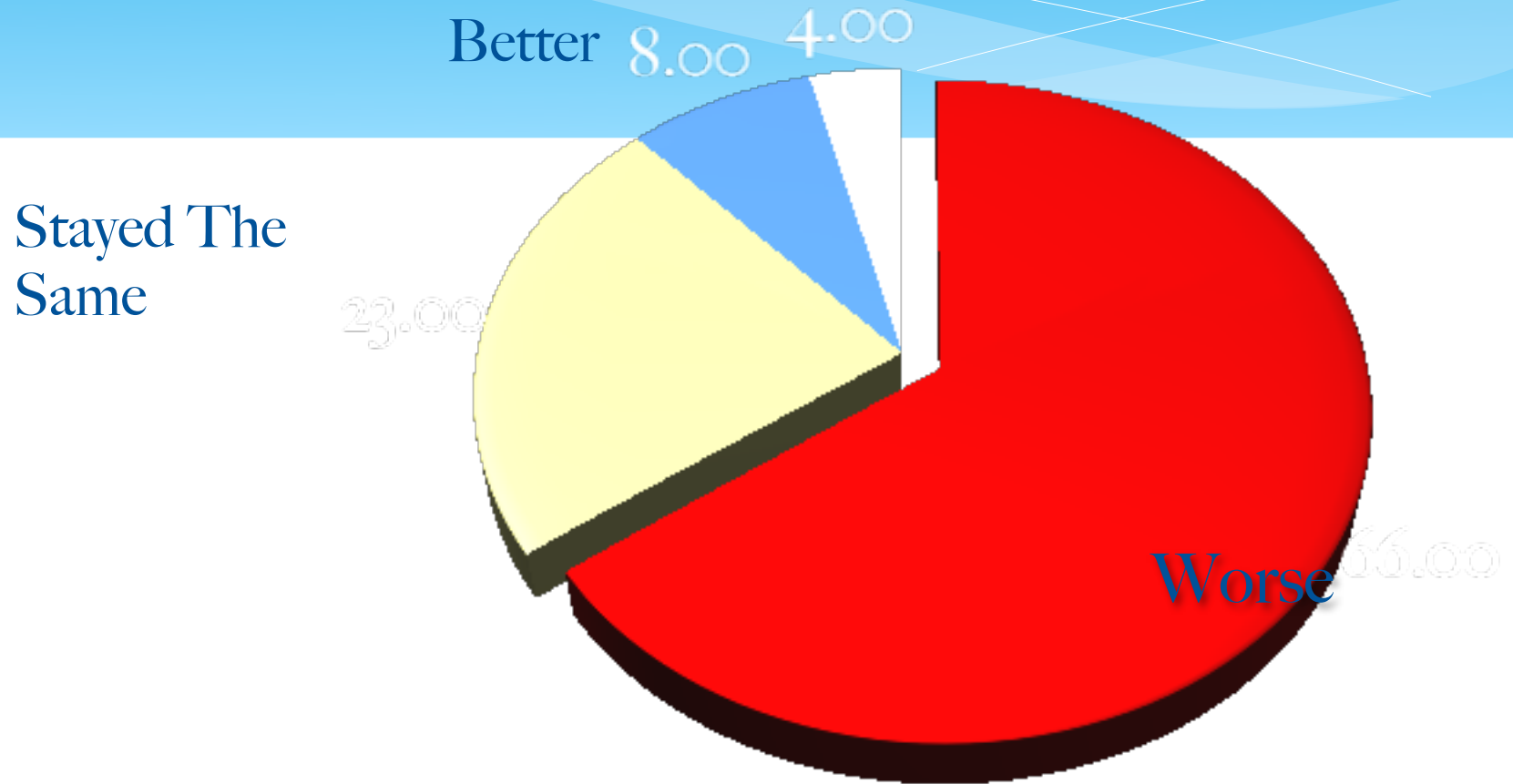
Optimism About Colorado on the Rise



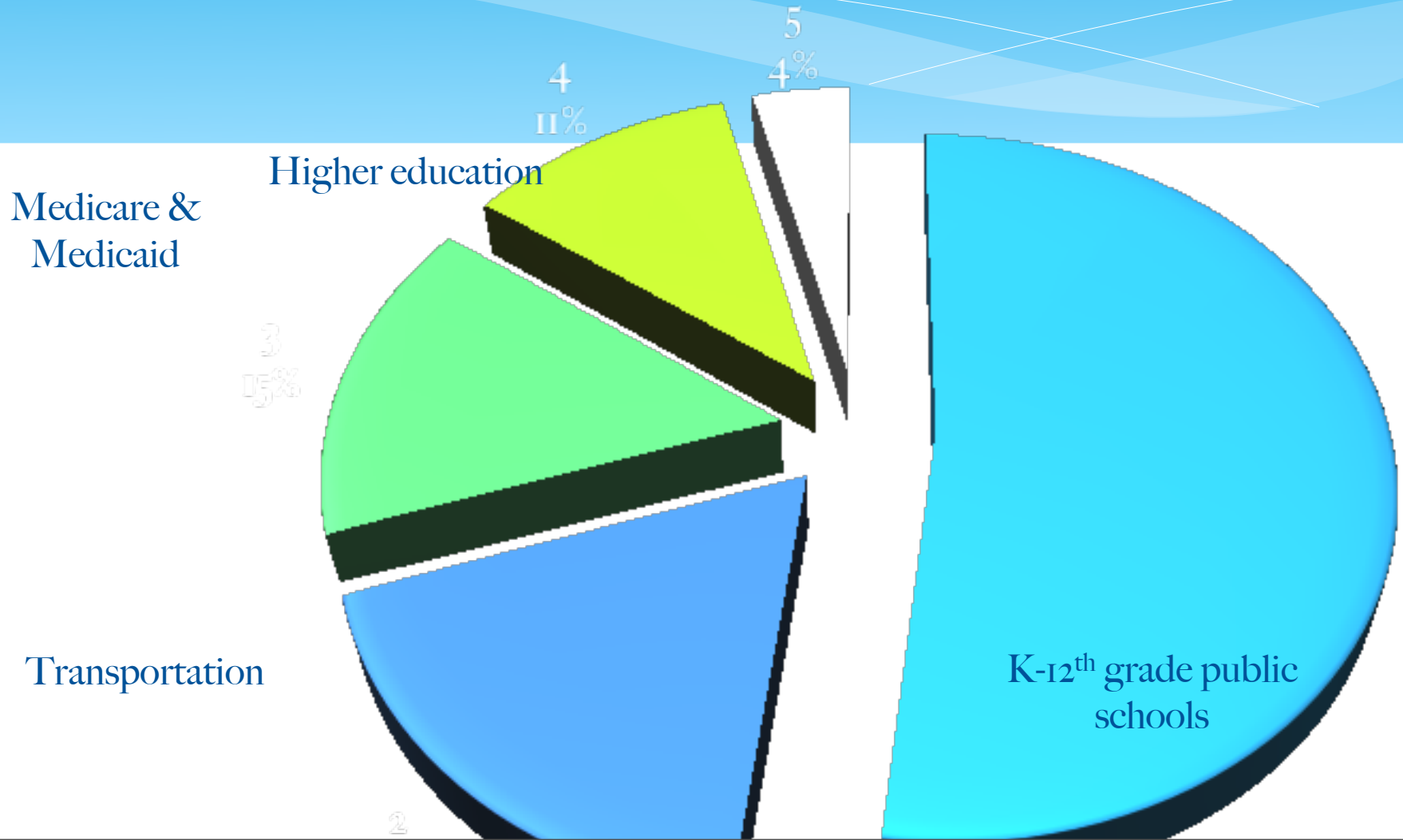
Voters Describe the Quality of the Transportation They Use as Good or Fair



Voters Say Traffic Congestion Has



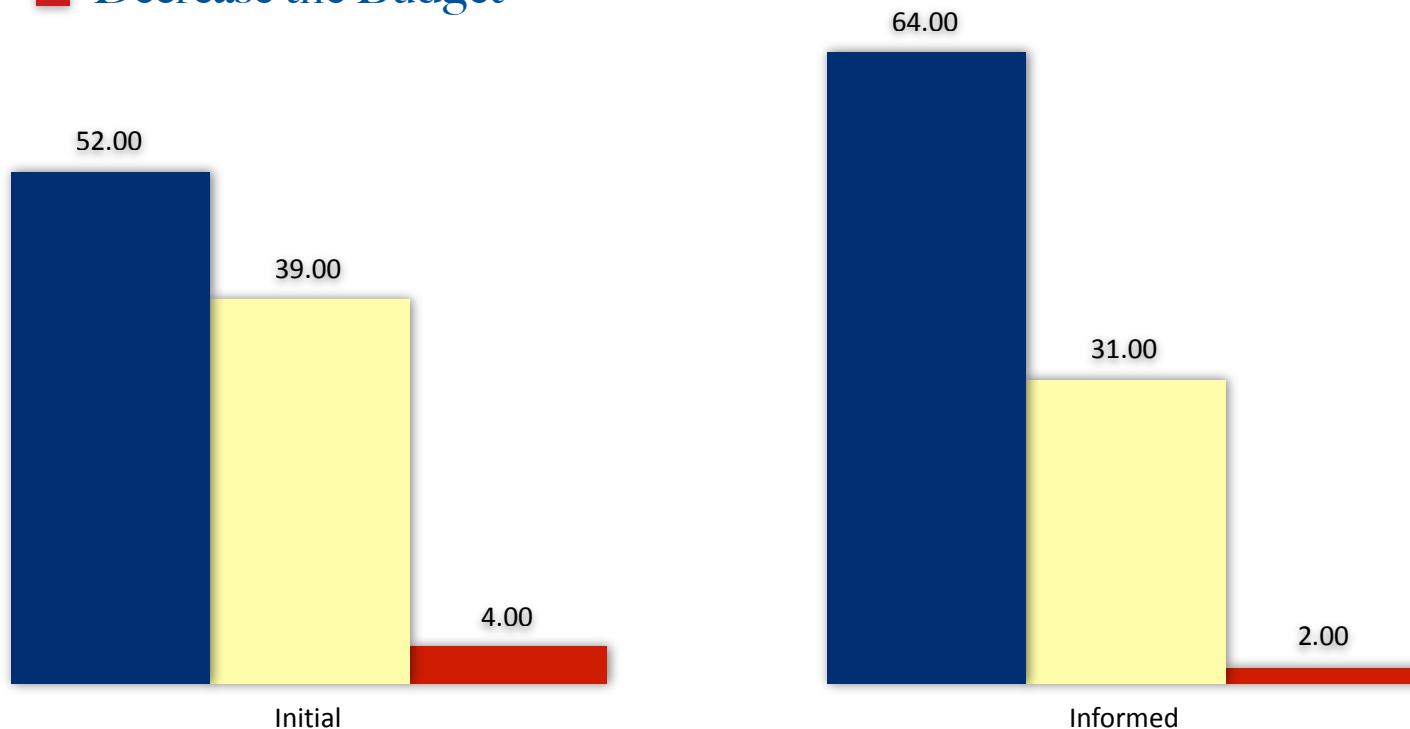
Transportation Not the Highest



Voters Support for Budget Increase

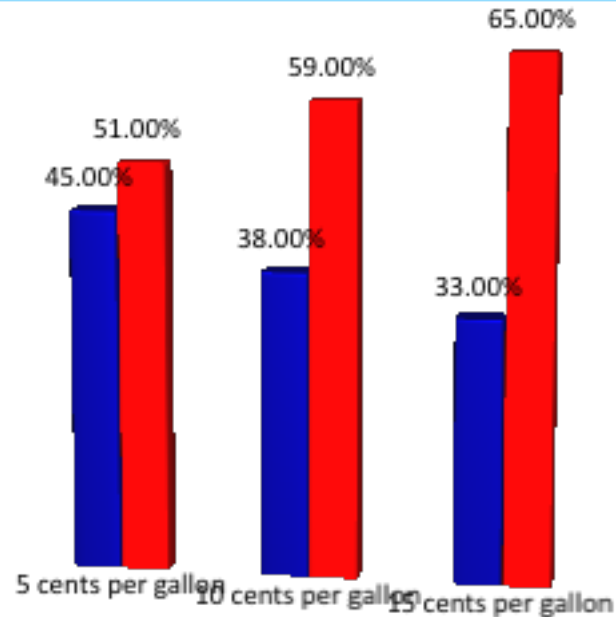
Before and After Information on Status of

- Increase the Budget
- Keep the Budget the Same
- Decrease the Budget



Voters Thoughts on New Revenues

Motor fuel taxes are not popular!



Raises \$132m/yr
\$79M for CDOT

Raises \$264m/yr
\$158M for CDOT

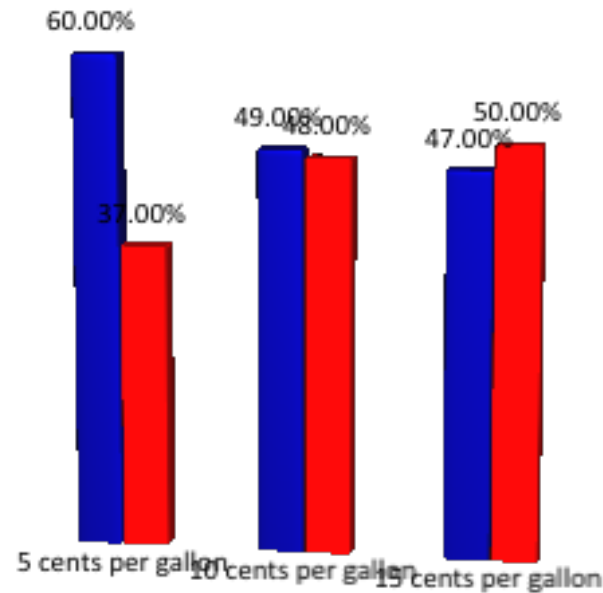
Raises \$538m/yr
\$238M for CDOT

■ Vote Yes

■ Vote No

Voters Thoughts on New Revenues

Still not very popular even after respondents receive



Raises \$132m/yr
\$79M for CDOT

Raises \$264m/yr
\$158M for CDOT

Raises \$538m/yr
\$238M for CDOT

■ Vote Yes

■ Vote No

Is It Just in Colorado?

Reason-Rupe National Poll Released December, 2011:

- * 77% of voters opposed to raising gas tax — 19% favor raising
- * Toll roads/lanes 58% favor them — 28% oppose them
- * Open HOV lanes to tolls 57% favor — 35% oppose
- * Public/private partnership 55% favor — 35% oppose
- * Transit should receive 10% or more of transportation funds
66% agree — 15% disagree

<http://reason.com/assets/db/13273396337678.pdf>

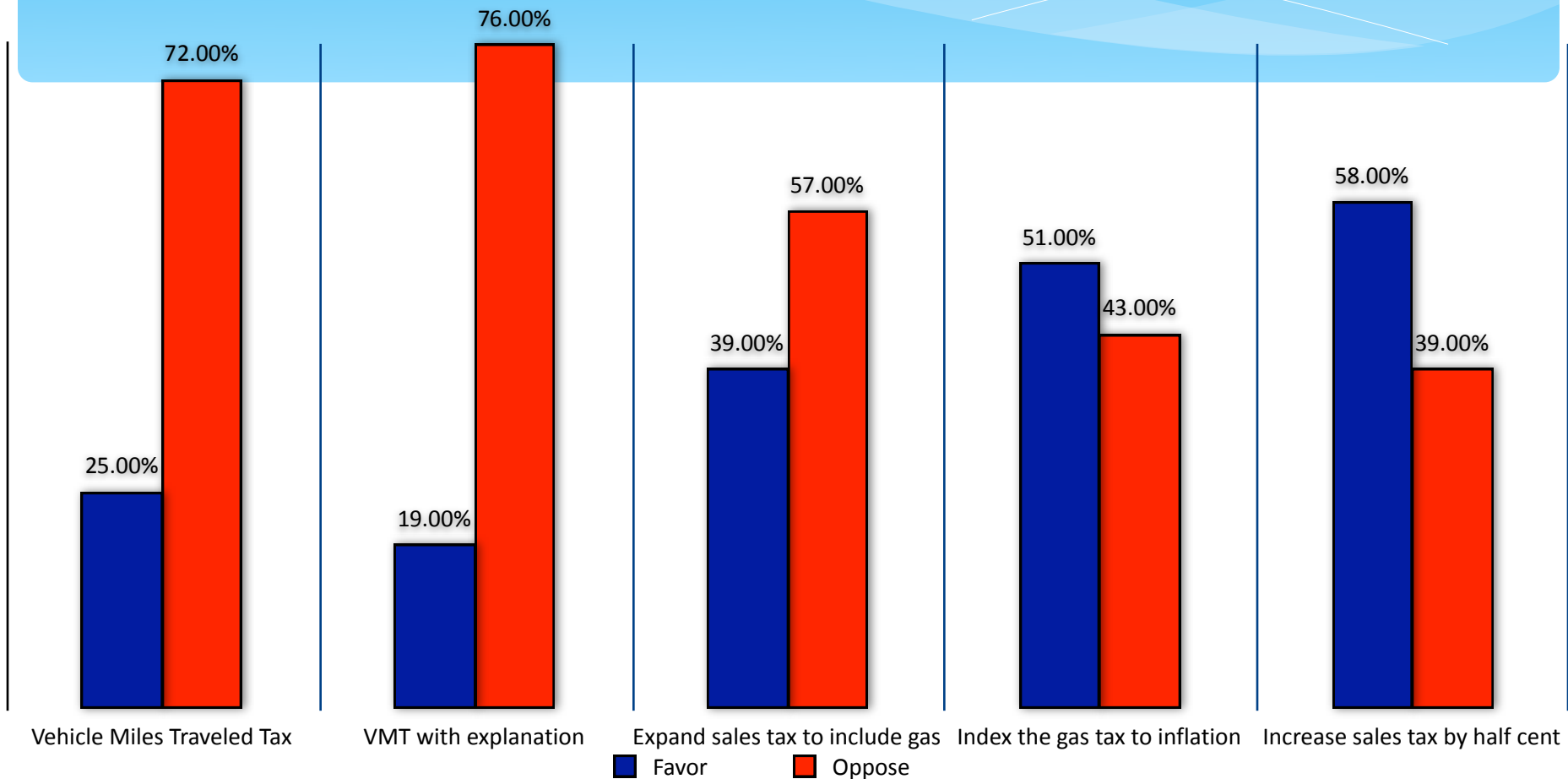
Is It Just in Colorado?

Gallup National Poll Released April 22, 2013:

- * 66% of voters opposed to raising state gas tax by \$.20/gallon
 - * 60% of Democrats oppose the raise
 - * 85% of Republicans oppose the raise
 - * 70% of Independents oppose the raise
- * No one likes the gas tax very much

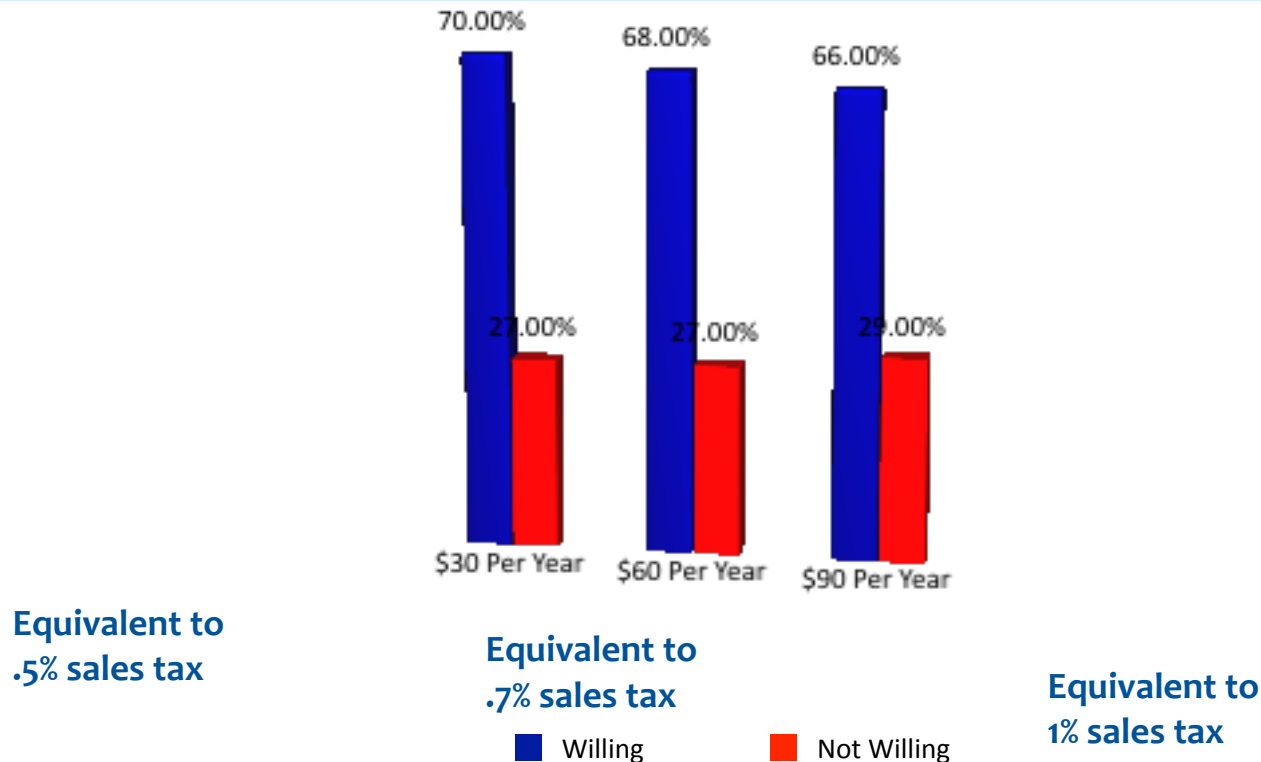
Voters Thoughts on New Revenues

Are there any other good options?



Voters Thoughts on New Revenues

If new revenue was dedicated to maintaining, improving and



Voters Thoughts on Transit

When asked to say what they thought was the best way to improve transportation in Colorado, over 60% statewide pointed to transit. Among the words they chose to use were, in priority order:

- * Light rail
- * Mass transit
- * Rail
- * Bus
- * Trains
- * FasTracks

New transportation finance mechanism won't pass without transit

Revenue Options to Consider

Option	Description	10 YR AVG	CDOT Annual	CITY/CTY Annual	TRANSIT Annual
Gas Tax	10¢ not indexed	\$264	\$158	\$106	NA
	15¢ not indexed	\$396	\$238	\$158	NA
	10¢ indexed	\$386	\$232	\$154	NA
	15¢ indexed	\$538	\$323	\$215	NA
Apply Sales Tax to Gas*	2.9% @ \$3/gallon	\$215	\$129	\$86	NA
	2.9% @ \$4/gallon	\$286	\$172	\$114	NA
General Statewide Sales Tax*	.5¢	\$432	\$173	\$115	\$144
	.7¢	\$605	\$242	\$161	\$202
	1¢	\$864	\$347	\$232	\$285

* State sales tax does not currently include a local share, allocation reflects possible 60/40 split

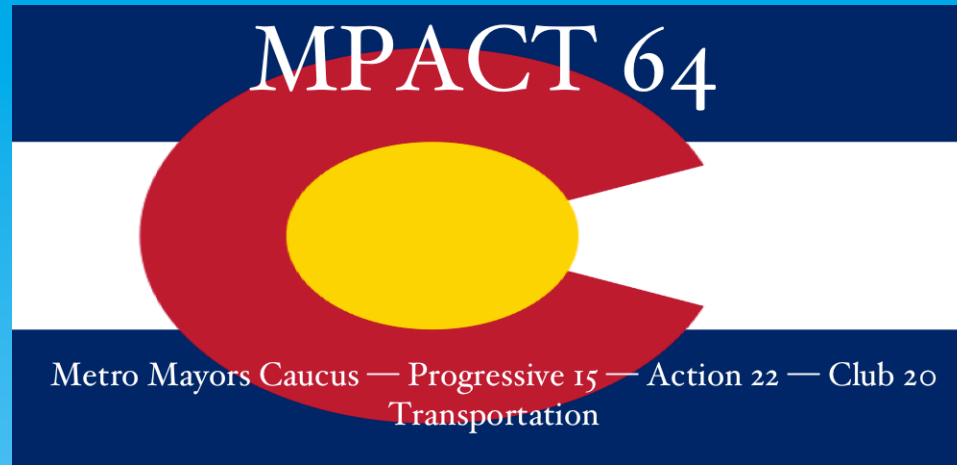
** State Sales tax does not currently include a local share, allocation reflects proposed 1/3 off the top for transit with 60/40 split on remainder

Revenue Options to Consider

Option	Description	10 YR AVG	CDOT Annual	CITY/CTY Annual	TRANSIT Annual
Gas Tax	10¢ not indexed	\$264	\$158	\$106	NA
	15¢ not indexed	\$306	\$238	\$158	NA
	10¢ indexed	\$386	\$232	\$154	NA
	15¢ indexed	\$538	\$323	\$215	NA
Apply Sales Tax to Gas*	2.0% @ \$3/gallon	\$215	\$120	\$86	NA
	2.0% @ \$4/gallon	\$286	\$172	\$114	NA
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	.7¢	\$605	\$242	\$161	\$202
	1¢	\$864	\$347	\$232	\$285

* State sales tax does not currently include a local share, allocation reflects possible 60/40 split

** State Sales tax does not currently include a local share, allocation reflects proposed 1/3 off the top for transit with 60/40 split on remainder



MPACT64 Seeks Solutions

MPACT64 Begins the Transportation Discussion

- * 2003 MPAC (Metro Mayors Caucus, Progressive 15, Action 22, Club 20) came together to create and promote water development principles for Colorado
- * 2005 MPAC expanded discussion to Transportation
- * 2011 metro area discussion of a joint highway and transit funding proposal led to MPAC members reengaging to ensure regional action would not preclude statewide funding for transportation
- * 2012 MPACT64 meetings and discussion began

MPACT64 Priorities

* Funding Priorities

- * Multimodal improvements
- * System preservation & annual maintenance
- * Safety
- * New capacity – managed lanes

* Revenue Strategies

- * Statewide funding first
- * Then address regional needs
- * Or — both at once

Revenue Strategies Under Discussion

- * Motor Fuel Tax

- * User fees — seen as necessary and appropriate by many
- * Paid by trucking industry and tourist traffic
- * Unpopular with voters in Colorado & nationwide
- * Declining revenue source with fuel efficiency & alternate fuel vehicles

- * Extending State sales tax to fuels

- * Sales Tax

- * Popular with voters
- * Relied on by local governments as a general revenue source
- * Temporary source at best

- * Other user fees — VMT? (Maybe in the future)

MPACT64 Straw Man Potential Funding Strategy

- * Statewide Sales Tax Increase
 - * Transportation Lockbox
 - * No access for “off the top” diversions (State Patrol, Ports of Entry, etc.)
 - * No access for legislative diversion to general fund expenditure
 - * .7% sales tax
 - * 10 to 15 year sunset
 - * Distribution between HUTF and Transit at 67% and 33%
 - * Transit distribution to transit agencies and interregional transit projects
 - * HUTF distribution 60% to State, 22% to counties, 18% to municipalities
 - * Distribution to municipalities optional by region of the state:
 - * Rural by HUTF formulas?
 - * Metro/urban by population?
- * State and regional project list
- * Discussion of alternate strategies is ongoing

Possible Distribution Scenario



Distribution assuming .7% sales tax dedicated to transportation — with 33% for transit and 67% to the HUTF
Typical HUTF split — 60% to the State — 22% to the Counties — 18% to the municipalities

Distribution Categories	Total	67% HUTF	33% Transit	60% HUTF to State	22% HUTF to Counties	18% HUTF to Municipalities
.7% Sales Tax Annual Statewide (10 Year Average)	\$605,000,000	\$405,350,000	\$199,650,000	\$243,210,000	\$89,177,000	\$72,963,000

Sample Impact For Colorado Counties

SALES TAX AT .7% — HUTF/TRANSIT AT 67%/33% — DISTRIBUTION TO COUNTIES 22% USING HUTF FORMULA

COUNTY	2012 HUTF RECEIVED	SHARE OF .7% SALES TAX
ARAPAHOE	\$8,033,261.52	\$3,832,207.79
CHEYENNE	\$1,317,316.04	\$628,415.84
DOUGLAS	\$7,002,160.20	\$3,340,328.55
GARFIELD	\$3,171,432.01	\$1,512,908.10
HUERFANO	\$1,582,274.25	\$754,812.19
LA PLATA	\$2,932,952.68	\$1,399,143.31
LARIMER	\$7,643,424.07	\$3,646,238.72
LOGAN	\$3,502,775.41	\$1,670,973.01
MESA	\$7,400,421.00	\$3,530,315.91
MORGAN	\$2,749,877.09	\$1,311,808.46
PITKIN	\$1,059,466.98	\$505,410.86

Sample Impact For Ski Country

SALES TAX AT .7% – HUTF/TRANSIT AT 67%/33% – DISTRIBUTION TO CITIES & COUNTIES USING HUTF FORMULA

MUNICIPALITY/COUNTY	2012 HUTF RECEIVED	SHARE OF .7% SALES TAX
ASPEN	\$246,365.91	\$141,043.12
BRECKENRIDGE	\$251,725.92	\$144,111.70
CRESTED BUTTE	\$49,546.05	\$28,364.84
DURANGO	\$492,175.50	\$281,767.75
FRISCO	\$107,363.14	\$61,464.80
SILVERTHORNE	\$205,506.44	\$117,651.30
STEAMBOAT SPRINGS	\$422,009.00	\$241,597.82
TELLURIDE	\$63,855.93	\$36,557.17
VAIL	\$213,981.24	\$122,503.07
WINTER PARK	\$42,415.71	\$24,282.76
EAGLE COUNTY	\$2,100,837.78	\$1,002,189.07
GRAND COUNTY	2548460	\$1,215,723.93
GUNNISON COUNTY	\$2,574,442.09	\$1,228,118.49
SUMMIT COUNTY	\$1,087,411.75	\$518,741.70

This is a Temporary Solution at Best

What Comes After Fuel Tax Is No Longer Viable and Any Interim Solution Sunsets?

- * Do we want only user taxes/fees
- * How do we ensure everyone contributes
 - * Electric cars/natural gas/other alternates
 - * Trucking industry
 - * Tourism
- * Should it fund transit & bike/ped needs

Ideas?