



MEMORANDUM

TO: TRANSPORTATION COMMISSION (TC)
FROM: JOSH LAIPPLY, CHIEF ENGINEER
JEFF SUDMEIER, CHIEF FINANCIAL OFFICER
HERMAN STOCKINGER, ACTING DEPUTY DIRECTOR
DATE: FEBRUARY 21, 2019
SUBJECT: ALLOCATION OF FUNDS TO I-25 SOUTH GAP

Purpose

To review a proposed allocation of funds to the I-25 South Gap project to ensure the project moves forward despite uncertainty associated with Senate Bill (SB) 17-267 and SB 18-001 funding.

Action

Transportation Commission (TC) approval of reallocation of SB 17-267 funds via resolution, and approval of the February Budget Supplement allocating Transportation Commission Program Reserve (TC Program Reserve) Funds on a temporary basis as a “bridge loan” supporting the I-25 South Gap project.

Background

The failure of ballot initiatives in November, and uncertainty regarding what may happen to future years SB 267 and SB 1 funding during the legislative session, presents challenges in ensuring major projects, including the I-25 South Gap Project, continue to move forward. Staff has developed a recommendation to ensure the I-25 South Gap project continues to move forward without delay, despite funding uncertainty and timing issues associated with SB 1 and SB 267. Additional remaining funding needs on other FY 2019 SB 267 projects can be addressed later this summer or fall, when there is more certainty regarding available funds via SB 1, SB 267, or other funding sources.

Details

The remaining Package on the I-25 South Gap project, Package 3, was provisionally identified for \$133 million in funding under a FY 2020 issuance of SB 267 Certificates of Participation (COPs). Package 3 is currently identified in the DRCOG Transportation Improvement Program (TIP) with \$133 million in SB 267 funding. A change in funding source from SB 267 to another source would constitute a TIP policy amendment, requiring approval by the DRCOG Transportation Advisory Committee and DRCOG Board of Directors. In order to expedite the process and maintain the current project schedule, staff developed a recommendation that would retain SB 267 funding for Package 3, and eliminate the need to go through a TIP amendment process. The staff funding recommendation is to:

- Allocate \$44.2 million in remaining unallocated FY 2019 SB 267 funding to I-25 South Gap (via attached resolution)
- Reallocate \$88.8 million of FY 2019 SB 267 funding from I-25 North (via attached resolution)
- Extend a “bridge loan” in the amount of \$88.8 million from the TC Program Reserve to I-25 North to backfill the SB 267 funds (via Budget Supplement), with the expectation that the bridge loan is reimbursed from the anticipated July SB 1 General Fund transfer

Attachments

Resolution of Approval

Next Steps

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Upon approval of the attached resolution of approval and approval of the February Budget Supplement, staff will transfer funds accordingly, allowing the two identified projects to proceed with budget actions.



Resolution #TC-19-XX-XX

Instructing the Colorado Department of Transportation to modify the previously approved project list for revenue received through Senate Bill 17-267.

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 to 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

WHEREAS, seven transportation projects were approved for Fiscal Year 18-19 Senate Bill 17-267 funding in October 2018 via Resolution #18-10-11, including \$25,000,000 for I-25: Colorado-Springs Denver South and \$165,000,000 for I-25 North: SH 402 – SH 56 (Segment 6); and

WHEREAS, “Package 3,” the final phase of the I-25: Colorado Springs-Denver South project, is now ready to proceed to construction; and

WHEREAS, funding for “Package 3” was provisionally identified from a second issuance of SB 17-267 COPs or funding approved through a successful November, 2018 ballot initiative; and

WHEREAS, the failure of ballot initiatives in November, 2019, and uncertainty surrounding future issuances of SB 17-267 COPs necessitates the reallocation of previously approved SB 17-267 funds to ensure that “Package 3” is not delayed; and

WHEREAS, the schedule for I-25 North: SH 402 – SH 56 (Segment 6) affords flexibility to shift funding sources without affecting the project schedule; and

NOW THEREFORE BE IT RESOLVED, the Colorado Transportation Commission approves allocating remaining unprogrammed SB 17-267 funds in the amount of \$44,200,000 and reallocating funds in the amount of \$88,200,000 from I-25 North: SH 402 – SH 56 (Segment 6) to I-25: Colorado Springs-Denver South so that the new approved amounts for these projects is as follows:

- **I-25: Colorado Springs-Denver South - \$133,000,000**
- **I-25 North: SH 402 – SH 56 (Segment 6) – \$76,200,000**

NOW THEREFORE BE IT FURTHER RESOLVED, the Colorado Transportation Commission maintains its commitment to I-25 North and will via separate action ensure funding removed from I-25 North: SH 402 – SH 56 (Segment 6) is restored from other sources.

Herman Stockinger, Secretary
Transportation Commission

Date