City of Boulder

Funding Working Group

Meeting 5

April 23, 2019

4pm to 6pm

First Floor New Britain Conference Room,

1101 Arapahoe Ave.

Agenda

- Welcome and Introductions
- Review of Meeting 4 Summary
- TMP Process Update
- Funding Packages
- Group Exercise
- Next Steps

CWG Pathway

Meeting 3: Needs Assessment part 2

- March 12

Meeting 4: Funding Mechanisms

- April 16

Meeting 5: Alignment of Needs and Mechanisms

- April 23

Meeting 6: Recommendation development

- May 14

TMP Process Update

- City Council Study Session June 18
- Approach
  - City's Transportation Vision
  - Funding Realities
  - Funding Paths Forward

City's Transportation Vision

- Safe
- Healthy
- Well-maintained
- Efficient
- Multimodal
- Innovative
- Local and Regional Partnerships

Funding Realities

- We are dependent on sales tax for the majority of our funding
- Sales tax revenue is not keeping up with inflation and the city is facing declining purchasing power
- The city is currently deferring maintenance and underfunding CIP
- Without additional funding, enhanced local and regional transit, and multimodal improvements, the city will not meet its transportation and climate goals and objectives.

Unfunded Needs- Short term

Category	Annual Unfunded Need	One-time Capital Need
Routine Maintenance	$3,600,000	-
Capital Maintenance	$7,000,000	-
Traffic Operations	$100,000	$9,600,000
Transit (near term)	$5,700,000	$11,200,000
5-Year CIP	$5,000,000	-
Planning and Programs	$1,300,000	-
TOTAL	$22,700,000	$20,800,000

Needs Assessment Exercise

Need	Operations, maintenance safety	Operational efficiency and Options	Quality of life	Auto capacity	Notes
Signs and markings	x				Safety issue
Medians – landscape maintenance			x		Unless it is a visibility issues the consensus was that landscape maintenance is not safety issue, primarily aesthetic
Snow and ice removal - roadway	x	x			Snow removal is primarily about safety for roadways but is also critical for maintaining multimodal access. Additional funding needs to improve pedestrian and ADA access, access to transit, and ped crossings at medians and intersections
Snow and ice removal – bike/ped/transit	x	x			
Sweeping	x	x			Safety in terms of air quality and public heath, operations efficiency for debris removal
Signals	x				Maintaining safe operating conditions
Streets	x				Maintaining safe operating conditions

Needs Assessment Exercise

Need	Operations, maintenance safety	Operational efficiency and Options	Quality of life	Auto capacity	Notes
Pavement	x				Maintaining safe operating conditions
Bridges	x				Maintaining safe operating conditions
Bike paths	x				Maintaining safe operating conditions
Sidewalk	x				Maintaining safe operating conditions
Irrigation			x		Quality of life, maintaining trees and vegetation

Needs Assessment Exercise

Need	Operations, maintenance safety	Operational efficiency and Options	Quality of life	Auto capacity	Notes
Modernization of Traffic Signals	x	X			Safety and Efficiency of Operations
Radio Infrastructure	x	X			Safety and Efficiency of Operations
Broadband	x	x	x	x	Could apply to all
Big Data Analytics		x			To improve efficiency of operations
Green Pavement Markings	x				Safety
HOP electric buses for replacement	x	X	x		Wide range of benefits
Transit Service Support	x	X	x	x	Wide range of benefits

Needs Assessment Exercise

Need	Operations, maintenance safety	Operational efficiency and Options	Quality of life	Auto capacity	Notes
Five Year CIP Implementation	x	X			Operation of systems, efficiency and options
Corridor Plans		x			Multimodal options and efficiency of operations
Vision Zero Implementation	x				Safety
Innovation/Advanced Mobility pilots		x			Multi-modal options and efficiency of operations
Bike/Ped Low stress network	X	x			Safety and multimodal options
Bike/Ped Program	X	x			Safety and multimodal options
Eco Pass/TDM Service		x			Multimodal options and efficiency of operations

Funding Options

- *Vehicle Efficiency Fee*
  - ***Vehicle Value Fee/Tax***
- *Vehicle Miles of Travel tax*
- General improvement districts
- Regional Transit Authority
- Sales and Property Tax
  - **Value-Added Tax**
- Occupational Privilege Tax
- Parking Space Fee/Tax
- Congestion pricing/Cordon fees
- Transportation Maintenance/Utility Fee
- Curbside Management/ TNC fees

Evaluation Criteria

- Provide revenue to meet TMP objectives
- Legal and Administratively cost effective
- Socially and economically equitable
- Proven elsewhere
- Reliable and predictable
- Sustainable and Scalable
- Revenue potential

Sales Tax

Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

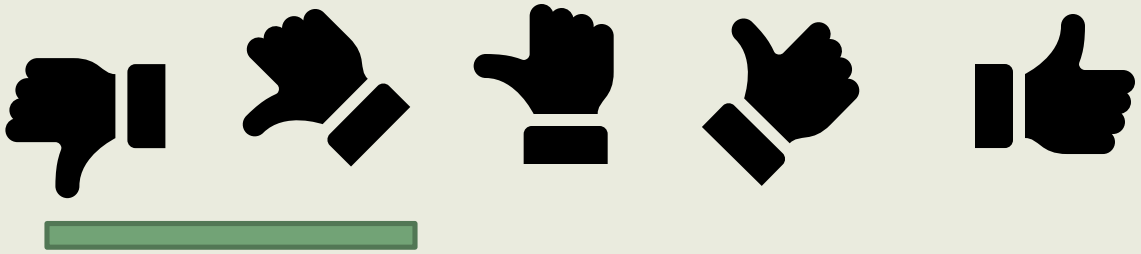
Property Tax

Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

Occupational Privilege Tax



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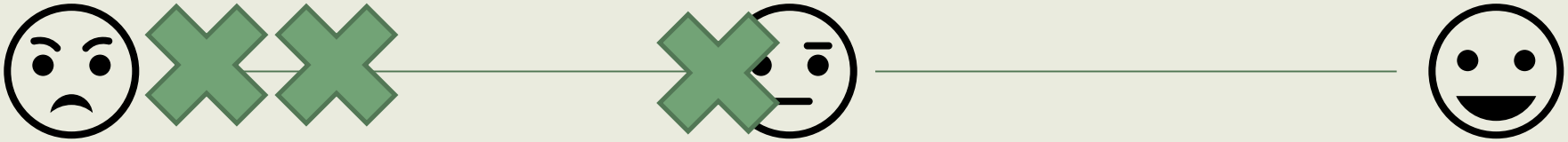


Comments/Reasoning:

Mass Transit

Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

Access Districts

Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

TMF/TUF

Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

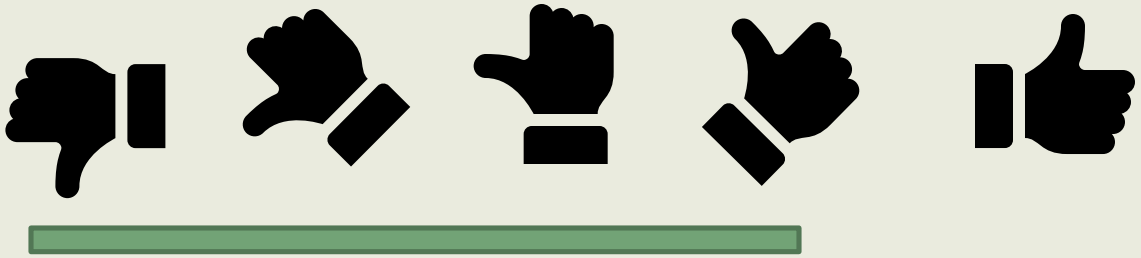
Parking Fee/Tax

Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

Congestion Pricing

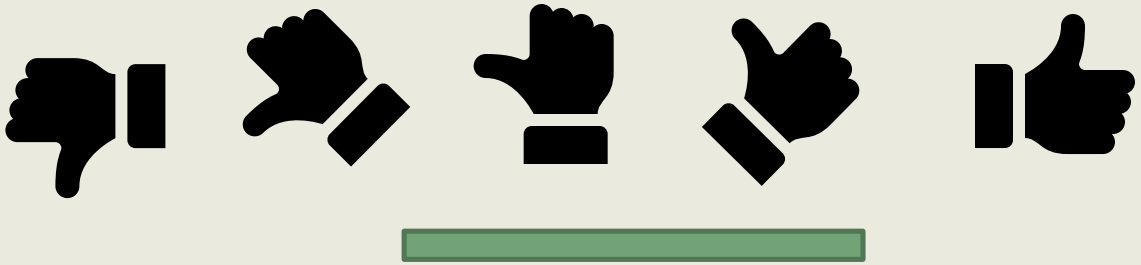


Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

Vehicle Value Fee



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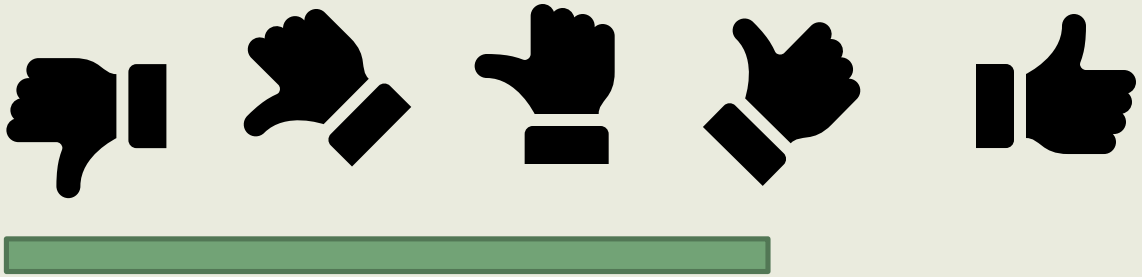

Comments/Concerns:

Community Receptivity:

Comments/Reasoning:

TMP Funding Packages

- What is in the package?
- How much does the package cost?
- How is the city going to pay for it?

Aligning Needs and Packages

- In working with a Funding Scenario in a small group:
  - Which of the funding mechanisms best align with specific unmet needs?
  - Which can meet the magnitude of the needs?
  - If Council wants to focus on X, which mechanism(s) are best suited and need to be developed by staff.

Funding Scenarios for Exercise

- **Fully Fund Core Services**
  - O&M
  - Traffic and Transit
  - Planning/Programs
- **Core Services and CIP**
  - Core Services
  - CIP unfunded need
- **Vision Zero Safety**
  - Core Services
  - Planning and Programs
  - VZ CIP component
- **Local Transit**
  - Core Services
  - Corridor CIP component
  - Local Transit Operations
- **Regional Transit**
  - Cores Services
  - Local/Regional Transit
  - Corridor CIP component
- **Advanced Mobility/TMP/Climate**
  - Core Services
  - Traffic Operations
  - Local and Regional Transit
  - CIP component

Exercise

Aligning Needs and Funding Mechanisms

Next Steps

- May 14: Meeting 6
  - Recommendation development
- June TAB
  - Preview of Council Memo and Presentation
- June 18 City Council

Thank You!

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Additional Slides

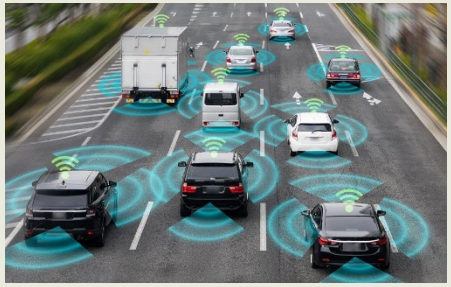
TMP Funding Policy Review

Investment Priorities

1. Operations, maintenance (O&M), safety
2. Operational efficiency and Options
3. Quality of life
4. Auto Capacity

Needs Assessment

- Routine Maintenance, Capital Maintenance Operations, Transit, Planning, and Capital improvements
  - Descriptions
  - Current Spending
  - Unmet Needs
  - Added Benefit
  - Standard, Policies, Expectations



Routine Maintenance

Activity	Current Spending	Unmet Need	Total Funding Needed
Signs and Markings	$1,000,000	$100,000	$1,100,000
Medians	$700,000	$600,000	$1,300,000
Snow Removal	$1,000,000	$1,400,000	$2,400,000
Street Sweeping	$320,000	$100,000	$420,000
Signal Maintenance	$1,200,000	$400,000	$1,600,000
Street Maintenance	$2,000,000	$1,000,000	$3,000,000
Subtotal	**$6,220,000**	**$3,600,000**	**$9,820,000**

Capital Maintenance

Activity	Current Spending	Unmet Need	Total Funding Needed
Pavement Maintenance	$5,000,000	$2,200,000	$7,200,000
Bridges	$500,000	$3,000,000	$3,500,000
Sidewalk Maintenance	$600,000	$600,000	$1,200,000
Bike Path Maintenance	$400,000	$500,000	$900,000
Irrigation Improvements	$0	$700,000	$700,000
Subtotal	**$6,500,000**	**$7,000,000**	**$13,500,000**

Traffic Operations

Capital Improvements	Current Spending	Unmet Funding Need	Total Funding Need
Moderization of Traffic Signals	NA	$500,000	$500,000
Radio Infrastructure	NA	$100,000	$100,000
Broadband	NA	$9,000,000	$9,000,000
Subtotal	**NA**	**$9,600,000**	**$9,600,000**

Annual Operations	Current Spending	Unmet Funding Needs	Total Funding Need
Big Data Analytics	No current line item in budget	$50,000	$50,000
Green Pavement Markings	No current line item in budget	$50,000	$50,000
Subtotal	**$0**	**$100,000**	**$100,000**

Transit Capital and Operations

Capital Improvements	Current Spending	Unmet Funding Need	Total Funding Need
HOP electric buses for replacement	$120,000	$11,200,000	$11,080,000
Subtotal	**$120,000**	**$11,200,000**	**$11,080,000**

Annual Operations	Current Spending	Unmet Funding Needs	Total Funding Need
Transit Service Support	$1,800,000	$ 5,700,000	$7,500,000
Subtotal	**$1,800,000**	**$5,700,000**	**$7,500,000**

Capital Improvements and Planning

Capital Improvements	Current Spending	Unmet Funding Need	Total Funding Need
Fiver Year CIP Implementation	$3,000,000	$5,000,000	$8,000,000
Subtotal	**$3,000,000**	**$5,000,000**	**$8,000,000**

Annual Planning and Programmatic Needs	Current Spending	Unmet Funding Needs	Total Funding Need
Corridor Plans	$150,000	$100,000	$250,000
Vision Zero Implementation	$230,000	$400,000	$630,000
Innovation/Advanced Mobility pilots	$20,000	$200,000	$220,000
Bike/Ped Low stress network	$50,000	$300,000	$350,000
Bike/Ped Program	$450,000	$100,000	$550,000
Eco Pass/TDM Service Support	$800,000	$200,000	$1,000,000
Subtotal	**$1,700,000**	**$1,300,000**	**$3,000,000**

Sales Tax

Criteria	
TMP objectives	Yes, Transportation has relied on sales tax since 1967
Legal and Admin	Legal and city currently administers the process
Equitable	Regressive
Proven	Currently used
Reliable and Predictable	Susceptible to economic fluctuations
Sustainable and Scalable	Dependent on economy and increases require vote
Adequate revenue	Historically, but not keeping up with inflation, part of package

Property Tax

Criteria	
TMP objectives	Yes, could provide significant revenue to meet unmet need and fund enhancements
Legal and Admin	Yes and administered by Boulder County
Equitable	Greater burden on commercial than residential properties
Proven	Yes, currently used by Boulder County
Reliable and Predictable	Yes
Sustainable and Scalable	Within limits set by tax laws
Adequate revenue	Yes could provide significant revenue on its own or part of package

Occupational Privilege Tax (Head Tax)

Criteria	
TMP objectives	Yes, could fund programs/services related to employers and commuters
Legal and Admin	Legal, but would require a new administrative process
Equitable	Burden is on employers and employees, could have exemptions for low wage workers
Proven	Used in the Denver metro area, Colorado, and the US
Reliable and Predictable	Yes
Sustainable and Scalable	Yes within tax law limits
Adequate revenue	For employee/employer related improvements/programs

Regional Transportation Authority

Criteria	
TMP objectives	For local and regional transit capital and service operations
Legal and Admin	Legal and significant administrative
Equitable	Property Tax v. Sales Tax issues to consider
Proven	Exist throughout Colorado and the US
Reliable and Predictable	Yes, but more so with property tax
Sustainable and Scalable	Yes, but more so with property tax than sales tax
Adequate revenue	Yes for transit capital and service operations depending on rates

Access Districts

Criteria	
TMP objectives	Yes for specific geographic area
Legal and Admin	Legal and city is experienced at administering districts
Equitable	Districts collect property taxes based on property value. Commercial portion higher than residential
Proven	Well established in Boulder; Downtown, Uni Hill, Forest Glen and Boulder Junction
Reliable and Predictable	Reliable and predictable
Sustainable and Scalable	Sustainable and scalable
Adequate revenue	For on-going programs/improvements in a selected geographic area

Transportation Maintenance/ Utility Fee

Criteria	
TMP objectives	Yes for unfunded O&M needs and possibly transit capital and service
Legal and Admin	Legal, and would need to be integrated into utility billing
Equitable	Can include rebates for specific cases
Proven	Yes in Colorado and across the US
Reliable and Predictable	Yes
Sustainable and Scalable	Yes
Adequate revenue	Completely scalable

Parking Space Fee/Tax

Criteria	
TMP objectives	Yes, could provide funding for multimodal operations and enhancements
Legal and Admin	Untested locally and possibly significant administrative burden depending on implementation
Equitable	Issue of minimum parking requirements
Proven	Philadelphia, Seattle (encourage redevelopment of surface lots)
Reliable and Predictable	Fairly reliable and predictable
Sustainable and Scalable	Revenue could diminish over time as parking supply and demand decrease
Adequate revenue	Depending rate, could be significant on its own or part of package

Cordon Fee/Congestion Pricing

Criteria	
TMP objectives	Yes, could provide significant funding of multimodal improvements and operations
Legal and Admin	Legal with significant implementation costs and new administrative process
Equitable	User fee based on use, could include embedded rebates for EVs
Proven	Proven to manage demand
Reliable and Predictable	Yes based on 1% annual travel growth
Sustainable and Scalable	Revenue could decrease over time with reduction of private vehicle fleet and increased transit use
Adequate revenue	Depending on rates

Curbside Management Fee

Criteria	
TMP objectives	Yes related to managing Advanced Mobility impacts
Legal and Admin	Legal with implementation costs and new administrative process
Equitable	Subsidies for shared, electric trips
Proven	New innovation
Reliable and Predictable	Growing revenue base
Sustainable and Scalable	Revenue likely to increase as private fleet is replaced by shared and autonomous on-demand mobility
Adequate revenue	Possibly significant revenue depending on rate and increased use of TNCs and freight delivery

Vehicle Efficiency Fee

Criteria	
TMP objectives	Yes, could provide funding to meet unmet needs and for on-going programs.
Legal and Admin	Legal, more burden on implementation than on-going administration
Equitable	Rebates being considered for low mileage vehicles and low income residents
Proven	New concept in regard to the fee based on miles per gallon (MPG)
Reliable and Predictable	Reliable and predictable
Sustainable and Scalable	Less sustainable with anticipated decline in private automobile ownership, but scalable
Adequate revenue	Limited revenue so part of a funding package

VMT Tax

Criteria	
TMP objectives	Yes, could in the future replace the gas tax
Legal and Admin	Needs to be implemented on a larger scale
Equitable	Based on vehicle use and could have rebates added
Proven	On in pilot tests
Reliable and Predictable	Potentially
Sustainable and Scalable	Could reduced over time based on private vehicle ownership
Adequate revenue	Could replace gas tax at federal level and provide a portion of annual funding similar to state highway users fund