

**Bridge Enterprise Board of Directors Sub-Committee
Minutes of April 7, 2010
Held at CDOT HQ - Commissioners Conference Room**

CBE Board Attendees: Gary Rieff, Heather Barry, Steve Parker (part time).

CDOT Staff: Russ George, Heather Copp, Pam Hutton, Rick Gabel, Mark Leonard, Ben Stein, Marina Krasny,

Stifel Nicolaus: Steve Bell, Julian Mellini

LSG Team: Matt McDole, John Gaudette, Dave Stevenson

The following agenda items were presented and discussed:

- Review of minutes from March 5, 2010 Sub-Committee meeting – No comments
- Review of notes from March 17, 2010 BE Workshop – No comments
- Status of SOQs
 - Two SOQs were submitted by the due date of March 31st. They are currently under review by the evaluation team. Chief Engineer Pam Hutton has given concurrence for short-listing the 2 submitters pending completion of the final review by the evaluators.
 - The Draft RFP is under review by staff. Still needs scope input for the financial elements and DBE requirements. Any Board comment or approvals are required on April 15th as is the issuance (via e-mail) to the short-listed proposers scheduled for April 23rd.
 - Feedback of why more firms didn't submit was questioned. Several indicated the contract size was not as large as what had been originally anticipated, including the design element. Most were more interested in the subsequent BE procurements that they felt would generate larger work opportunities including design-build.
 - Anticipate formalizing recommendation for Workshop and Board presentations next week.
- Progress Report on BE Financing
 - Kutak/Rock and Hogan and Hartson have been selected for the Counsel to assist BE as bonding counsel and disclosure counsel respectively. Scope of bond issuance is still being finalized with goal of initial release by May in order to support fall and early winter project development. Currently looking towards length of issuance to be 20 years. Interest rates generally continue to be low. Yield curve for 15-20 years may influence whether shorter duration for issuance might be considered. Final recommendation is pending further analysis.
 - Extraordinary event considerations are planned to minimize risk pending outcome of November ballot initiatives. These include consideration of delayed call pending any possible litigation tied to outcome of November initiatives.
 - Other aspects under study are the gross or net pledge. Anything over 20% is relatively acceptable as well as structuring pay-as-you-go (1/3) versus bonding (2/3) ratio. Additional modeling is on-going for final determination. Currently planning on 1/3 of program as pay-as-you-go.
 - Consideration of completing all 128+/- (excluding the I-70 viaduct) within 7-10 years was discussed. This would establish the program within the 2012-2017 STIP. Would need to consider adding other bridges that become deficient within this timeframe. The I-70 viaduct would require additional financing considerations.
 - Maintenance costs are being evaluated by Staff Maintenance as input to the financial model. Staff Bridge is looking at inspection costs.

- Staffing costs should consider the transition towards full-time CDOT staff after the initial year of the BE consultant program. A full time Project Controls person from the consultant was recommended for inclusion to cost projections. FY 2011-12 design costs of \$20M are proposed.
- Revenue projections continue to decrease. FY 2010 has gone from \$52M initial projections to \$37M. FY 2011 has gone from \$71 to \$58M. The impacts to the program are being assessed.
- Build America Bonds have been extended to end of 2011 at 33%, decreasing to 31% in 2011, with expiration after 2013 (March 31st)
- RFP for Investment Banker anticipated late April
- Proposed Consultant Task Order No. 3
 - Intended to complete procurement support and assist with transition to selected Consultant BE Program Manager. The work would also include additional support services to develop preliminary guidance documents for immediate program management needs and as a basis for the BE Program Consultant to refine.
 - Commissioner Rieff asked to review proposed scope/costs further.
- Proposed Budget Supplement
 - Budget entries for Stifel and LS Gallegos were in error and will be corrected accordingly for the workshop and Board Meetings.
- The Agendas for the April 14, BE Workshop and April 15 Board Meeting were reviewed. No changes were made to the proposed agendas.