

Memorandum

To: Mayor and Council
From: Tom Baker, Town Administrator
Date: June 16, 2015
Re: Discussion and Update: CDOT Devolution Process

Purpose: The purpose of this item is to provide Council with information about the Devolution Process for Main Street.

Discussion: Early this year, the Mayor and group from New Castle met with David Eller, CDOT Region 3 Director and his staff regarding the devolution of Main Street. As you know, "Devolution" is a process of transferring ownership of state roads to a local jurisdiction. The reason for the Town to consider devolution is to gain control of traffic speed, traffic and parking lane configuring, and general use of the street for economic development purposes. The reason for CDOT to consider devolution is to remove a roadway and its attendant long-term maintenance from their inventory. In order to make this ownership change workable, CDOT offers 20 years of maintenance funding (using net present value) to allow the local jurisdiction to absorb the cost of this new roadway.

CDOT suggested that the town make a specific devolution request and then CDOT would calculate the value of 20 years of maintenance. Once the town reviewed this information, then the town can request CDOT begin a devolution process, which will involve CDOT staff recommendation and a formal decision by the Transportation Commission (CDOT policy body appointed by the Governor).

In February, after Council discussion of this idea, Council made a formal request for CDOT to evaluate two options for devolution, see attached letter dated February 20, 2015. Shortly thereafter the town received an evaluation of devolution for option 2 (Elk Creek to Bruce Road), see attached spreadsheet. As of today, CDOT has not responded to option 1, even though an additional request has been made. Jeff Simonson is making contact with CDOT staff to determine if an evaluation of option 1 is possible.

It may be that CDOT is not interested in considering devolution of option 1 because it is such a short section of roadway. In any event, devolution is the only way that Council is able to implement angle parking in downtown. If the town is to consider devolution from Bruce Road to Elk Creek it will be important to understand what devolution means for the future roundabout funding.

If Council decides to proceed with option 2 devolution, staff suggests that the Mayor and staff have a conversation with Mr. Eller regarding the roundabout and any change to potential state funding as a result of devolution. As you know, the town completed the \$2.3M Flattops Pedestrian Bridge without any financial support from CDOT (even though this solved a safety problem on a CDOT road). Also, the town is implementing crosswalks (one of which is across the state highway) without any funding commitment from CDOT.

Request: Angle parking in the downtown is important to the town's economic future and devolution is Council's only option to make this happen. Staff requests Council discuss this topic with Jeff Simonson and staff, determine if option 1 is possible and if not proceed with option 2 and schedule a discussion with Mr. Eller to clarify the funding implications of the roundabout before making a final decision.



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February 20, 2015

David A. Eller, Region Director
CDOT Region 3
222 South Sixth Street, RM 317
Grand Junction, CO 81501-2769

RE: CDOT Devolution Process for SH 6&24

Dear Mr. Eller:

On February 17, 2015, the New Castle Town Council met at a regular meeting to hear a summary of the January 28th CDOT/New Castle meeting and to consider the idea of devolution as a mechanism for New Castle to gain control of Main Street for implementation of various traffic and parking strategies, such as angle parking, reduced traffic speeds, and other traffic control methods/devices to help the downtown become a better shopping and dining environment.

At the Council meeting, the staff and I outlined the two options for devolution that were identified in our January 28th meeting.

1. Devolving SH 6&24 (Main Street) from 8th Street (on the west end of Main) to E Avenue (on the east end of Main Street). This length of Main Street is generally thought of as the original town site.
2. Devolving SH 6&24 from 8th Street (on the west end of Main) to CR 240 (immediately east of City Market). Council understands that this option may not be optimal for CDOT because the Castle Valley Blvd./SH 6&24 intersection may need to stay under CDOT control due to potential interaction with I-70 ramps.

Council spent a considerable amount of time discussing the possible advantages and disadvantages of each option and finally concluded that they would like to understand how CDOT views and evaluates each of the above two options. Of course, as with all small towns, our budget is very modest and our first concern is to understand the economics of the transaction. Therefore, our request is for CDOT to begin the evaluation process for devolution on both options. Once CDOT staff have completed their analysis (or at any time you think appropriate), we can meet to understand and discuss the advantages and disadvantages of each option. After that occurs I expect the Council will be ready to select one of the above options to proceed to the Transportation Commission for consideration and hopefully approval.

Sincerely,

Bob Gordon
Mayor

cc Jeff Simonson, Town Engineer
John Wenzel, Public Works Director
David McConaughy, Town Attorney

DEVOLUTION WORKSHEET

	State Highway/Interstate	BEGINNING MILEPOST	ENDING MILEPOST
ROAD SECTION PROPOSED TO BE TRANSFERRED:	US 6 D	105.8	107.5
Narrative Description of Road Section:			

Name of Local Government Contact:			
Title of Local Government Contact:			
Phone:		Email:	

Name of CDOT Contact:			
Title of CDOT Contact:			
Phone:		Email:	

Date of Update:

Net Present Value of Projected CDOT Expenditures for the Period FY 2014 through FY 2034	\$ 1,009,327
Less: Net Present Value of Transfer Costs	\$ -
Net Present Value Savings	\$ 1,009,327
Years to Break-even	0

DRAFT

Fiscal Year	Net Present Value of Transfer Costs			
	Cash Payment for Transfer of Section	Drawdown of CDOT Work for Transfer (FY 2014 Dollars)	Transfer Costs In Inflated Dollars	Net Present Value of Transfer Costs
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -	\$ -
2022	\$ -	\$ -	\$ -	\$ -
2023	\$ -	\$ -	\$ -	\$ -
2024	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$ -	\$ -
2031	\$ -	\$ -	\$ -	\$ -
2032	\$ -	\$ -	\$ -	\$ -
2033	\$ -	\$ -	\$ -	\$ -
2034	\$ -	\$ -	\$ -	\$ -
Total NPV				\$ -

Fiscal Year	Net present Value of Projected CDOT Expenditures						Net Present Value of Projected Expenditures
	Routine Expenditures in Inflated Dollars	Surface Treatment Projects (Drawdown in FY 2014 Dollars)	Other Construction Projects (Drawdown in FY 2014 Dollars)	Construction Projects (Drawdown in Inflated Dollars)			
2014	\$ 46,904	\$ -	\$ -	\$ -	\$ -	\$ 46,904	\$ 46,904
2015	\$ 48,311	\$ -	\$ -	\$ -	\$ -	\$ 48,311	\$ 47,018
2016	\$ 49,761	\$ -	\$ -	\$ -	\$ -	\$ 49,761	\$ 47,133
2017	\$ 51,253	\$ -	\$ -	\$ -	\$ -	\$ 51,253	\$ 47,247
2018	\$ 52,791	\$ -	\$ -	\$ -	\$ -	\$ 52,791	\$ 47,362
2019	\$ 54,375	\$ -	\$ -	\$ -	\$ -	\$ 54,375	\$ 47,478
2020	\$ 56,006	\$ -	\$ -	\$ -	\$ -	\$ 56,006	\$ 47,593.11
2021	\$ 57,686	\$ -	\$ -	\$ -	\$ -	\$ 57,686	\$ 47,709
2022	\$ 59,417	\$ -	\$ -	\$ -	\$ -	\$ 59,417	\$ 47,825
2023	\$ 61,199	\$ -	\$ -	\$ -	\$ -	\$ 61,199	\$ 47,941
2024	\$ 63,035	\$ -	\$ -	\$ -	\$ -	\$ 63,035	\$ 48,058
2025	\$ 64,926	\$ -	\$ -	\$ -	\$ -	\$ 64,926	\$ 48,175
2026	\$ 66,874	\$ -	\$ -	\$ -	\$ -	\$ 66,874	\$ 48,292
2027	\$ 68,880	\$ -	\$ -	\$ -	\$ -	\$ 68,880	\$ 48,410
2028	\$ 70,947	\$ -	\$ -	\$ -	\$ -	\$ 70,947	\$ 48,527
2029	\$ 73,075	\$ -	\$ -	\$ -	\$ -	\$ 73,075	\$ 48,645
2030	\$ 75,267	\$ -	\$ -	\$ -	\$ -	\$ 75,267	\$ 48,764
2031	\$ 77,525	\$ -	\$ -	\$ -	\$ -	\$ 77,525	\$ 48,883
2032	\$ 79,851	\$ -	\$ -	\$ -	\$ -	\$ 79,851	\$ 49,001
2033	\$ 82,247	\$ -	\$ -	\$ -	\$ -	\$ 82,247	\$ 49,121
2034	\$ 84,714	\$ -	\$ -	\$ -	\$ -	\$ 84,714	\$ 49,240
Total NPV						\$ 1,009,327	\$ 1,009,327

Historical CDOT Routine Expenditures on Proposed Road Segment											
Fiscal Year	100 - Planning and Scheduling	150 - Roadway Surface	200 - Roadside Facilities	250 - Roadway Appearance	300 - Traffic Services	350 - Structure Maintenance	400 - Snow and Ice Control	Other Routine Expenditures	Adjustment for Any Abnormality	Adjusted Total Annual Historical Expenditure	Routine Expenditures in FY 2014 Dollars
2010			\$527	\$1,193	\$2,030	\$174	\$19,353	\$ -	\$ -		\$23,277
2011	\$653	\$1,850	\$673	\$3,706	\$3,512		\$22,914	\$ -	\$ -		\$33,308
2012		\$182	\$3,656	\$816			\$2,848	\$ -	\$ -		\$7,502
2013		\$9,446	\$1,070	\$782	\$4,053		\$28,937	\$ -	\$ -		\$44,288
2014	\$172	\$72,186		\$7,429	\$4,365		\$41,994	\$ -	\$ -		\$126,146
Estimated FY 2014											\$ 46,904