



MEMORANDUM

TO: TRANSPORTATION COMMISSION (TC)
FROM: JOSH LAIPPLY, CHIEF ENGINEER
JEFF SUDMEIER, CHIEF FINANCIAL OFFICER
DATE: OCTOBER 18, 2018
SUBJECT: FY 2018-2019 SENATE BILL 17-267 PROJECTS

Purpose

To review projects proposed for funding with proceeds from the FY 2018-2019 issuance of Certificates of Participation (COPs) under Senate Bill (SB) 17-267,

Action

Transportation Commission approval of projects to be funded with FY 2019 SB 17-267 proceeds.

Background

In November, 2017 the Transportation Commission approved (TC Resolution 17-11-15) 11 projects for funding with proceeds from the first two years (FY 2018-2019 and FY 2019-2020) of COP issuances under SB 17-267. The approval stipulated that the Transportation Commission would revisit the approval action following announcement of discretionary grant awards, which could result in a need to consider changes to the approved projects or amounts.

In late Spring, a lawsuit challenging SB 17-267 resulted in what at the time was considered an indefinite delay in the issuance of COPs. Staff recommended the use of funds provided under SB 18-001 in lieu of SB 17-267 so that SB 17-267 projects with funding needs in the next year could continue forward. The Transportation Commission was presented with a proposed allocation of FY 2018-2019 SB 18-001 and FY 2018-2019 and FY 2019-2020 SB 17-267 funds in June, and approved (TC Resolution 18-7-16) the allocation of SB 18-001 funds to six previously identified SB 17-267 projects in July, 2018.

Although the legal challenge to SB 17-267 has not yet been resolved, the first issuance of COPs closed on September 26. As such, staff is requesting that the Transportation Commission now formally approve those projects identified for funding under the FY 2018-2019 issuance ("Year 1"). The Year 1 issuance was for \$380 million in "par," with \$342 million designated for highways and \$38 million for transit. The successful closing of the first issuance at favorable interest rates has yielded an additional premium above the par amount of \$44.2 million (additional \$39.8 million for highways, and \$4.4 million for transit). With only \$337.5 million currently proposed for Year 1, roughly \$44 million in additional Year 2 SB 17-267 projects or scope can be brought forward for funding in Year 1. At this time staff is recommending that the Transportation Commission



approve the \$337.5 million proposed with a decision on the remaining Year 1 funds deferred to a later month, pending the outcome of transportation ballot measures in November.

The following table outlines the Draft SB 17-267 commitment amounts approved by the Transportation Commission in November, 2017, the amount funded through SB 18-001, as approved by the Commission in July, and the allocation of remaining commitment amounts between the first two years of SB 17-267 funding. The last column on the right indicates variances between the original commitment amount and the total amount of funding proposed. These differences reflect more recent information regarding project scope and costs, and represent an increase on three projects, and a decrease on one.

Project / Area	Draft SB 267 Commitment (Nov 2017)	SB1 Year 1 (July 2018)	SB267 Year 1 (Sept 2018)	SB267 Year 2 (Future)	Total	Difference from Original Commitment
I-25: Colorado-Springs Denver South	\$ 250,000,000	\$ 92,000,000	\$ 25,000,000	\$ 133,000,000	\$ 250,000,000	\$ -
I-25 North: SH 402 - SH 56 (Segment 6)	\$ 200,000,000	\$ 20,000,000	\$ 165,000,000	\$ 15,000,000	\$ 200,000,000	\$ -
I-70: Westbound PPSL	\$ 80,000,000	\$ 25,000,000	\$ 20,000,000	\$ 35,000,000	\$ 80,000,000	\$ -
I-70 East: Failing Pavement	\$ 55,000,000	\$ 23,900,000	\$ 33,100,000		\$ 57,000,000	\$ 2,000,000
US 550/160 Connection	\$ 54,400,000		\$ 54,400,000		\$ 54,400,000	\$ -
US 50: West of Pueblo	\$ 35,520,000			\$ 35,520,000	\$ 35,520,000	\$ -
US 160: Towaoc Passing Lanes	\$ 9,000,000	\$ 9,000,000		\$ 2,220,000	\$ 11,220,000	\$ 2,220,000
SH 9: Frisco North	\$ 10,250,000		\$ 9,500,000		\$ 9,500,000	\$ (750,000)
US 50: Little Blue Canyon	\$ 9,500,000			\$ 9,500,000	\$ 9,500,000	\$ -
SH 13 Reconstruction	\$ 60,000,000	\$ 20,000,000	\$ 30,500,000	\$ 10,800,000	\$ 61,300,000	\$ 1,300,000
ADA Improvements	\$ 25,000,000	\$ 5,000,000		\$ 20,000,000		\$ -
Other Projects TBD (dependent on proceeds and future issuances)	\$ -	\$ -	\$ 4,500,000	\$ 188,960,000	\$ 193,460,000	\$ 193,460,000
Total	\$ 788,670,000	\$ 194,900,000	\$ 342,000,000	\$ 450,000,000	\$ 961,900,000	\$ 198,230,000

Next Steps

Upon Commission approval and closing of the COPs, funds will be available to budget to approved projects. Staff anticipates returning to the Commission in a future month with a recommendation on the allocation of the remaining Year 1 SB 17-267 funds.

Future issuances of SB 17-267 COPs are dependent on the various ballot initiatives. The successful passage of Proposition 110 (Let's Go Colorado) will secure three additional issuances in FY 2019-2020, FY 2020-2021, and FY 2021-2022, while the successful passage of Proposition 109 (Fix our Damn Roads) will eliminate future issuances. If both ballot initiatives fail, a determination on future issuances will be deferred until the November, 2019 election.

Attachments:

Resolution



Resolution #TC-18-XX-XX

Instructing the Colorado Department of Transportation to dedicate revenue received through Senate Bill 17-267 towards the approved project list enclosed.

WHEREAS, Colorado Senate Bill 17-267 generates an estimated \$1.88 billion for transportation projects through lease purchase agreements and provides the Colorado Transportation Commission the authority to designate and select projects for this purpose; and

WHEREAS, at least 25 percent of transportation funds must be spent in counties with fewer than 50,000 residents as of July 2015; and

WHEREAS, at least 10 percent of transportation funds must be spent on transit projects; and

WHEREAS, the Colorado Transportation Commission developed criteria for project selection in conjunction with applicable stakeholders and selected projects from the Development Program; and

WHEREAS, the Colorado Department of Transportation (CDOT) staff evaluated and analyzed potential projects for the Department consistent with the aforementioned criteria; and

WHEREAS, the projects selected meet or exceed the 25% minimum for counties with fewer than 50,000 residents; and

WHEREAS, the Transportation Commission approved an initial list of Senate Bill 17-267 projects in November, 2017 with a commitment to revisit the approved project list upon the announcement of discretionary grant awards in Spring 2018; and

WHEREAS, Senate Bill 18-001 funds were awarded select Senate Bill 17-267 projects in July, 2018 in order to allow projects to continue to move forward despite a delay in receipt of Senate Bill 17-267 funding; and

WHEREAS, the Fiscal Year 18-19 issuance of SB 17-267 Certificates of Participation (COPs) was completed in September, 2018; and

NOW THEREFORE BE IT RESOLVED, the Colorado Transportation Commission approves the following list of transportation projects for Fiscal Year 18-19 Senate Bill 17- 267 funding in accordance with stipulations provided within the law.

- **US 550/160 Connection - \$54,400,000**
- **I-25: Colorado-Springs Denver South - \$25,000,000**
- **I-25 North: SH 402 – SH 56 (Segment 6) – \$165,000,000**
- **I-70: Westbound PPSL – \$20,000,000**
- **SH 13: Reconstruction – \$30,500,000**
- **SH 9: Frisco North – \$9,500,000**
- **I-70 East: Failing Pavement - \$33,100,000**

NOW THEREFORE BE IT FURTHER RESOLVED, the Transportation Commission will revisit remaining commitments to Senate Bill 17-267 projects and consider approval for funding

from future year Senate Bill 17-267 COP issuances after ballot initiatives affecting future
issuances have been decided by voters.

Herman Stockinger, Secretary
Transportation Commission

Date