



## MEMORANDUM

TO: COLORADO TRANSPORTATION COMMISSION

FROM: MARIA SOBOTA, CHIEF FINANCIAL OFFICER

DATE: JANUARY 21, 2016

SUBJECT: COLORADO STATE INFRASTRUCTURE BANK LOAN APPLICATION FOR PARK COUNTY

### Purpose

To present a revision to the November 2014 resolution in which the Transportation Commission (TC) approved the Colorado State Infrastructure Bank (COSIB) loan to Park County, Colorado. The revision is a result of a change in the designated Escrow Agent for Park County and the Colorado State Infrastructure Bank interest rate set by the TC in November 2015.

### Action

The TC is being asked to review and approve the revised resolution. The new resolution updates the Escrow Agent to Bankers Escrow Corporation from Alpine Bank presented to them in November, 2014, where they approved a COSIB loan to Park County, Colorado. The new resolution also updates the interest rate from 2.75%, which was the COSIB interest rate when the loan was initially approved, to the current interest rate of 2.50%.

### Background

In November, 2014, the Colorado State Infrastructure Bank (COSIB) Committee recommended that the TC approve a \$570,000 loan to Park County, Colorado. Based on the COSIB Committee's recommendation, the TC approved the loan for the full amount. In the original resolution, the proposed Escrow Agent was Alpine Bank. The COSIB administrator has received news that Alpine Bank cannot act as an Escrow Agent for the County. The COSIB administrator has updated the Escrow Agent in a revised resolution, listing Bankers Escrow Corporation as the new Escrow Agent.

In November 2015, the TC approved the Budget Office's recommendation to maintain the COSIB interest rate of 2.50%. This interest rate will apply to all COSIB loans in the second half of State fiscal year 2015-16. Since the Park County loan has not yet been disbursed, the COSIB Committee voted unanimously to apply the current, lower interest rate to this loan.

### Key Benefits

N/A

### Options and Recommendations

1. Review the revised resolution with updated Escrow Agent information and interest rate and acknowledge the correction. **Staff Recommendation**
2. Request additional information and delay for a future month.



Next Steps

Following the approval of the corrected resolution, the Budget Office will submit a final loan agreement to Park County and issue the approved loan.



**Transportation Commission of Colorado  
January 21, 2016**

**Resolution Number TC-**

**WHEREAS, the Colorado State Infrastructure Bank (bank) is a transportation investment bank with the ability to make loans to public and private entities for the formation of public transportation projects within the state; and**

**WHEREAS, the General Assembly passed Legislation (43-1-113.5 CRS) that made certain provisions for the bank and established within the bank, a highway account, a transit account, an aviation account and a rail account; and**

**WHEREAS, a loan application has been submitted by Park County, Colorado (borrower), to borrow \$570,000 to complete the Tarryall Road (County Road 77) project; and**

**WHEREAS, the Transportation Commission has adopted rules, pursuant to 43-1-113.5 CRS, in 2 CCR 605-1 regarding the eligibility requirements, disbursement of funds, interest rates, and repayments of loans from the bank; and**

**WHEREAS, pursuant to 2 CCR 605-1, Rule VI, Section 4 the Review Committee has reviewed and is in support of the application; and**

**WHEREAS, 2 CCR 605-1, Rule VI, Section 6 (2) provides “loan agreements for construction will specify that funds will be disbursed in their entirety to a third party fiduciary or escrow agent” unless the Transportation Commission provides a specific exemption; and**

**WHEREAS, the borrower has expressed its intent to attain Bankers Escrow Corporation (the agent) as the third party fiduciary, escrow, or administrative agent to confirm proper documentation from the borrower for loan draws, with the Department’s Division of Highways, directly disbursing funds to the borrower upon receipt of the agent’s confirmation; and**

**WHEREAS, the Division of Project Support has reviewed and acknowledged the highway projects significance to transportation goals for which the Borrower requests to borrow funds; and**

**WHEREAS, a sufficient amount is available to loan in the highway account; and**

**WHEREAS, the term of the loan is ten (10) years with a 2.50% interest rate, set by the Transportation Commission semi-annually; and**

**NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes the Department, under the guidance and direction of the Chief Financial Officer, to execute a loan agreement with the borrower in an amount of \$570,000 under the terms and provisions set forth in the adopted rules.**

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**Herman Stockinger, Secretary  
Transportation Commission of Colorado**