

Vail Daily

Funding big hurdle for I-70 trains, buses

Statewide taxes eyed as possible revenue source

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COPPER MOUNTAIN — There is widespread consensus among I-70 coalition members that mass transit needs to be a big part of dealing with traffic on the freeway in the mountains.

But federal and state highway officials said transit proponents shouldn't rely on massive government funding.

Planning and building a transit system will require not only innovative technology, but an equally creative financing mechanism, most likely through a combination of statewide taxes and bonds, experts said during a meeting last week of the I-70 Coalition, a group of mountain communities working on traffic.

Through 2010, the Colorado Department of Transportation has budgeted about \$65 million for I-70 improvements, with a bigger pot of about \$1 billion available for "strategic projects." Funding beyond 2010 is uncertain, said the agency's Joyce Bunkers.

"There is no silver bullet for funding," said Brian Pinkerton, a transportation engineer for the region that covers most of the I-70 mountain stretch. "Without some kind of change, we will not have enough money to keep roads and bridges in current condition."

The most frequently discussed forms of mass transit, including various rail or monorail systems running from Denver International Airport to Eagle County airport or beyond, could cost as much as \$6 billion. For the sake of comparison, Pinkerton said the transportation agency's annual budget runs about \$800 million.

And the federal government is probably not in a position to pony up that kind of additional cash, said Charmaine Knighton, of the Federal Transit Authority. Knighton outlined several funding programs for transit systems, and explained that her agency is looking for projects that give some real bang for the bucks.

Under a rigorous evaluation and rating system, the agency looks at the ratio of cost to passengers carried per mile. Other criteria include whether the system serves low-income populations, whether there is employment near stations and whether the projects offer environmental benefits.

"It's very expensive terrain to put any kind of a system in, whether it's highway or transit ... it's an extremely expensive environment to work in," Pinkerton said.

Concerns are greatest in Clear Creek County, where any type of highway or transit construction is sure to have significant impacts to communities like Georgetown, Idaho Springs and Silver Plume.

Funding options could include a statewide sales or gasoline tax, said Alan Matlosz, senior vice president of George K. Baum and Company.

Taxes may be necessary to pay for a mass transit system, such as a monorail, on the mountain stretch of I-70. The state and a coalition of mountain towns are studying several ideas to deal with traffic backups, at places such as Vail Pass, in the High Country.

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“There is no limit to the amount of money to fund the project ... the difficulty is, you have to pay it back,” said Matlosz, whose company provides investment banking and financial advice to local governments throughout Colorado.

Matlosz outlined several ways that the I-70 coalition might be able to raise the money, including a regional agency — or “metro district” — that could levy property taxes or a regional transportation authority that could be funded by sales taxes.

Voters would have to approve a sales tax increase. Dallas, Phoenix, Santa Fe, Atlanta and San Jose all have sales-tax-funded transit projects, he said.

“They’re easier to get passed — people just don’t like property taxes,” Matlosz said.

Focusing in on the eight counties represented in the coalition, Matlosz said that, based on some table-top calculations, a 1 percent sales tax could raise about \$52 million annually, based on current taxable retail sales in the region. A \$10 vehicle registration fee would generate another \$2.24 million, he said.

A statewide one-cent gas tax hike could raise about \$25 million annually, while a 10-cent hike could fund about \$4 billion worth of improvements, Matlosz said.

“The challenge is to figure out what to tax, where to tax and how to spend the money,” he said.

On the Web

- I-70 Coalition: www.i70mtncorridor.com.
- For more info on transit options: www.i70mountaintransit.org

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