



COLORADO  
**Transportation  
Investment Office**

# **Senate Bill 24-184 Congestion Impact Fee, Workplan and Initial Budget**

September 23rd, 2024

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# Congestion Impact Fee

# Congestion Impact Fee Overview

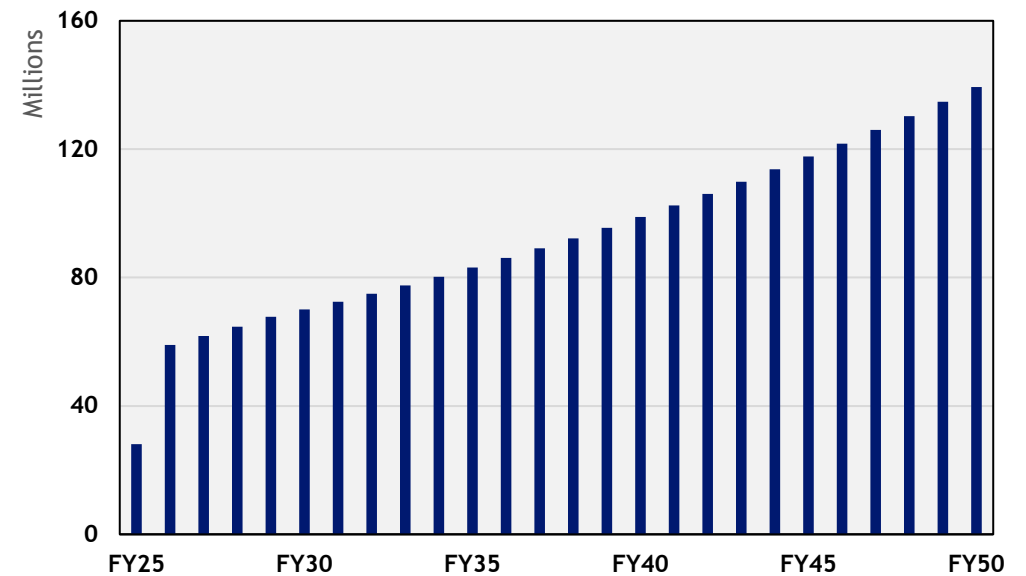


- SB24-184 creates a dedicated funding source (congestion impact fee) for rail and transit through the Colorado Transportation Investment Office (CTIO) and expands CTIO's capacity to prioritize the mitigation of congestion on roadways.
- The bill requires CTIO to administer a congestion impact fee of up to \$3 per day on all short-term vehicle rentals.
- Beginning in 2030, CTIO is required to provide an analysis of the rate at which the fee is imposed, the amount generated by the fee, and the use of the revenue to ensure it is appropriate to pay the overall services costs to fee payers that the revenue will fund.

# Congestion Impact Fee Forecast

- The congestion impact fee is projected to generate \$27.9 M in Fiscal Year (FY) 2024-25 and \$57.7 M in FY 2025-26.
- Based on current forecasts, this new revenue stream is projected to generate \$92 million in average annual in revenue over the next 25 years.

*Projected Congestion Impact Fee Revenue (CTIO)*



# Congestion Impact Fee Management



- The Department of Revenue (DOR), will collect the fee and remit the funds directly to CTIO daily.
- CTIO will track these funds separately and use them to advance its expanded mandate as well as specific projects identified by the multimodal strategic capital plan.
- CTIO has set up a new cost center, T8TRN-536, which will be funded by this new fee and be included on the budget.

# SB 184 Workplan and Initial Budget

# Program Spotlight: Mountain Rail

The proposed Mountain Rail project aims to restore passenger service in Northwest Colorado, utilizing existing freight corridors due to reduced coal demand. The initial focus is the Denver to Craig line through Winter Park and Steamboat Springs, connecting Denver with mountain towns and recreational destinations. CDOT is coordinating with the Federal Rail Administration to advance readiness.



## How CTIO Will Support

- Develop a Procurement Strategy
- Develop a Financial Plan and Cost Benefit Analysis for Service Development Plan (SDP) development lead by Division of Transit and Rail
- Complete access, operations and construction agreements



# Program Spotlight: Front Range Passenger Rail

Front Range Passenger Rail (FRPR) is a proposed intercity rail system connecting major Front Range cities in Colorado, including Pueblo, Colorado Springs, Fort Collins, and Denver, within a 173-mile corridor. The project will start with the northern portion from Fort Collins to Denver and expand south to Pueblo in future phases, with CDOT coordinating with the Federal Rail Administration to advance readiness.



## How CTIO Will Support

- Develop financial modeling for a starter service for the Northwest Corridor portion
- Support the discussion and implementation of a governance structure between the parties
- Enter into an early engagement agreement with BNSF to help advance the project





# Short Term Opportunity: Winter Park Ski Train Expansion

Amtrak provides Winter Park Express service to Winter Park under an agreement with Winter Park Resorts. In 2023-24 ski season, Amtrak provided service three days per week from early January to late March, plus a few extra days.

Discussing with Resort and Amtrak the potential of expanding service for the upcoming season:

- More capacity for each train
- More days per week
- Earlier start to service in December
- Potentially extend service past Winter Park Resort Platform



## How CTIO Will Support

- Enter into an agreement with Winter Park to cost share in the expanded service with SB 184 fees
- Support advertising efforts to promote the expanded service

# Short Term Opportunity: RRIF Loan Financing

Letter of Intent submitted for Railroad Rehabilitation & Improvement Financing (RRIF) Loan, which is a program dedicated specifically to rail financing.

- Project includes Positive Train Control (PTC) installation, siding & grade crossing safety and operational improvements
- The project would increase rail safety in Colorado's most densely populated corridor and lay the groundwork for FRPR service.
- CDOT has also submitted a Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant application to finance up to 70% of the project
  - A RRIF loan would ensure flexibility if the CRISI grant isn't awarded in full and may be expanded in the coming months to include other elements.



## How CTIO Will Support

- Secure financial advisors to build out a financial model and work with the Build America Bureau on the creditworthiness process
- Engage rating agencies to provide a credit rating
- Contract with legal advisors to negotiate and draft loan agreement and a master trust indenture
- Complete all required payments to the Bureau to close on the loan

# CTIO Lead Deliverables

## Multimodal Strategic Capital Plan (March 1, 2025)

- CTIO must develop a new multimodal strategic capital plan that aligns with CDOT's 10-year plan, meets greenhouse gas reduction goals, adheres to transportation commission environmental standards, and prioritizes user benefits while reducing highway impacts.

## Federal Funding opportunities, analysis, and reporting (March 1, 2025)

- CTIO must assess opportunities to leverage federal funds through 2030 and continue to do so regularly.

## Annual Reporting (January 2025)

- CTIO must include efforts to reduce traffic congestion, lower greenhouse gas emissions, and support public transit expansion in its annual report to transportation oversight committees.

# SB 184 Initial Budget Summary

Work Item	Budget Estimate	Summary of Work Item
Mountain Rail	\$1,300,000	Procurement Strategy and Support for the Service Development Plan (SDP), preliminary engineering
FRPR- Northwest Corridor	\$2,250,000	Financial model, governance and BNSF engagement agreement
Winter Park Ski Train Expansion	\$2,300,000	Up to \$2.3 M in cost sharing, likely in the \$500,000-\$900,000 range
RRIF Loan Financing	\$1,600,000	Will cover legal, financial advisors and BAB costs
CTIO Lead Deliverables	\$785,000	Federal Assessment, Capital Plan and Expanded Annual Reporting Requirement support
Legal Support for Overall 184 Implementation	\$1,000,000	Will support programmatic efforts to develop access agreements, draft leases and support the Attorney Generals Office
Total	\$9,235,000	

# Next Steps Progress

- Early engagement with other key stakeholders identified in SB 184
- Implement new fee, required in statute, in order to start collections on January 1, 2025
- Establish budget to advance bill requirements and high priority tasks
- Deeper dive into current rail and transit projects
- Discussion/education on the 10-year planning process with CDOT