



Senate Bill 16-210

The Fix Colorado Roads Act

Restoring Colorado's Commitment to Transportation through Funding and Finance

Our call to action is simple: Couple a new, stable General Fund investment in transportation infrastructure with a continued CDOT commitment to dedicate a small portion of their budget to fund a \$3.5 billion **Fix Colorado Roads** bond program. **Leveraging today's new and existing revenue stream to accelerate our investment will create jobs, improve safety on our roads and keep Colorado's economy competitive.**

The Fix Colorado Roads Act proposes to:

- Authorize \$3.5 billion in bonding capacity for state transportation projects.
- Fund 45+ transportation projects throughout Colorado
 - I-70 Mountain Corridor, South I-25 Corridor and North I-25 Corridor are the signature projects.
 - Project list aligns with CDOT's list of priority projects referred to as the "228 list"
- Provide nearly \$1 billion over three years to fund CDOT's Asset Management (O&M) Program
 - Dedicate \$500 million of bond proceeds for larger asset management project
 - Allow CDOT to retain \$160M+ of General Fund transfer for three years
- Repeal the temporary, unreliable and volatile SB 228 funding mechanism
- Restore stable General Fund funding for transportation and capital construction
 - \$160M+ annual transfer equal to 5% of state sales tax revenue to the State Highway Fund
 - \$32M+ annual transfer equal to 1% of state sales tax revenue to the Capital Construction Fund.

Basis for The Fix Colorado Roads Act

Finance

- Bonding is a proven route to leverage any new and existing funds to accelerate the completion of important transportation projects throughout the state.
 - The 1999 1.7 billion TRANS Bonds program successfully delivered 28 projects statewide, including the I-25 TREX project
- Record low interest rates make bonding the most cost effective way to build our transportation infrastructure
- Allows projects to begin immediately and simultaneously — bringing positive impact to local communities across the state – without long delays for funds to become available.
- Bonding is the only way to fund large-scale projects. Without an infusion of cash that bonding provides, projects like North and South I-25 and I-70 Mountain won't be done until 2075.

Funding

- With the recent passage of HB 1416, the JBC and legislature agreed that SB 228 is flawed
- HB 1416 set a policy that required a fixed appropriation for transportation in FY 15-16 and FY 16-17, a departure from the flawed SB 228 mechanism.
- \$199 million and \$158 million appropriations in FY 15-16 and FY 16-17, respectively, for transportation set a base level of funding, not unlike any other line item in the budget
- The Act proposes that the base level of funding continue into the future with a stable mechanism to replace the SB 228 funding mechanism
- General funds for transportation will be combined with a portion of CDOT funds to deliver the \$250M annual payment that generates the \$3.5B in bonding proceeds.

CDOT's Asset Management Program

- Address CDOT concerns about impacts to CDOT's Asset Management (O&M) program
- Provide a stable source of funds to pay for the bonds
- Stipulate that significant resources to address critical asset management needs now

The Project List

- List aligns with CDOT's "228 List", their statewide priority projects
- List developed from input from CDOT's planning regions and State Transportation Advisory Council
- Up to 10% of state funding must be directed to transit projects per statutory requirements of the State Highway Fund

The Background

The status quo on our roadways threatens the vibrancy of our economy, our attractiveness as a destination for business and tourism and our quality of life. Travel times are increasing. The ability to engage in commerce becomes more challenging by the year. Tourist destinations become less attractive because it is a growing challenge to get there and back in a reasonable time.

Our transportation challenges threaten our economic competitiveness.

Coloradans know our roads are in dire need of repair and expansion – with 90 percent agreeing to that fact in recent polling. In every region of the state, fixing Colorado's roads is the most important funding priority.

Colorado devotes NO permanent and reliable general fund dollars to our transportation woes...which is one major cause of a transportation system that is failing to keep pace with our state's economic and population growth.

Current law, passed in 2009, is volatile, unreliable and temporary, enacted as a stopgap with the belief that **a permanent source of general fund dollars for roads would be enacted.**

By comparison, Utah and Texas, two of our strongest economic competitors, contribute mightily from their general fund revenues to fund and further enhance their already robust transportation infrastructure capacity program.

Until 2009, Colorado dedicated up to 11 percent of its sales and use tax revenues to transportation funding. It's time for Colorado to return to its commitment to transportation.

And voters agree. 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.

Meanwhile, CDOT is to be commended for dedicating a small portion of its annual budget since 1999 to bond payments to finance and accelerate the construction of major infrastructure transportation projects throughout Colorado. **It's a model that has proven very successful and one that should be renewed.**

With interest rates at their lowest in history, the state can bond against new and existing revenue to generate approximately \$3.5 billion in bond proceeds, a lump sum which can be used to accelerate much needed transportation projects throughout Colorado.

Supporters of the Fix Colorado Roads Act

A growing coalition of business groups and local governments from every region of the state believes that 2016 is the year to fix Colorado roads.

Northern Colorado Legislative Alliance

Colorado Counties, Inc.

Colorado Concern

Colorado Business Roundtable

NFIB

Upstate Colorado Economic Development

Weld County

Glenwood Springs Chamber of Commerce

Colorado-Wyoming Petroleum Marketers Assn.

Fort Collins Area Chamber of Commerce

Greeley Chamber of Commerce

South Metro Chamber of Commerce

Loveland Chamber of Commerce

Colorado Motor Carriers Association

Colorado Association of Realtors

Vail Valley Partnership

Jefferson County Business Lobby

Colorado Contractors Association

Colorado Association of Commerce and Industry

Colorado Springs Regional Business Alliance