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Initiative 153/Proposition 110 To Provide Significant Boost For Local And Regional Transportation Infrastructure

August 2018 • [Brian Connolly](#) and [Andy Peters](#)

Since the original alert was published last week, we have learned that the initiatives discussed will receive updated numbering when they appear on the November ballot: the Fix Our Damn Roads Initiative will become Proposition 109 on the ballot, and the [Let's Go Colorado](#) Initiative 153 will appear as Proposition 110.

For nearly a decade, Colorado's economy has boomed: the state boasts an unemployment rate among the five lowest in the country, tower cranes dominate a Denver skyline that grows every day, and on the national stage, our state draws praise not just for its natural beauty, but for its economic dynamism. Colorado is a success story. Its transportation infrastructure, however, is not, and this fall, statewide [Ballot Initiative 153](#) offers voters the opportunity to raise funds to support major highway and transit infrastructure improvements, including improvements to the I-70 mountain corridor and the I-25 corridor between Colorado Springs and Fort Collins.

Colorado's main source of transportation funding, the \$0.22 per gallon gasoline tax, has not increased since 1993. The demands of the post-recession boom, coupled with aging infrastructure and vehicles' increased fuel efficiency has left the state without sufficient revenue to meet its transportation needs. State transportation investments are critical to support existing and future development. Without it, local governments are frequently on the hook for infrastructure projects, causing a fractured transportation

system that imposes congestion-related costs on residents and employers and making Colorado less economically competitive.

Ballot initiative 153 proposes an increase in the state sales tax and associated bond funding, offering a sensible, long-term source of transportation funding to meet Colorado's transportation needs.

Initiative 153 Overview

A "yes" vote on the initiative authorizes \$6 billion in bonds to fund transportation projects, raises the state sales tax rate by 0.62 percent from 2.9 percent to 3.52 percent for twenty years, and establishes an oversight committee to monitor and report on how the bond funds have been used. Colorado Legislative Council Staff [estimate](#) that Initiative 153 will generate more than \$750 million in transportation-specific revenue in the first full fiscal year. Under the initiative's terms, that revenue must be allocated as follows:

- Forty-five percent of the funds will be used for bond repayment and state transportation funding;
- Fifteen percent of the funds will be used for multimodal transportation (i.e., transit and pedestrian and cycling infrastructure); and
- Forty percent will go to municipal and county transportation projects, split evenly between municipalities and counties.

Beyond these allocations, proceeds from the authorized \$6 billion bond issue will go to the State Highway Fund.

Under the allocation structure, local governments stand to receive a significant funding boost. In the first full fiscal year, Initiative 153 should raise more than \$300 million for localities, augmenting current funding levels. The initiative authorizes the state's transportation commission, which disburses the funds, to prioritize multimodal transportation options, with a requirement that localities provide a fifty percent match to receive such funds. Initiative 153 requires localities to use those funds to construct or maintain public highways, acquire rights-of-way and access rights, and construct or maintain transit-related projects.

Initiative 187

Joining Initiative 153 on the ballot this fall is another transportation spending measure; Initiative 187 offers a competing vision crafted by the Independence Institute's Jon Caldara. The officially titled "Fix Our Damn Roads" initiative would authorize a \$3.5 billion bond issue for a slate of road projects identified in the ballot language. It would also expressly prohibit any of the proceeds from being used to fund transit, bike, or pedestrian facilities. Despite authorizing new spending, the measure does not identify a revenue stream for bond repayment.

Our Support for Initiative 153

At current funding levels, Colorado's transportation infrastructure has been stretched to the breaking point. A 2016 Colorado Department of Transportation [report](#) predicted the transportation budget shortfall to approach \$25 billion between 2016 and 2040.

Similarly, according to a 2018 [report](#) from TRIP, a national transportation research group, more than a quarter of Colorado's major urban roads are in poor condition. In Pueblo, nearly half earned a poor rating. For Denverites, deteriorating, inadequate infrastructure costs drivers an additional \$2,300 every year. Coloradans agree that conditions are dire: recent [research](#) from Colorado Mesa University confirms that 9 in 10 Denverites, as well as 8 in 10 residents of southern Colorado, believe transportation is a significant problem for the state.

A healthy state economy requires a modern, functioning transportation network. Research shows that economic growth is hindered by congestion. Job growth creates opportunities for real estate investment and development. Initiative 153 generates a sustainable source of revenue untethered to vehicles' increasing fuel efficiency for the next two decades, and devotes a significant fraction of that revenue to the local governments that need it most. Moreover, the broad base of a sales tax allows the state to tap tourist spending, as out-of-state visitors are a major source of our state's congestion.

Our firm supports Initiative 153. We believe the initiative to be critical to a strong Colorado economy moving forward. We encourage our clients and friends to vote in favor of Initiative 153, or support the campaign by whatever means possible. In September, we will host an event to provide further information about this important effort, and we hope to see many of you there. Please visit the [events page](#) on our website to learn more.

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950 Seventeenth Street, Suite 1600, Denver, CO 80202
Phone 303.825.8400 | Fax 303.825.6525 | ottenjohnson.com