Roaring Fork Transportation Authority

September 2, 2016

Jeff Sanders
Transit Infrastructure Specialist
4201 E. Arkansas Ave.
Shumate Building
Denver, CO 80222

Dear Jeff:

RFTA appreciates the opportunity to comment on the five Section 5311 Funding Realignment scenarios that have been developed by CDOT and presented to the transit agency Focus Group. Thank you for inviting RFTA to participate in a conference call with the Focus Group on September 8, 2016, to provide additional feedback on the five scenarios. We have reviewed the potential impact that the five Section 5311 Funding Realignment scenarios would have on the level of Section 5311 Operating Assistance that RFTA would receive if implemented, and we would like to share our initial thoughts about the scenarios with you. Please be assured that while some of RFTA's comments may seem pointed, they are not intended to be critical of the CDOT Staff that are spearheading this complex process.

As RFTA understands it, CDOT is hoping to develop and adopt a new and more equitable methodology to allocate Section 5311 Administration and Operating assistance in advance of the 2018 Call for Projects. In general, RFTA does not believe that CDOT has made a very compelling case:

A. That a radical departure from the grant award process that CDOT has followed for decades is necessary. To RFTA's knowledge, there is no Federal Transit Administration (FTA) regulatory imperative that requires such a change.

B. That the current demand for Section 5311 Administration and Operating Assistance is so great that a radically new methodology is necessary to ensure that allocation of these funds is equitable. Based upon a review of the 2017 Section 5311 Administration and Operating assistance requests versus awards, RFTA offers a number of observations as follows:

i. 2017 funding requests from existing grantees exceeded funds available as follows:

2017 Section 5311 Requests vs. Awards	**$ 9,974,868**	**$ 7,610,520**	**$ (2,364,348)**	**-24%**

ii. RFTA's understanding is that CDOT held all 2017 Section 5311 Administration and Operating assistance grantee awards flat compared to their awards in 2016. When the requests from RFTA, Durango, and Steamboat Springs are held flat with their 2016 awards, and the amounts they requested over their 2016 awards are excluded from total 2017 requests, the remaining amount of total requests versus available funding substantially declines:

2017 Section 5311 Requests vs. Awards	**$ 8,330,468**	**$ 7,610,520**	**$ (719,948)**	**-9%**

If unfunded requests are added to the adjustments made above, the funding requested versus the funding available is:

2017 Section 5311 Requests vs. Awards	**$ 8,621,209**	**$ 7,610,520**	**$ (1,010,689)**	**-12%**

iii. The total amount of grant requests that exceeded the previous year's award for all existing and prospective grantees by 9% - 12% (excluding the amount of the 2017 requests by RFTA, Durango, and Steamboat Springs that exceeded their 2016 awards), does not, in RFTA's view, constitute a funding crisis. This is especially so when compared with 2016 TIGER funding requests of $9 billion compared to $500 million in available funding. CDOT should easily be able to accommodate a 9% to 12% shortfall in Section 5311 revenue versus funding requests without the need for draconian formulas that would impair the services of many existing grantees.

iv. RFTA, Durango, and Steamboat Springs, combined, comprised approximately 50% of the amount of the requests for 2017 Section 5311 funding that exceeded the funds available. It would follow, then, that 50% of CDOT's rationale for developing a "more equitable" Section 5311 funding methodology is due to these three transit agencies alone which, consistent with all other 2016 grantees, had their awards held flat in 2017 compared with 2016. The implied CDOT message is that, "You asked for more funding than you were awarded the previous year, so we need to drastically reduce your awards in future years." It is understandable that available funding was insufficient to increase our 2017 awards, however, it neither seems reasonable nor fair that the combined amount of funding that RFTA, Durango and Steamboat Springs requested that was over and above their 2016 awards should be used as the impetus for CDOT to drastically reduce our future grant awards to the levels envisioned by all five CDOT scenarios, as follows:

RFTA	Award	Difference $	Difference %
2014 Award	$ 985,000	$ -	0%
Alt. A	$ 165,000	$ (820,000)	-83%
Alt. B-1	$ 105,000	$ (880,000)	-89%
Alt. B-2	$ 80,500	$ (904,500)	-92%
Alt. C	$ 500,000	$ (485,000)	-49%
Alt. D	$ 683,297	$ (301,703)	-31%

Durango	Award	Difference $	Difference %
2014 Award	$ 913,800	$ -	0%
Alt. A	$ 16,647	$ (897,153)	-91%
Alt. B-1	$ 105,000	$ (808,800)	-82%
Alt. B-2	$ 96,147	$ (817,653)	-83%
Alt. C	$ 500,000	$ (413,800)	-42%
Alt. D	$ 288,503	$ (625,297)	-63%

Steamboat	Award	Difference $	Difference %
2014 Award	$ 508,000	$ -	0%
Alt. A	$ 169,122	$ (338,878)	-34%
Alt. B-1	$ 226,311	$ (281,689)	-29%
Alt. B-2	$ 212,000	$ (296,000)	-30%
Alt. C	$ 298,341	$ (209,659)	-21%
Alt. D	$ 265,727	$ (242,273)	-25%

Other considerations:

1. FTA apportions Section 5307 formula funds to urban systems based upon the following:

   "Funding is apportioned on the basis of legislative formulas. For areas of 50,000 to 199,999 in population, the formula is based on population and population density. For areas with populations of 200,000 and more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density."

   RFTA does not believe that FTA awards funding to an urbanized area and then further splits that funding based upon how many transit systems are located in that UZA, because many urban transit systems have overlapping service areas. RFTA believes it would be inequitable for CDOT to allocate funds based upon a county's land area and low income residents and, then, further allocate the county's funding among more than one transit provider in a particular county. Instead, RFTA recommends that CDOT determine what the service area of each provider is. An agency that serves a town or city exclusively should not be allocated funding based upon the land area and/or low

income population of the entire county. A town or city's service area should be its municipal boundaries if it operates exclusively within them. However, RFTA, as a Regional Transportation Authority, provides service to 8 municipalities and portions of three counties. If CDOT incorporates land area into the funding methodology, RFTA believes it should not base it on the size of the counties but, rather, on the size of the grantee's service area. In addition, overlapping service areas should not be used as a mechanism by CDOT to reduce the awards of grantees that operate in close proximity to each other. Instead, funds should be awarded proportionately based on each grantee's service area as a percentage of the total service area of all grantees.

2. Other potential factors that could be included in a funding methodology:

   A. Population within the grantee's service area.

   B. Federal investment per passenger, revenue hour/mile, passenger mile.

   C. Amount of local overmatch provided.

   D. Ridership per capita within the grantee's service area and Federal investment per capita within the grantee's service area.

   E. For fixed-route services, the percentage of work-related trips, especially those provided to low-income persons/minority persons/transit dependent persons.

   F. Number of vehicles removed from congested roadways.

   G. Number of Bus Rapid Transit directional miles.

   H. Number of dedicated bus lane miles.

   I. Number of system route miles.

   J. Average hours per day that service is available to the public.

   K. Average number days per week that service available to the public.

3. Visitor population served should also be taken into consideration. RFTA serves communities that are gateways to Federal lands and, as the chart below estimates, a significant number of tourists visit RFTA's region each year. Providing transit access to communities that are gateways to Federal lands is vital for a number of reasons. Visitors positively affect the economy by generating revenue for businesses and State and local governments. Tourism creates jobs; however, most employees can't afford to live in the communities where the jobs are located. This situation creates a commuter culture which, when combined with tourist traffic, negatively impacts auto congestion

and the availability of parking. That is why RFTA believes visitors should be included as a factor in any potential funding allocation methodology.

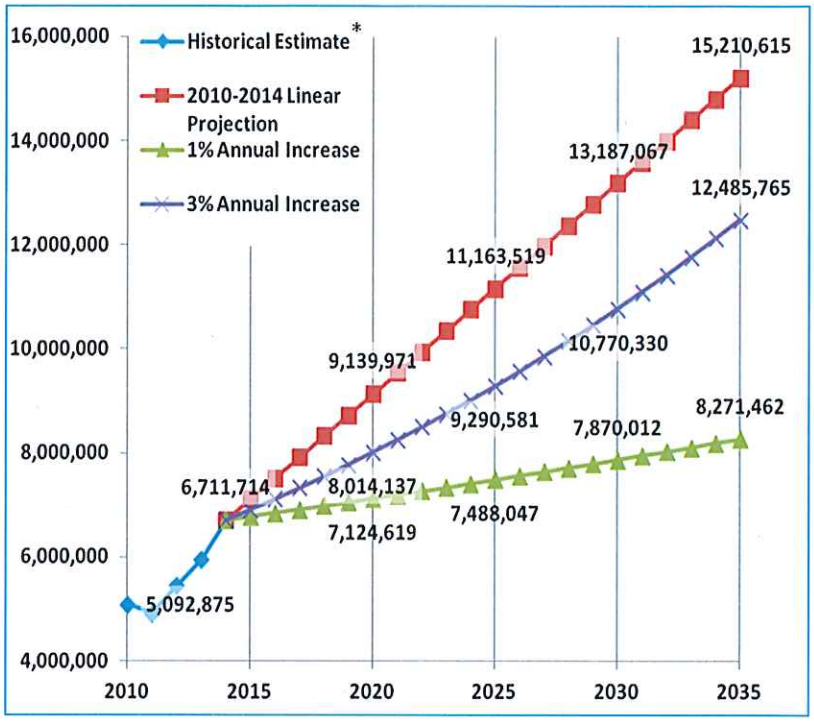

Figure 1: Historical Estimated Annual and Projected Annual Visitors to the RFTA Service Area

** Includes both day and overnight trips. Historical estimates of visitors only available on a statewide basis. Local estimates assume that total local visitors are proportional to the amount of money spent on local travel as compared to the statewide total. Estimates include only Garfield and Pitkin Counties.*

Sources: 2014 Colorado Visitor Report prepared by Longwoods International for the Colorado Tourism Office; 1996-2014 Colorado Travel Impacts Report prepared by Dean Runyan Associates for the Colorado Tourism Office.

4. While there is never adequate Federal or State funding available for rural Colorado transit systems, there is not a funding crisis that requires CDOT to implement such radical and potentially crippling service cuts for some of the larger transit systems, especially not over such a short time frame. ***If*** there is a need to change the funding formula, CDOT should acknowledge that the system did not get broken overnight and it should, therefore, resist the temptation to "fix" it overnight. If, in fact, reductions in funding for larger grantees are necessary, they should be implemented in small increments, over five to ten years, to afford the impacted systems adequate time to make reductions in their service levels or to identify offsetting revenue sources in a planned and gradual fashion. A 1% reduction in annual grant awards (using 2017 as the base year) combined with annual increases in FTA Section 5311 apportionments, over a 10-year period, would create additional resources to allow some growth among smaller existing grantees as well as a source of funding for new grantees.

Assumptions are being made by CDOT regarding agencies that potentially might enter the Section 5311 grantee pool, when in fact they have not as yet applied. It also appears that assumptions are being made about whether it is equitable for some grantees to be funded at higher levels than others, and this has led CDOT to conclude that there is a need to reallocate funding. However, for a variety of reasons, some agencies may have chosen not to apply for Section 5311 funding sooner than others that have been grantees for longer periods of time. If transit agencies entered the pool later in the game, RFTA does not believe it should be penalized because their funding levels are lower. Also, does CDOT even know whether all of the potential beneficiaries of the funding realignment process want, need, or would be able to match the higher levels of FTA funding envisioned by CDOTS' realignment scenarios?

5. CDOT should pool all available Federal and State dollars for distribution to Colorado's transit systems. Make grant requests for Administration and Operating assistance the first priority for available funding and the balance should be awarded for capital projects based upon the merits of the applications. The Bustang program should be required to compete with all transit agencies in the State for available FASTER and SB228 funding, based upon the same funding methodology devised for all other grantees. The Bustang program, laudable as it might be, is serving to deplete resources that might otherwise be available to other transit systems in the State that also have laudable services and which need funding as badly, if not more badly than Bustang. For example, RFTA forecasts that it has approximately $50 million in bus replacement costs over the next 12-15 years. At a minimum, there is a perceived inequity when, on one hand, CDOT proposes to make significant draws upon available resources for the expansion of Bustang (when these funds would greatly benefit other transit agencies in the State), while simultaneously raising concerns that the existing funding that many transit agencies rely on could be significantly reduced.

6. Consider gradually decreasing the Federal share of grants for Administration, Operating, and Capital in order to increase local participation and stretch Federal dollars further, as follows:

Section 5311 Administration/Capital and Operations Local Shares

Year	Type of Grant Assistance	Federal	Local	Total
2018	Admin/Capital	75%	25%	100%
2018	Operating	45%	55%	100%
2020	Admin Capital	70%	30%	100%
2020	Operating	40%	60%	100%
2022	Admin/Capital	65%	35%	100%
2022	Operating	35%	65%	100%
2024	Admin/Capital	60%	40%	100%
2024	Operating	30%	70%	100%
2026	Admin/Capital	55%	45%	100%
2026	Operating	25%	75%	100%
2028	Admin/Capital	50%	50%	100%
2028	Operating	20%	80%	100%

7. Consider a gradual reduction in CDOT's administrative takedown for Section 5311 and FASTER funding, i.e. 1% - 2% per year until it reaches zero, in order to provide time to identify other State funding to replace it.

8. State Highway 82 is one of the most highly congested highways in Colorado. In the Basalt to Buttermilk Final Environmental Impact Statement Record of Decision, RFTA was cited by CDOT as being the traffic mitigation that made widening the highway possible. Clean Air Act regulations in place at the time prohibited the widening of the highway in an air quality non-attainment area if it would increase traffic above the "No Build" scenario. The widening of Highway 82 was forecasted to increase traffic significantly above the "No Build" scenario, so CDOT used forecasted trips diverted to RFTA transit services as the mitigation that allowed the highway widening project to be approved by the Federal Highways Administration. In the Record of Decision, CDOT committed, among other things, to constructing park & ride facilities throughout the corridor to help offset the forecasted increase in automobile trips within the Aspen PM-10 non-attainment area. RFTA, working in partnership with the City of Aspen, Pitkin County, and the Town of Snowmass Village, has been successful in maintaining Annual Average Daily Traffic (AADT) volumes crossing the Castle Creek Bridge into and out of Aspen at 1993 levels. This has been achieved through the provision of robust transit services, the implementation of paid parking, carpooling, car sharing, employer-subsidized bus passes, and a variety of other Travel Demand Management strategies. As a result of these measures, and when combined with the use of liquid deicers in the winter instead of sand, the Environmental Protection Agency re-designated Aspen as a PM-10 Maintenance Area. This is a tremendous success story, even though CDOT did not entirely fulfill its commitment to construct park and ride facilities throughout the corridor following the completion of the highway widening project.

   Now, possibly due to a perceived inequity about the level of Section 5311 funding RFTA has been awarded, CDOT is potentially considering a substantial reduction in Federal support to one of the State's most highly successful and publicly supported transit systems. This is puzzling because, in previous years, Colorado ranked in the bottom 10 in the nation in FTA dollar amounts received. Through work with CASTA and CDOT and, in part, the performance measures of RFTA, Colorado is seeing more money come into the State now than in years past and it is closer to the middle of the pack in the ranking of FTA funding by state. Since RFTA plays a key role in the dollar volumes that come in to Colorado, should it not also be rewarded for the positive impact it has on statewide performance?

   In our region, it is widely acknowledged that RFTA is helping CDOT to preserve highway capacity. Also, in 2017, RFTA is a significant component of the mitigation planned for the Grand Avenue Bridge replacement project that will close the bridge, one of only two routes through Glenwood Springs, for a period of three months during the summer and fall. RFTA will be putting much skin in the game on behalf of CDOT, residents, and

visitors, and its reputation is at stake. This will be a major undertaking and, hopefully, RFTA will be moderately successful in helping to reduce peak a.m. and p.m. traffic volumes by up to 20%, so that a major public relations' disaster can be averted. It seems ironic that due to a "perceived" inequity in the distribution of Section 5311 funding, CDOT has developed five funding scenarios that would have a significant adverse impact on the transit agency that is working so hard to help mitigate traffic congestion impacts caused by its bridge construction project. By rights, RFTA should begin scaling back services in 2017 in order prepare for such drastic cuts in 2018, if they were to be approved and implemented. However, because it has little choice but to ramp up services for the bridge closure in 2017, CDOT could potentially be placing RFTA in an untenable position.

Thanks again for allowing RFTA to provide comments on the five Section 5311 Administration and Operating assistance grant allocation scenarios that CDOT has developed for discussion purposes. To summarize, RFTA does not believe there is a funding crisis that requires almost immediate and potentially drastic cuts to some existing Section 5311 grantees. If there is a need to reallocate funding, it should be done carefully and incrementally, over an extended time frame, so as not to have a potentially crippling impact on the State's larger rural transit systems.

We look forward to continuing this discussion with CDOT and other rural transit system grantees. If you have questions, please let me know.

Sincerely,

Dan Blankenship

Dan Blankenship
Chief Executive Officer

cc: Shailen Bhatt, Executive Director, CDOT
David Beckhouse, Deputy Regional Administrator, FTA Region 8
Tiffany Gallegos, Engineer, FTA Region 8
Kathy Hall, Transportation Commissioner
Mark Imhoff, Director, CDOT Division of Transit and Rail (DTR)
David Krutsinger, Deputy Director, CDOT DTR
Rob Andresen, Transit Grants Manager, CDOT DTR
Brodie Ayers, Lead Transit Grant Coordinator, CDOT DTR
Suzanne O'Neil, Transit Plus, CDOT- DTR consultant for this project