

# Chapter 10

---

## Financial Plan



Aerial View of Milliken. Image Credit: Town of Milliken

## Chapter 10: Financial Plan

The 2040 Financial Plan is based on the financial forecast identified from the Colorado Department of Transportation (CDOT) Program Distribution and from discussion with the local communities and how these resources are allocated to the Regionally Significant Corridors (RSCs) outlined in *Chapter 2* and *Chapter 9*. The Financial Plan has been developed by the North Front Range Transportation and Air Quality Planning Council (NFRFTAQPC), the NFR Technical Advisory Committee (TAC), CDOT, and local communities to project anticipated revenues used for transportation improvements on the various corridors during the life of the 2040 plan.

### A. Funding Program Distribution

On February 20, 2014, the Colorado Transportation Commission (CTC) passed Resolution #TC-3139 approving Program Distribution for FY2016 – 2040 which identified federal sources anticipated to fund the various transportation programs listed in this section. Estimates of available federal, State, and local funding for the 2040 RTP period from FY2016 to FY2040 are included in **Table 10-1**. These are considered by CDOT and local communities to be reasonable estimates of what will be available for the timeframe of the 2040 RTP. Sources for these revenue projections include CTC program distribution estimates, the FY2016-2019 North Front Range Metropolitan Planning Organization (NFRMPO) Transportation Improvement Program (TIP), and local government impact fee and funding estimates. All funding estimates are shown in deflated FY 2016 dollars.

Funding Program		Amount (thousands)
Federal / State Funds	Regional Priority Program	\$54,230
	FASTER Safety	\$70,569
	FASTER Bridge Enterprise	\$11,631
	Highway Safety Investment Program	\$37,601
	Transportation Alternatives Program (TAP)	\$11,153
	Surface Transportation Program – Metro (STP-Metro)*	\$59,381
	Congestion Mitigation and Air Quality (CMAQ)	\$68,485
	FASTER Transit Local	\$1,794
	Asset Management – Maintenance	\$242,415
	Asset Management – Surface Treatment	\$178,285
	Asset Management – Structures On-System	\$31,731
	FTA §5307	\$86,129
	FTA §5310	\$10,433
	FTA §5311	\$3,250
	FTA §5339	\$8,786
Local Funds	Local Impact Fees	\$158,642
	Local General Funds	\$109,800
	Local Tax	\$188,305
Total		\$1,332,620

\*STP-Metro funds exclude an estimated \$13.6 M for NFRMPO Operations through 2040

Funding estimates total \$1.33 B for the timeframe of the 2040 Regional Transportation Plan (RTP). Federal and State funds account for \$875.87 M, or 66 percent of the total. Local funding, including local government and private contributions, are projected to be \$456.75 M, or 34 percent of the total.

As individual projects are added to the TIP, they are assumed not to be regionally significant in terms of air quality impacts unless they trigger an air quality conformity determination. Air quality significant projects are defined by the NFRMPO if they:

- ▶ Add a travel lane at least one mile in length, or complete a regional connection;
- ▶ Add a new intersection on principal arterials or above;
- ▶ Add new interchanges or grade separated intersections;
- ▶ Major improvements to existing interchanges, excluding drainage improvements and ramp widening;
- ▶ Regional transit projects between jurisdictions;
- ▶ Regional transit projects on fixed guideways that offer a significant alternative to regional highway travel; or
- ▶ Add or delete a major bus routes with 3,000 riders per day, taking into account existing service levels.

Program applicants are required to coordinate with the NFRMPO to ensure consistency with the current RTP and the TIP. Similarly, communication with CDOT is necessary to facilitate coordination between regional and statewide plans and programs. The consistency requirement is considered to be met with the Statewide Transportation Improvement Program (STIP) if demonstrated at the RTP and TIP level. This enables the projects awarded funds under the discretionary programs to be interpreted as eligible for inclusion in the STIP. Projects included in the NFRMPO TIP and the STIP selected from the funding programs are consistent with the goals and objectives of the 2040 RTP.

### CDOT Controlled Highway Programs

Projects in the NFRMPO TIP and the CDOT STIP are selected from the following programs through processes involving statewide competition, program-specific applications, or CDOT Region 4 are typically considered to be consistent with the goals and objectives of this plan:

- ▶ **Regional Priorities Program (RPP):** The goal of this program is to implement regionally significant projects identified through the transportation planning process. These funds are flexible in use and are allocated to the regions by the CTC on an annual basis. The allocations are based on regional population, CDOT on-system lane miles, and CDOT on-system truck Vehicle Miles Traveled (VMT).
- ▶ **FASTER Funds:** In the spring of 2009, the State of Colorado passed legislation to impose fees to generate revenue for transportation within the State. The fees are assessed on vehicle registration, rental cars, and an increase to oversize and overweight vehicle permits. For CDOT, Funding Advancements for Surface Transportation and Economic Recovery Act of 2009 (FASTER) funds are broken into three programs: Bridge, Safety, and Transit. FASTER Bridge is administered through the Colorado Bridge Enterprise, which targets funding to address Colorado's deficient bridges and for 2040 RTP purposes is considered and included as a CDOT program.
  - **FASTER Safety:** Created by the Colorado General Assembly, funds roadway safety projects including construction, reconstruction, or maintenance of projects needed to enhance the safety of the State and federal highway system. Collected fees are distributed by CDOT to cities, towns, and counties based on crash data weighted by the National Safety Council. Estimates include cost per fatality, injury, or other crash types.
  - **FASTER Bridge Enterprise:** This program was formed in 2009 to finance, repair, reconstruct and replace bridges designated as structurally deficient or functionally obsolete.

- **FASTER Transit:** A CDOT administered, statewide program implemented to promote, plan, design, finance, operate, maintain, and contract for transit services such as passenger rail, buses, and advanced guideway systems.
  
- ▶ **Asset Management**
  - **Maintenance:** This program evaluates maintenance levels of service on the State Highway system. The CTC has established specific grade levels as objectives for the various activities associated with the maintenance program.
  - **Surface Treatment:** This program identifies the remaining service life of the State Highway system to determine where the surface treatment funding should be used in meeting the CTC's goals. In 2013, the Transportation Commission set an objective of having 80 percent of the State Highway system rated as high-drivability (10+ years) or moderate-drivability (four to 10 years) remaining life.
  - **Bridge Program (Structures On-System):** This program identifies the condition of every bridge on the Federal and State highway systems to determine where bridge funding should be allocated. The purpose of the Bridge Program is to finance, repair, reconstruct, and replace bridges designated as structurally deficient or functionally obsolete.

### NFRMPO Controlled FHWA Programs

The NFRT&AQPC selects projects to receive funding from the following programs, through an approved call for projects process. The most recent call for projects was completed in December 2014 for the FY2016-2019 TIP. These projects represent the first four years of the 2040 RTP.

- ▶ **Transportation Alternatives Program (TAP):** TAP was authorized under MAP-21 legislation to provide funding for programs and projects defined as transportation alternatives. These programs include, but are not limited to, on-road and off-road bicycle and pedestrian facilities, infrastructure for non-driver access to public transportation, recreational trail program projects, and safe routes to school projects. TAP replaced and consolidated the Transportation Enhancements Program previously authorized under The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFTEA-LU), recreational trail program, and safe routes to school programs, which were separate programs.
- ▶ **Surface Transportation Program Metro (STP-Metro):** These Federal Highway Administration (FHWA) funds are sub-allocated to urbanized areas with populations over 200,000. The sub-allocation is based on each area's share of the urbanized areas in the U.S. Funds may be used on a wide variety of highway transportation improvement projects, as defined in 23 U.S.C. 123.<sup>3</sup> This is one of the most flexible federal funding sources available.
- ▶ **Congestion Mitigation and Air Quality (CMAQ) Improvements:** CMAQ funds are FHWA funds restricted to improvements which contribute to attainment or maintenance of National Ambient Air Quality Standards (NAAQS). CMAQ funds are eligible for air quality improvement projects, including ITS,

---

<sup>3</sup> <http://www.fhwa.dot.gov/map21/docs/title23usc.pdf>

alternative fuel vehicles and vehicle retrofitting, non-motorized improvements, and alternative fuel bus purchases and replacements. CMAQ funds used for transit purposes can be flexed from FHWA to Federal Transit Administration (FTA) funds, including limited transit operations.

### FTA Programs

FTA allocates funding based on formulas or projections from previously reported data. The total amount available for a program is based on funding authorized under MAP-21 and is apportioned according to population and other reported data. There are two transit providers that receive FTA funds based on population in the region: the City of Fort Collins (Transfort) and Greeley-Evans Transit (GET):

- ▶ **Transfort** receives funds based on an urbanized area formula program for areas with a population between 200,000 and 999,999. Transfort receives FTA funds on behalf of the Fort Collins – Loveland – Berthoud Transportation Management Area (TMA), which also includes the VanGo™ vanpool program.
- ▶ **GET** receives funds based on an urbanized area formula program for areas with a population between 50,000 and 199,999. GET uses the FTA funds to provide services to the Greeley – Evans area.

The two transit providers produce a program of projects each fiscal year based on FTA apportionments as published annually in the Federal Register. The program includes projects to be carried out using funds made available based on the urbanized area formulas. These projects include capital transit improvements, bus purchase and rehabilitation, bus facility upgrades, maintenance, and operations. The transit providers program of projects are amended into the TIP as they are received. The FTA requires all projects be included in the TIP and STIP before funds can be obligated. CDOT also administers some FTA funding programs through a competitive process.

The following formula programs are anticipated to continue to be available for transit funding in the region:

- ▶ **FTA §5307 Urbanized Area Formula Program:** This program makes federal resources available to urbanized areas for transit capital and operating assistance. Urbanized areas those areas with a population of 50,000 or more as designated by the U.S. Census Bureau.
- ▶ **FTA §5310 Transportation for Elderly Persons and Persons with Disabilities Program:** This program supports the purchase of vehicles for transportation of the elderly and individuals with disabilities. It is used by a variety of non-profit and public agencies. In Colorado, §5310 funds can also be used for mobility management program and project implementation.
- ▶ **FTA §5311 Rural & Small Urban Areas Non-urbanized Areas Program:** This formula based program provides funding in support of public transportation in rural areas with population of less than 50,000.
- ▶ **FTA §5339 Bus and Bus Facilities Program:** This program provides capital funding to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities.

Projects selected to receive discretionary program funding are also included in the TIP and STIP. The discretionary programs for transit projects are not formula-based and typically result in a competitive application process:

Local Programs and Fees

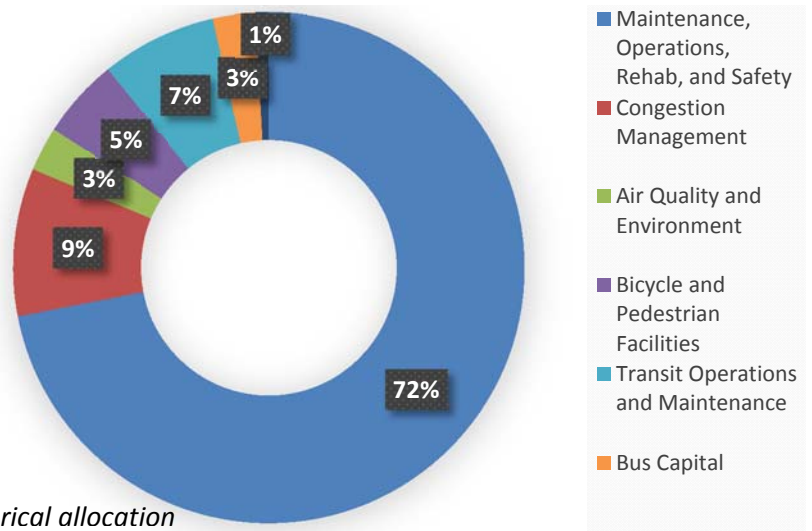
- ▶ **Impact Fees:** Impact fees are development charges imposed to fund capital projects intended to offset the impacts caused by a proposed development. Impact fee projections are based on information from the 2010 NFRMPO Transportation Impact Fee Report. For the purposes of the 2040 RTP, it is estimated that 50 percent of the generated transportation impact fees would be used on RSCs.
- ▶ **General Funds:** General funds typically are the primary operating funds for municipalities. The general funds represented in the 2040 RTP are specifically directed towards transportation system improvements and maintenance. For the purposes of the 2040 RTP, it is estimated that 50 percent of the general funds would be used on RSCs.
- ▶ **Local Tax:** Funds generated by sales, use, and property tax can be transferred to general funds, allocated to transportation, or directed towards capital projects. Tax funds represented in the 2040 RTP are specifically directed towards transportation system improvements.
  - **Fort Collins Building on Basics 2.0:** Fort Collins began collecting a capital improvement tax in 1973 as part of the general election cycle. The current improvement tax, an extension of the 2005 Building on Basics (BOB) initiative, is a 0.25 percent sales tax for the construction of certain capital projects. BOB 2.0 was approved by voters on April 7, 2015 and covers a 10 year period, including FY2016-2025. The 2040 RTP assumes BOB would be granted a third extension through FY2035, and 30 percent of BOB funds would be spent on RSCs in Fort Collins.
  - **Fort Collins 0.25 Percent Sales Tax:** In April 2015, Fort Collins residents voted to approve an extension of a 0.25 percent sales tax to fund the street maintenance program for a 10 year period covering FY2016-2025. The 2040 RTP assumes the sales tax would be granted another extension through FY2035, and 15 percent of the funds would be spent on RSCs in Fort Collins.
  - **City of Greeley:** Greeley utilizes sales tax for roadway maintenance and capital construction. The 2040 RTP assumes the Greeley sales tax would be extended for the life of this plan, and 50 percent of funds would be spent on RSC's in Greeley.
  - **City of Loveland:** Current tax revenues for transportation in Loveland include sales tax, use tax, and property tax. The 2040 RTP assumes the Loveland sales tax would be extended for the life the plan, and 50 percent of funds would be spent on RSC's in Loveland.

B. Resource Allocation

Resource allocation is a process which estimates funds which are reasonably anticipated to become available over the time frame of this 2040 RTP. The NFRMPO intends to distribute the limited funding available for

*\*Based on historical allocation*

Figure 10-1: Estimates of Available Funding Allocation\*



regional transportation system improvements to best achieve the vision and goals of the 2040 RTP. Figures presented in **Table 10-2** were derived from historical funding trends in the FY2012-2017 and the FY2016-2019 TIPs. **Figure 10-1** shows the percentage breakdown of how funding resources are anticipated to be allocated based on historical funding trends.

<b>Table 10-2: Estimates of Available Funding Allocation (FY2016 \$ shown in thousands)*</b>								
<b>Funding Program</b>	<b>Roadway Maintenance, Operations, Rehab, and Safety</b>	<b>Congestion Management</b>	<b>Air Quality and Environment</b>	<b>Bicycle and Pedestrian Facilities</b>	<b>Transit Operations and Maintenance</b>	<b>Bus Capital</b>	<b>Paratransit Capital</b>	<b>Total</b>
Regional Priority Program (RPP)	\$24,950	\$29,280	\$0	\$0	\$0	\$0	\$0	\$54,230
FASTER Safety	\$50,669	\$19,760	\$0	\$140	\$0	\$0	\$0	\$70,569
FASTER Bridge Enterprise	\$11,631	\$0	\$0	\$0	\$0	\$0	\$0	\$11,631
Highway Safety Investment Program	\$37,601	\$0	\$0	\$0	\$0	\$0	\$0	\$37,601
TAP	\$0	\$0	\$0	\$11,153	\$0	\$0	\$0	\$11,153
STP-Metro	\$39,785	\$13,064	\$0	\$6,532	\$0	\$0	\$0	\$59,381
CMAQ	\$0	\$17,120	\$23,970	\$3,425	\$3,425	\$20,545	\$0	\$68,485
FASTER Transit Local	\$0	\$0	\$0	\$0	\$1,794	\$0	\$0	\$1,794
Asset Management – Maintenance	\$242,415	\$0	\$0	\$0	\$0	\$0	\$0	\$242,415
Asset Management – Surface Treatment	\$178,285	\$0	\$0	\$0	\$0	\$0	\$0	\$178,285
Asset Management – Structures On-System	\$31,731	\$0	\$0	\$0	\$0	\$0	\$0	\$31,731
FTA §5307	\$0	\$0	\$0	\$0	\$86,129	\$0	\$0	\$86,129
FTA §5310	\$0	\$0	\$0	\$0	\$0	\$0	\$10,433	\$10,433
FTA §5311	\$0	\$0	\$0	\$0	\$3,250	\$0	\$0	\$3,250
FTA §5339	\$0	\$0	\$0	\$0	\$0	\$8,786	\$0	\$8,786
Local Impact Fees	\$126,915	\$17,450	\$5,552	\$8,725	\$0	\$0	\$0	\$158,642
Local General Funds	\$87,840	\$12,078	\$3,843	\$6,039	\$0	\$0	\$0	\$109,800
Local Tax	\$130,032	\$16,475	\$4,321	\$31,495	\$0	\$5,982	\$0	\$188,305
<b>Total</b>	<b>\$961,854</b>	<b>\$125,227</b>	<b>\$37,686</b>	<b>\$67,509</b>	<b>\$94,598</b>	<b>\$35,313</b>	<b>\$10,433</b>	<b>\$1,332,620</b>
<b>Percentage</b>	<b>72%</b>	<b>9%</b>	<b>3%</b>	<b>5%</b>	<b>7%</b>	<b>3%</b>	<b>1%</b>	<b>100%</b>

\*Based on historical allocation

### C. North I-25 Corridor

In 2014, the NFRT&AQPC voted to direct funds toward transportation improvements on the North I-25 Corridor within the NFRMPO Boundary. The Council chose to commit \$5 M in STP-Metro funds over the four year period of the FY2016-2019 TIP to two regionally significant projects to help alleviate congestion on I-25 in the region. Those projects are included in **Table 10-3**.

Table 10-3: North I-25 Project Specific Funding (FY2016 \$, shown in thousands)					
Project Name	Funding Program	Federal	State	Local	Total
North I-25 Corridor (Denver to Fort Collins)	Regional Priorities Program (RPP)	\$1,090	--	--	\$34,090
	RAMP	--	\$28,000	--	
	FASTER Safety	--	\$5,000	--	
I-25 Post EIS Design & ROW	RPP	\$3,203	\$801	--	\$4,004
I-25 Truck Climbing Lane	STP-Metro	\$3,000	--	--	\$3,000
I-25 / Crossroads Boulevard	STP-Metro	\$2,000	--	--	\$2,000
Total:					\$43,094

The Corridor Vision for I-25, RSC 22, is discussed in detail in **Chapter 9** and includes a summary of investments needed along the North I-25 Corridor.