



**COLORADO**

Department of Transportation

# Clean Transit Enterprise Board

June 27, 2024



# AGENDA

- Welcome and Roll Call (Chair Frommer)
- Public Comments
- Action Agenda (Chair Frommer)
  - DECISION ITEM: Approval of Minutes - 2/20/24 CTE Board Meeting
- Program Administrator Update (Kay Kelly, CDOT)
- Enterprise Financial Update (Kay Hruska and Sam Foster, CDOT)
  - DECISION ITEM: CTE Spending Authority Request for FY26
- CTE Grants Update (Paul DesRocher and Mike King, CDOT)
- SB24-230 Briefing (Shoshana Lew, CDOT and Lisa Kaufmann, OEDIT)
- Transit Connections Study (Paul DesRocher, CDOT)
- Adjournment

# Program Administrator Update

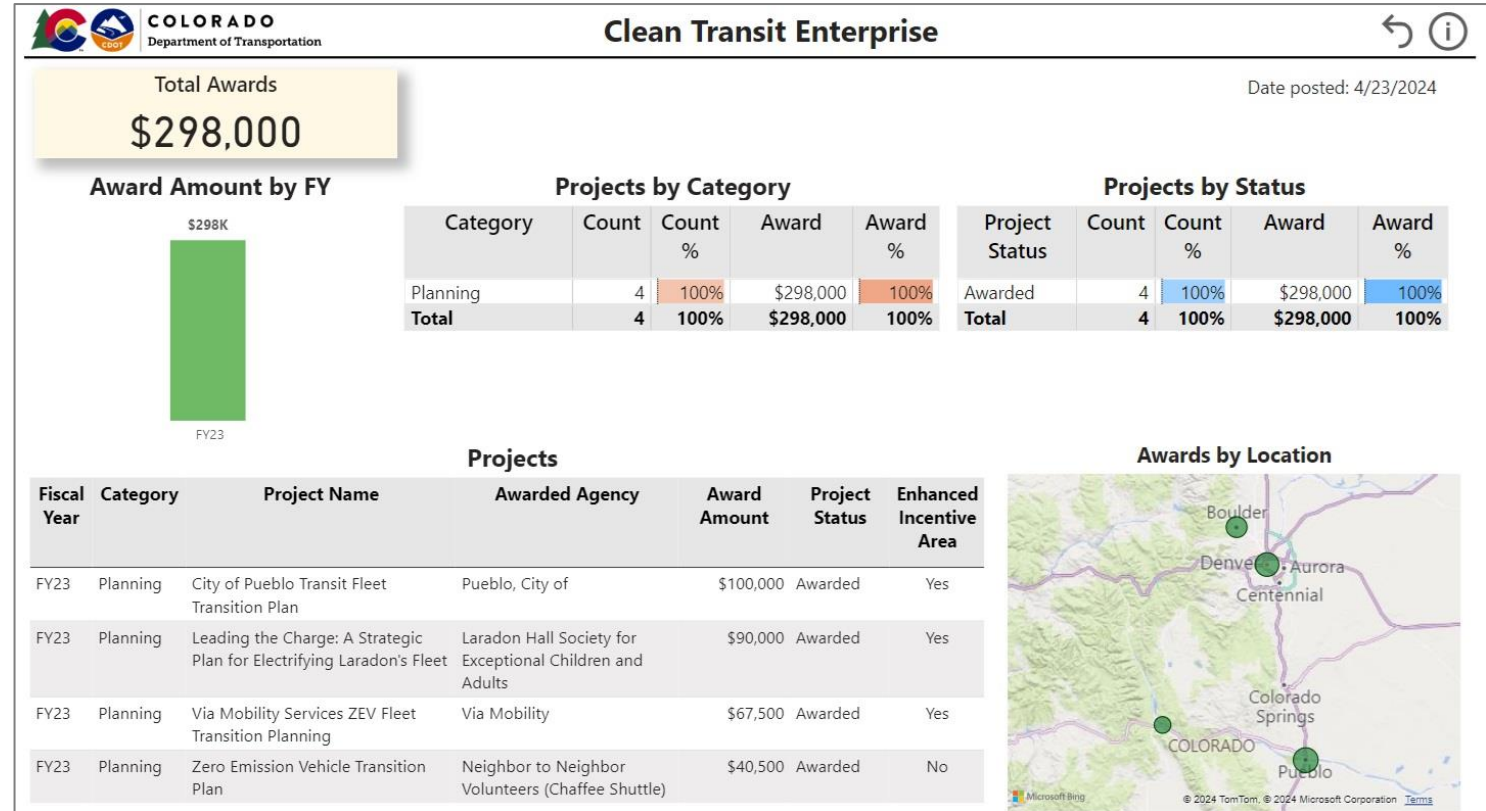
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Kay Kelly, CDOT



# Program Administrator Update

- Additional CTE Business Purpose from SB24-230
- CTE Website Accessibility Efforts
- Public Accountability Dashboard
- August In-Person Meeting?



# Enterprise Financial Update

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Kay Hruska and Cassie Rutter, CDOT





# Revenue Forecast - Retail Delivery Fee

## FY 2022-23 Revenue (\$0.03 fee):

- Total Forecasted: \$8,280,329
- Total Collected: \$9,335,275
- Difference: \$1,054,946

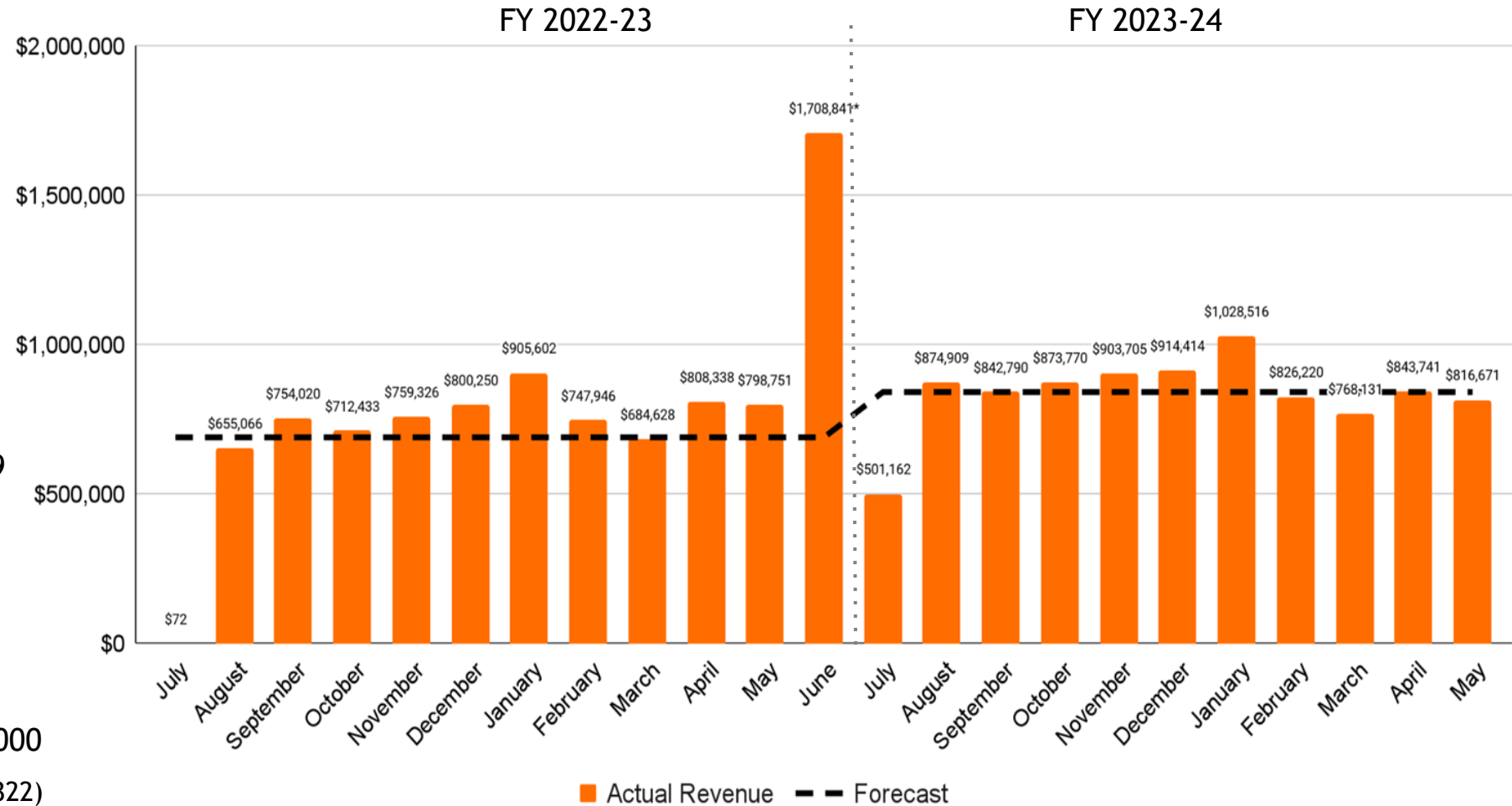
## FY 2023-24 Revenue (\$0.0311 fee):

- Total Forecasted: \$8,982,450
- Collected up to 6/1: \$9,194,029

## FY 2024-25 Revenue (\$0.0322 fee):

- Q1 Forecast: \$9,902,388  
(based on estimated fee of \$0.0317)
- Updated Q4 Forecast: \$11,300,000  
(based on final approved fee of \$0.0322)

Actual Revenue and Forecasted



\* June 2023 includes \$928,515.29 in Period 13 accruals



# Clean Transit Enterprise Cash Fund Status

Actual FY 2022-23 Year Ending Cash Balance	\$8,648,494
Cash Fund Balance as of June 17, 2024	\$18,263,303
Total FY25 Spending Authority Adopted by Joint Budget Committee 2/8/24	\$18,134,321





# CTE Spending Authority Request for FY25

## **FY25 Budget Amendment:**

- Spending authority is granted to CTE by the Colorado Legislature based on the annual revenue forecast.
- CTE requested a budget amendment on January 2, 2024 to increase the spending authority to \$18.1M for FY25.
- The request also included an additional year of spending authority for each appropriation beginning with the FY25 appropriation (i.e. one year of roll forward authority), and authority to update the annual request for spending authority based on planned grant awards and the forecast for encumbrances instead of forecasted revenues.

## **Status:**

- The budget amendment was approved by the Joint Budget Committee (JBC); however, JBC staff inadvertently left out the footnote authorizing spending authority from the FY25 Long Bill.



# CTE Spending Authority Request for FY26

## **FY26 Spending Authority Request:**

Staff recommends that the CTE Board submit a decision item for FY26 that requests continuous spending authority for the Clean Transit Enterprise Cash Fund. This action requires legislation.

## **Justification:**

- SB24-230 creates three new cash funds: 1) Local Transit Operations Cash Fund, and 2) Local Transit Grant Program Cash Fund, 3) Rail Funding Program Cash Fund
- These three cash funds are continuously appropriated to the CTE for purposes outlined in SB24-230.
- The grants awarded by CTE using revenue in the CTE Cash Fund are multi-year in nature so annual appropriation is difficult to administer.
- It is administratively burdensome to administer one program cash fund that is annually appropriated when the other funds are continuously appropriated.



# Legislative Budget Process and Timeline

## Governor's November 1 Budget Request:

- CTE would need to submit a formal decision item to the Governor's Office of State Planning and Budgeting (OSPB) for approval by August 1, 2024.
- OSPB will communicate approval / denial of the decision item by mid-October at the latest.
- If approved, the request will be submitted to the Joint Budget Committee (JBC) on November 1, as part of the Governor's FY26 Budget Request to the legislature.

## After November 1:

- The Enterprise may be required to defend its request to the JBC during the Department's hearing, typically in November.
- If approved by the JBC, legislation would be introduced during the 2025 legislative session.



# Proposed Motion for Board Consideration

*Move for the Clean Transit Enterprise to direct enterprise staff to submit a decision item for FY26 that requests continuous spending authority for the Clean Transit Enterprise Cash Fund.*

# CTE Grants Update

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Paul DesRocher and Mike King, CDOT



# Round One CTE Grants Update

- **Planning Projects**

- Board approved 4 awards for funding in October 2023
- Contracting process is underway
- Expected notice to proceed - Fall 2024

- **Capital Projects**

- Notice of Funding Availability Closed May 3, 2024
- \$15,000,000 in CTE Funding Available
- \$25,833,546 in Applications Received:
  - Facilities - 2 applications
  - Infrastructure - 3 applications
  - Vehicles - 11 applications for 35 vehicles
- Scoring in progress with recommendations forthcoming



# CTE Grant Applications for Infrastructure and Facility Modifications

	<u>Project Name</u>	<u>Requested Amount</u>
<b>Charging/Fueling Infrastructure</b>		
Avon, Town of	2024 EV Charging Equipment	\$384,000
Fort Collins, City of	Transfort Charging & Infrastructure	\$1,250,950
Roaring Fork Transportation Authority (RFTA)	Purchase Five (5) Dual Depot BEB Chargers	\$2,000,000
<b>Facility Modifications</b>		
Roaring Fork Transportation Authority (RFTA)	Regional Transit Center ZEV Support Facility	\$1,500,000
Via Mobility Services	Renewable Energy Microgrid Project	\$1,050,910
<b>Total</b>		<b>\$6,185,860</b>



# CTE Grant Applications for Vehicles

<b>Vehicle Acquisitions</b>	<u>Project Title</u>	<u>Number</u>	<u>Requested Amount</u>
Aspen, City of	City of Aspen 5 Bus Replacement	1	\$578,164
Avon, Town of	Gap Project - Funding for Existing Award #14951	1	\$344,000
Avon, Town of	2024 2 BEV Buses	2	\$2,240,000
Boulder, City of	2 Battery Electric Buses - Expansion	2	\$1,281,500
*Breckenridge, Town of	Replace 7 Aging Diesel Buses	7	\$4,204,445
Developmental Disabilities Resource Center (DDRC)	DDRC Transit 4 Vehicle Replacements	4	\$352,910
Fort Collins, City of	Transfort 4 Bus Replacements	4	\$911,115
Mountain Valley Developmental Service	2024 Electric Van	1	\$229,952
*Roaring Fork Transportation Authority (RFTA)	Replace 10 Diesels with BEBs	10	\$7,800,000
Telluride, Town of	1 Bus Replacement with Chargers	1	\$325,000
*Winter Park, Town of	TWP 2 Electric Bus Purchase	2	\$1,380,600
<b>Total</b>	-	<b>35</b>	<b>\$19,647,686</b>

An asterisk (\*) indicates that the applicant is also pursuing Settlement Program funding for the same project





# Planning for Round 2 of CTE Grants

- CTE rules state that we will coordinate our CTE Notices of Funding Availability (NOFAs) with standing DTR consolidated calls for projects
- In FY24, DTR issued two calls for projects:
  - The Summer 2023 NOFA for Admin/Operating/Mobility Management included CTE ZEV Planning grant opportunities
  - The Spring 2024 NOFA for Capital projects included CTE Infrastructure, Facility Modification and Vehicle grant opportunities
- Timing of FY25 NOFAs are currently under discussion with consideration for:
  - Admin/Operating NOFA alignment with Federal Transit Administration appropriation timeline
  - Overall timing of grant-making activities within CDOT to improve efficiency (led by the new CDOT Subrecipient Grant Support Unit)



# Feedback & Discussion



# SB24-230 Update

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Shoshana Lew and Kay Kelly, CDOT and Lisa Kaufmann, OEDIT



# SB24-230 Oil and Gas Production Fees

The bill requires the Clean Transit Enterprise to impose a production fee for clean transit to be paid quarterly by every producer of oil and gas in the state. The production fee for clean transit applies to all oil and gas produced by the producer in the state on and after July 1, 2025.

## Timeline

April 30, 2024 - Bill Introduced in Senate

May 1, 2024 - Fiscal Note Submitted

May 2, 2024 - Passed Senate Finance (3 amendments)

May 3, 2024 - Passed Senate Appropriations and Second Reading in Senate (2 amendments)

May 4, 2024 - Passed Third Reading in Senate; Introduced in House & Passed House Finance

May 5, 2024 - Passed House Appropriations and Second Reading in House

May 6, 2024 - Third Reading and Final Passage in House

May 16, 2024 - Bill Signed by the Governor



# Anticipated Revenue

## State Cash Fund Revenue Under SB 24-230

	FY 2025-26	FY 2026-27
Department of Revenue	\$68,291	\$7,328
Clean Transit Enterprise (see Table 6 for detail)	\$52.7 million	\$116.3 million
Colorado Parks and Wildlife	\$56.6 million	\$59.0 million
<b>Fee Revenue Total</b>	<b>\$109.4 million</b>	<b>\$175.3 million</b>

**Clean Transit Enterprise revenue limit.** The bill requires that the Clean Transit Enterprise board reduce fees to ensure that enterprise revenue from fees and surcharges does not exceed \$100 million in its first five years of operation (FY 2021-22 through FY 2025-26), to ensure that the enterprise remains compliant with Proposition 117. Under current law, retail delivery fee revenue credited to the enterprise is forecast to reach \$46.6 million over the five-year period. Accordingly, the bill is expected to allow the enterprise to collect \$53.4 million in additional oil and gas production fee revenue during FY 2025-26, or more if the excess amount is offset by reductions in the retail delivery fee in place in that year. The limit in Proposition 117 applies for the first five fiscal years for which an enterprise operates, so there is no limitation in place for FY 2026-27 or subsequent years.



# CTE Retains its Existing Business Purpose and Clean Transit Retail Delivery Fee Revenue Stream

To support public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, as well as construction and development of electric motor vehicle charging and fueling infrastructure. The bill allows the enterprise to impose a clean transit retail delivery fee to fund its operations, and to issue grants, loans or rebates to support electrification of public transit.

Clean Transit Retail Delivery Fee Revenue forecasts:

FY 2024-25	\$11.3 million
FY 2025-26	\$12.5 million
FY 2026-27	\$13.8 million



# SB24-230 Adds a New CTE Business Purpose and Revenue Stream

To reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by oil and gas development by investing in public transit, including vehicles, infrastructure, equipment, materials, supplies, maintenance, and operations and staffing to achieve the level of frequent, convenient, and reliable transit that is known to increase ridership by replacing car trips with bus and rail trips and forms of transit known to support denser land use patterns that further reduce pollution due to shorter trip lengths and greater walking and cycling mode share.

## Clean Transit Fees Breakdown Under SB 24-230

	FY 2025-26	FY 2026-27
Local Transit Operations Cash Fund	\$36.9 million	\$81.4 million
Local Transit Grant Program Cash Fund	\$5.3 million	\$11.6 million
Rail Funding Program Cash Fund	\$10.5 million	\$23.3 million
<b>Total</b>	<b>\$52.7 million</b>	<b>\$116.3 million</b>



# New Local Transit Operations Cash Fund (Formula Grants)

- Local Transit Operations Cash Fund
  - Expand transit service, increase transit frequency, and improve system-wide transit network connectivity with the goal of maximizing transit ridership, therefore decreasing vehicle miles traveled, greenhouse gas emissions and air pollutants.
  - Prioritize transit service improvements in communities with high transit propensity, such as low income communities, communities of color, communities with high density populations, communities with zoning and other local policies that support higher density along transit lines, communities with low vehicle ownership rates, the disability community, seniors, and other populations that use transit more frequently than the general population.
- Statute states that the CTE Board shall develop a formula based on “population, population density, local zoning, transit ridership, vehicle revenue miles, share of disproportionately impacted community population and other transit-related criteria.”





# Local Transit Grant Program Cash Fund (Competitive Grants)

- **Local Transit Grant Program Cash Fund**
  - Created to increase transit ridership and service, particularly in transit-reliant communities, therefore decreasing vehicle miles traveled, greenhouse gas emissions and air pollutants.
  - Grants to eligible entities for eligible operating expenses and capital expenses associated with providing public transportation including multimodal projects that improve accessibility and connectivity between transit services and safe access to transit for pedestrians and bicyclists.
- Eligible Entity: A local government, local or regional transportation district, or regional transportation authority service one or more counties, or non-profit organization that provide public transit.
- Eligible Operating Expenses: All operating expenses required for public transportation, including employee wages and benefits, materials, fuels, supplies, facilities, rental of facilities, and any other expense that directly supports the expansion of transit service



# Rail Funding Program Cash Fund (Project Funds)

- Rail Funding Program Cash Fund
  - Created to fund passenger rail projects and service therefore decreasing vehicle miles traveled, greenhouse gas emissions and air pollutants
  - For rail projects of regional and statewide importance including projects that:
    - Have established plans and can demonstrate potential for high ridership and the reduction of VMT
    - Facilitate lower-impact local land use decision, in particular, the construction of mixed-use or infill housing development along the rail corridor
    - Strive to use low- to zero-emissions technology
  - Shall prioritize funding opportunities to establish passenger rail where there is matching funding from other sources (e.g. RTD FasTracks internal savings account, Federal Funding, Local Funding, and other sources)



# Implementation Timeline

- July 1, 2025 - Oil and Gas Production Fees take effect
- October 1, 2025 - Carbon Management Commission announces the first quarterly O&G Spot Prices
- By November 1, 2025 - CTE sets the first quarterly O&G fees, notifies DOR and publishes the fee on the CTE website
- On or before January 1, 2026 - Every producer must file a return and pay the first quarterly production fee
- January 2026 - Estimated first revenue transfer from DOR to CTE



# Impacts to CTE

- CTE Board will need to meet more frequently to ensure successful implementation of the new business purpose while incorporating stakeholder and public feedback
  - Designing the distribution formula for the Local Transit Operations Cash Fund
  - Standing up the new competitive grants for the Local Transit Grant Program Cash Fund
  - Updating CTE Rule, By-Laws, Budget, Procedures, 10 Year Plan, Website, etc.
- CDOT Staff will provide additional background information to the Board related to the new business purpose (e.g. Transit Connections Study, Statewide Plan, etc.)
- CDOT Staff will seek a Transportation Commission loan to cover start-up costs related to the new business purpose until the Oil & Gas Fee revenue begins flowing in early calendar year 2026
- Additional staff will be hired to help administer the new revenue stream (SR24-220, with initial 1.5-3 FTE)



# Questions & Discussion



# Transit Connections Study

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Paul DesRocher, CDOT



# Transit Connections Study Executive Summary

The Transit Connections Study (TCS) aims to provide a strategic vision for a statewide transit network as part of a transformational, interconnected multimodal system.

This includes improving and expanding the Bustang Family of Services, adding passenger rail services and ensuring seamless connections with local and regional transit/mobility providers. This study will inform CDOT's transit planning and investment decisions for the next decade.



# Transit Connections Study Objectives

The TCS envisions a future where Colorado's transit system is:

- **Comprehensive:** Providing a connected network of services across the state, focusing on key corridors.
- **Accessible and Equitable:** Addressing the needs of rural, underserved, and transit-dependent communities by ensuring equitable transit access and breaking down barriers to mobility opportunities
- **Reliable:** Enhancing transit services through infrastructure improvements and maintaining consistent, predictable travel times for transit users.
- **Integrated:** Collaborating with local transit agencies and communities to ensure seamless connections between transit systems, mobility hubs, and First Mile/Last Mile (FLM) solutions.
- **Sustainable:** Considering operational costs alongside capital needs to ensure long-term financial viability and strategic investments.
- **Fostering Strategic Growth:** Encouraging denser development near transit hubs, reducing car dependence and emissions but also maximizing infrastructure use for a sustainable future.





# Major Project Elements

## Current State of Transit

- Snapshot in time of transit services and service experience
- CDOT bus and rail, major transit partners, and inter-regional providers
- Current State of Transit Report and Story Map

## Outreach (two parts)

- Gather agency planning information for gap analysis (Part 1: Pre Gap Analysis)
- Outreach to intercity, regional, and key local transit providers (Part 1: Pre Gap Analysis)
- Review gap analysis results with communities and interest groups (Part 2: Post Gap Analysis)

## Gap Analysis

- Interconnection between services, bus and rail
- Innovative deployments extending first/last mile to serve transit deserts
- Financial forecast to maintain and extend state services

## Recommendations

- Transit Priorities Framework and Final Report
- Transit Connections Story Map
- Bustang Services Expansion



# Key Tasks and Deliverables

## Key Tasks:

- **Current State of Transit Report**
  - Literature review of existing transit routes and plans within Colorado
  - CDOT outreach to key transit partners: RTD, RFTA, Summit Stage, Grand Valley, SMART, Transfort, Eagle, Durango, Mountain Metro, Pueblo Transit, Amtrak and Greyhound
- **Gap Analysis**
  - Assessment of current transit service interconnections, population coverage, and transit deserts
  - Financial analysis on costs of providing services in identified gaps
  - Outreach to gap communities/service

## Deliverables:

- **Final Report**
  - Current state of transit, gap analysis, assumptions, resource needs, and recommendations
- **Transit Evolution Story Map**
  - Public facing mapping of all major transit and interconnections within CO
  - Timephased to show growth of current transit plans over time



# Questions & Discussion





# Upcoming Meetings and Topics

## Upcoming Meetings:

- August 2024 - In-Person Meeting?

## Topics:

- Clean Transit Retail Delivery Fee Topics:
  - Capital Award Recommendations
  - Planning for Round 2 of CTE Planning Awards
- Oil and Gas Production Fee Topics:
  - SB24-230 Implementation
- Other topics at the Board's pleasure



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- Electric Vehicle Ride & Drive Event
- Electrification
- Mobility Services
- Mobility Technology
- Transit and Rail

## Clean Transit Enterprise

To support Colorado's transit electrification through planning efforts, transit site upgrades, procurement of electric transit buses, and deployment of associated charging infrastructure.



### About the Clean Transit Enterprise

This enterprise is created within the Colorado Department of Transportation (CDOT) to support public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, as well as construction and development of electric motor vehicle charging and fueling infrastructure. The bill allows the enterprise to impose a clean transit retail delivery fee to fund its operations, and to issue grants, loans or rebates to support electrification of public transit.

### Contact Us

[cdot\\_cleantransitenterprise@state.co.us](mailto:cdot_cleantransitenterprise@state.co.us)

### Resources

- [Board Appointments](#)
- [Enterprise Funds](#)
- [Board Powers & Duties](#)
- [Clean Transit Enterprise 10 Year Plan](#)
- [2021 Transit Zero Emission Vehicle \(ZEV\) Roadmap](#)
- [Clean Transit Enterprise Processes and Fees, 2 CCR 607-1](#)

### Upcoming Meetings

Board of Directors Meeting  
July 13, 2022  
12:00-2:00 pm  
[YouTube Link](#)  
[Schedule & Agenda](#)

### Prior Meetings

Board of Directors Meeting - January 31st, 2022  
[Video Recording](#)

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THANK YOU!



**CLEAN TRANSIT ENTERPRISE (CTE)  
BOARD MEETING  
MEETING MINUTES  
Thursday, June 27, 2024  
Virtual via Zoom Meeting**

The following are the meeting minutes of the June 27, 2024 Clean Transit Enterprise Board meeting. A video recording is available on the [Colorado Department of Transportation YouTube channel](#).

**BOARD MEMBERS**

Matthew Frommer, Chair - present

David Averill, Vice Chair - present

Dawn Block - absent

Kelly Blynn - excused absence

Richard Coffin - present

Mark Garcia - absent

Cris Jones - excused absence

Erik Sabina - excused absence

Shoshana Lew (in place of E. Sabina who is the delegate for Shoshana Lew) - present

Bonnie Trowbridge - present

**1. CALL TO ORDER - 2:33 p.m.**

The roll having been called, the following business was conducted.

**2. PUBLIC COMMENT**

No requests from the public to participate this month.

**3. ACTION AGENDA**

Decision Item: Approval of Minutes

On a motion by M. Frommer, seconded by D. Averill, the CTE Board approved (5-0) the minutes from the February 20, 2024 CTE Board meeting.

**4. PROGRAM ADMINISTRATOR UPDATE**

Kay Kelly presented the following updates to the board:

- Additional CTE Business Purpose from SB24-230
- CTE Website Accessibility Efforts
- Public Accountability Dashboard - it is not live yet
- The potential for an in person meeting in August

**5. ENTERPRISE FINANCIAL UPDATE**

Toni Wines, in place of Kay Hruska, presented to the board an accounting update, revenue forecasts, cash fund status, and CTE spending authority requests.

Decision Item: CTE Spending Authority Request for FY26

On a motion by M. Frommer, seconded by B. Trowbridge, the CTE Board voted (5-0) to direct enterprise staff to submit a decision item for FY26 that requests continuous spending authority for the Clean Transit Enterprise Cash Fund.

#### **6. CTE GRANTS UPDATE**

Paul Desrocher and Michael King presented to the board about CTE grants. There was a discussion about incremental costs and potentially changing the percentage of a project CTE could provide funding for. Paul and Michael will keep the board updated about round 2.

#### **7. SB24-230 BRIEFING**

Shoshana Lew, Kay Kelly, and Lisa Kaufmann presented to the board about SB24-230 including the implementation timeline, anticipated revenue, formula grants, competitive grants, and the impacts it has on CTE.

#### **8. TRANSIT CONNECTIONS STUDY**

Paul DesRocher presented to the board about the Transit Connections Study including what the study is, its objectives, the major project elements, key tasks, and deliverables. The CDOT team is working with Cambridge Systematics on this effort.

#### **9. CALENDAR CHECK**

- Upcoming Meeting in August: poll to be sent out to board members to determine if the meeting will be virtual or in person and on which date
  - Topics
    - Clean Transit Retail Delivery Fee Topics: capital award recommendations, planning for round 2 of CTE planning awards
    - Oil and Gas Production Fee Topics: SB24-230 implementation
    - Other topics at the Board's pleasure

#### **10. ADJOURNMENT**

The meeting adjourned at 3:58 p.m.