



COLORADO

Transportation Investment Office

Colorado Transportation Investment Office (CTIO) Memorandum

To: CTIO Board of Directors
From: Piper Darlington, CTIO Director
Date: September 23rd, 2024

Subject: Approval to impose the congestion impact fee associated with Senate Bill 24-184 (Support Surface Transportation Infrastructure Development).

Purpose:

The CTIO Board of Directors is being asked to approve a resolution to impose a congestion impact fee to fund the Colorado Transportation Investment Office's expanded business purpose in accordance with the passage of SB24-184.

Requested Action:

Staff is requesting Board approval of Resolution #451 to impose a congestion impact fee to meet the requirements of Senate Bill 24-184 (Support Surface Transportation Infrastructure Development).

Background:

SB24-184 creates a dedicated funding source (congestion impact fee) for rail and transit through the Colorado Transportation Investment Office (CTIO). It 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. The law also encourages regional coordination between the Regional Transportation District (RTD), Front Range Passenger Rail (FRPR), and the Colorado Department of Transportation (CDOT) to explore opportunities in establishing train service from Denver to Fort Collins.

In addition, it directs CTIO to develop a multimodal plan that aligns with the 10-year transportation plan and statewide greenhouse gas pollution reduction goals. The bill also expands CTIO's capacity to execute mandated responsibilities and, more explicitly, prioritize mitigating traffic congestion and traffic-related pollution by completing multimodal surface

transportation infrastructure projects. It also authorizes RTD to extend operations of the Northwest Rail Fixed Guideway Corridor, including extending the corridor to Fort Collins.

Congestion impact fee Overview:

The legislation requires CTIO to impose a congestion impact fee, as a new user fee, in maximum amounts of up to \$3 per day, which is to be annually adjusted for inflation. The fee will be collected and administered in the same manner as an existing state daily vehicle rental fee.

The Department of Revenue, which collects the state daily vehicle rental fee, will collect the fee and remit the funds directly to CTIO, which will deposit the funds into a separate account for projects identified by the multimodal strategic capital plan.

The new multimodal strategic capital plan will align with the 10-year transportation plan of the CDOT and statewide greenhouse gas pollution reduction goals and priorities to comply with specified environmental standards adopted by the transportation commission and prioritize benefits to user fee payers and the reduction of adverse impacts on highways. The plan's first iteration must be completed by March 1st, 2025, and updated as deemed necessary by the CTIO Board of Directors.

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. 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.

Options/Decision Matrix:

1. Approve Resolution #451 Approval to impose a congestion impact fee to meet the requirements of Senate Bill 24-184 (Support Surface Transportation Infrastructure Development) **(Staff Recommendation)**
2. Review the resolution and provide feedback on proposed changes. Staff will make the necessary revisions and return with a revised resolution at the next board meeting.
3. Do not approve the resolution.

Attachments:

- Attachment A: Resolution #451