



Memo

To: City Council

From: Danny Paul, Public Works Director

Date: August 12, 2025

Re: CDOT Multimodal Transportation and Mitigation Option Funding Application

The Colorado Department of Transportation (CDOT) has announced a call for applications for Multimodal Transportation and Mitigation Option Funding (MMOF) with \$264,795 available to northwest Colorado communities for transportation projects. The deadline for applications is Monday, August 25th and staff is seeking council's support to apply prior to the deadline.

This past spring a call for applications was conducted with only two communities in the entire northwest region submitting applications. At the time CDOT reported funding would be very limited and the City of Craig opted not to apply. Since then, the Northwest Transportation Planning Region (NWTPR) has received approval from CDOT to release all remaining funding for the northwest region currently available through FY2029. The state is anticipating significant budget cuts and reductions in MMOF program moving forward.

The Town of Hayden and Routt County received preliminary approval for proposed projects that will consume \$257,500 of the remaining \$522,295 of available funding leaving \$264,795 available for the next award cycle. The Town of Hayden's project is for planning a future rail station associated with the Mountain Rail effort and Routt County will use its funds to plan safer pedestrian connections on the west end of Steamboat Springs.

Staff has evaluated project options for the City of Craig and are recommending **the city applies for \$150k funding from CDOT for a Rail Station Area Plan**. Projects within Moffat County have been pre-approved by CDOT to not require a local match, therefore, if awarded these funds it would be at no cost to the City of Craig.

The Rail Station Area Plan, sometimes referred to as Transit-Oriented Development, would have a scope of work that is very similar to the plan that the Town of Hayden just received funding for and would pave the way for final design efforts, and eventual implementation, of a rail station and adjacent development in Craig. The plan will evaluate different candidate sites within city limits and along the railroad tracks that will create compact, walkable, and mixed-use environments that leverage the presence of public transportation. Key elements of the plan include a focus on local context, enhancing connectivity, promoting mixed-use development, creating sustainable communities, and collaboration with partners. More specifically the plan will study, at a minimum, the following:



- Land Use Planning: A vision for how the area within a minimum of ½ mile of the rail station could be used to support appropriately scaled development that fits within the vision and goals of the City of Craig.
- Fiscal Preparedness: Identifies a feasible fiscal strategy for supporting both the station area and the proposed land uses in the area.
- Infrastructure Preparedness: Identifies the feasibility of identified development based on current and potential infrastructure including water, traffic, and other utilities.

Completion of the plan may open future opportunities for other grant funding toward the implementation of the plan and could be the catalyst for private development.

The city has already created a concept plan (see attachment) that would utilize property adjacent to the Union Pacific railroad tracks at the southerly end of Yampa Avenue and Breeze Streets. The concept was acknowledged by CDOT at a recent presentation given to City Council in April, however, the plan does not satisfy CDOT's requirements of an area plan study. If the city solely relies on the concept plan it may find out later that CDOT will not accept the location for the rail station until a formal Rail Station Area Plan is conducted.

Other project candidates that staff considered applying for are listed below along with a brief explanation of why staff does not believe these projects to be ideal candidates for MMOF funding:

- Boys & Girls Club Sidewalk Connection: The estimated cost of construction for this project will exceed the available funds and if federal funding is utilized could make delivery of this project unattainable in the near term.
- Bus Stop Improvements at Crescent Drive and Wickes Avenue: A simple project (<\$50k) that will be significantly complicated if federal funding is utilized.
- Highway 40 West Sidewalk Extension (Crescent Drive): The design for this project has already been completed via a past CDOT grant leaving only the construction phase unfunded. The estimated cost for construction is nearly \$1M which would require significant matching funds from the city to complete.
- Multimodal Improvements along Ranney Street to Loudy Simpson Park: No design exists and the price tag for the project is expected to be >\$2M so the available funding would only cover a small portion of the work.

In conclusion, staff is recommending to submit an application to CDOT for \$150,000 of MMOF funding to develop a Rail Station Area Plan. The application will be submitted with no proposed local match funding.

Attachments:

1. Concept Plan by Ayres Associates (2024)
2. Letter from CDOT regarding the Service Development Plan (February 2025)



- A** RESTAURANT
- B** MIXED-USE
- C** ACTIVATED ALLEY
- D** BOUTIQUE HOTEL
- E** EVENT PAVILION
- F** TRANSIT CENTER



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Department of Transportation

Division of Transit & Rail

Mayor Chris Nichols
City of Craig
300 W 4th Street
Craig, CO 81625

February 14, 2025

The Colorado Department of Transportation's (CDOT) Division of Transit and Rail (DTR) has been developing a Service Development Plan (SDP) for the Mountain Passenger Rail Corridor since the beginning of 2024. Through the development of this SDP, several station markets have been identified as feasible for the purpose of an intercity passenger rail line between Denver and Craig. These stations are Craig, Hayden, Steamboat Springs Downtown, Steamboat Springs Resort, Oak Creek, Kremmling, Hot Sulphur Springs, Granby, Fraser, Winter Park Resort, Rollinsville/Gilpin County, West Metro Denver, and Denver Union Station.

To create a successful service, DTR believes that purposeful station area planning will be needed after the completion of the SDP. DTR has envisioned this process as a partnership between the local governments along the route and themselves. As an initial step towards this partnership, DTR would like to officially request that the City of Craig obtain an official resolution from City Council indicating the following intentions:

1. A statement indicating that the City of Craig supports the placement of a Mountain Passenger Rail station in their jurisdiction.
2. A statement indicating that the City of Craig supports the location of said Mountain Passenger Rail station in the location recommended in the SDP.
3. A statement indicating that the City of Craig intends to complete, in coordination with DTR, a Rail Station Area Plan that will study, at a minimum, the following:
 - a. Land Use Planning: A vision for how the area within a minimum of ½ mile of the Mountain Passenger Rail station could be used to support appropriately scaled development that fits within the vision and goals of the City of Craig and how this area will assist the City of Craig in providing workforce housing and local connectivity. Items that should be addressed in the study include:
 - i. The feasibility for designation as a Neighborhood Center, as created by SB 24-174.
 - ii. The feasibility of developing a Transit-Oriented Development (TOD), which is generally characterized by the presence of transit, bicycle and pedestrian amenities, a variety of housing options, and a mix of retail, office, open space and public uses.
 - iii. The feasibility of creating a Mobility Hub.
 - iv. Alignment of the station area with the Moffat County/City of Craig Master Plan.
 - v. Demonstration of how the station area helps to meet the Strategic Growth Element (If applicable).
 - b. Fiscal Preparedness: Identifies a feasible fiscal strategy for supporting both the station area and the proposed land uses in the area.
 - i. Strategies could include TIF districts, special taxing districts, grant opportunities available, including the establishment of a Neighborhood Center through DOLA, or others.





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- c. Infrastructure Preparedness: Identifies the feasibility of identified development based on current and potential infrastructure, including:
 - i. Water, traffic, utilities, and other relevant needs

To support the City of Craig in this task, [a joint webinar](#) with the Colorado Department of Transportation, Department of Local Affairs, Office of Economic Development and International Trade, and the Governor's Office will be held on Tuesday, March 11th from 12pm-1pm MST. This [webinar](#) will cover State funding sources that may be leveraged for station area planning to induce economic development around the proposed station areas. Please forward this invitation to your local transit, housing, and economic development staff members. The registration link is [HERE](#).

The next two pages include a resolution template for placement on official City of Craig letterhead and a map of the recommended location for the Craig Station from the Mountain Passenger Rail SDP.

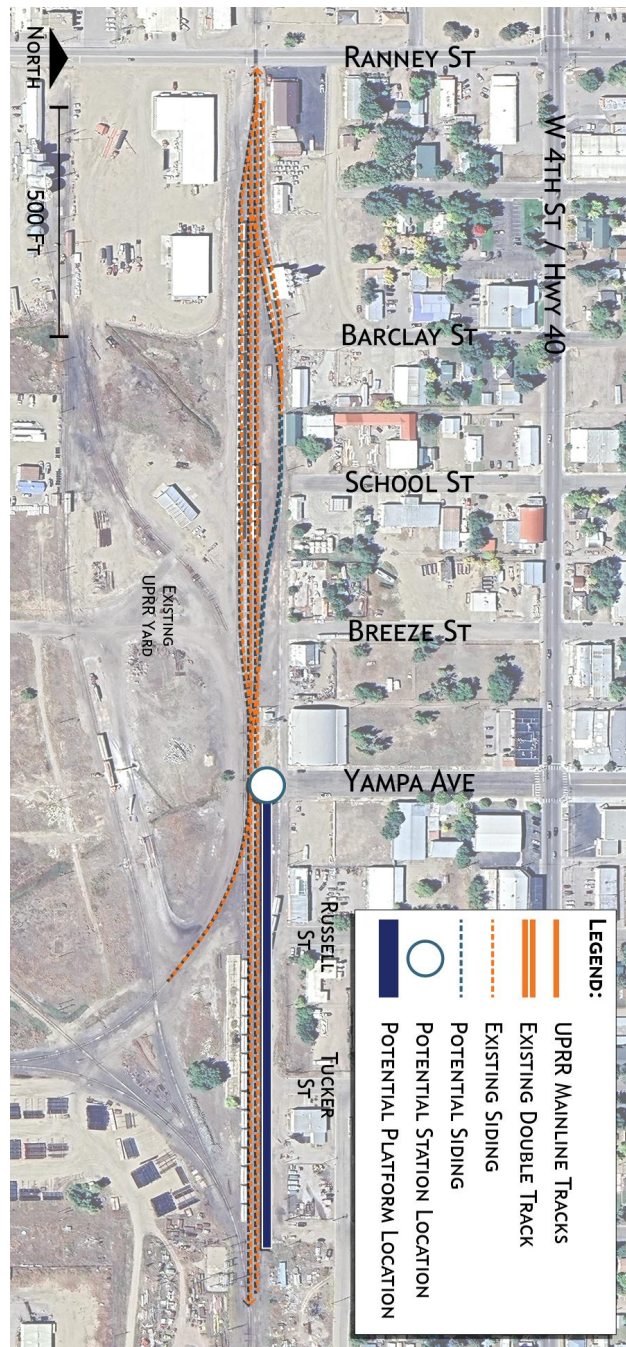




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Recommended Location for the Craig Station





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TITLE: A RESOLUTION IN SUPPORT OF A MOUNTAIN PASSENGER RAIL STATION IN THE CITY OF CRAIG

WHEREAS, the Colorado Department of Transportation's (CDOT) Division of Transit and Rail (DTR) is developing a Service Development Plan (SDP) for the Mountain Passenger Rail Corridor; and

WHEREAS, the City of Craig, in the Mountain Passenger Rail Corridor SDP, is one (1) of the markets that have been identified as feasible for the purpose of an intercity passenger rail line between Denver and Craig; and

WHEREAS, the creation of a successful passenger rail service depends on purposeful station area planning after the completion of the SDP.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL THAT THE CITY OF CRAIG:

1. Supports the placement of a Mountain Passenger Rail station within the City of Craig; and
2. Supports the location of said Mountain Passenger Rail station in the location recommended in the SDP; and
3. Intends to complete, in coordination with DTR, a Rail Station Area Plan that will study, at a minimum, the following:
 - a. Land Use Planning: A vision for how the area within a minimum of ½ mile of the Mountain Passenger Rail station could be used to support appropriately scaled development that fits within the vision and goals of the City of Craig and how this area will assist the City of Craig in providing housing local connectivity. Items that should be addressed in the study include:
 - i. The feasibility for designation as a Neighborhood Center, for developing the surrounding area as a Transit-Oriented Development (TOD), of constructing a Mobility Hub, and any other relevant development type that may fit the goals of the City of Craig.
 - ii. Alignment of the station area with the Moffat County/City of Craig Master Plan and demonstration of how the station area helps to meet the Strategic Growth Element.
 - b. Fiscal Preparedness: Identifies a feasible fiscal strategy for supporting both the station area and the proposed land uses in the area.
 - c. Infrastructure Preparedness: Identifies the feasibility of identified development based on current and potential infrastructure needs.

DONE AND RESOLVED

