



**HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)
REQUEST FOR INDICATIONS OF INTEREST - DIRECT LOAN/LINE-OF-CREDIT PROVIDER
REQUEST RELEASE: AUGUST 28, 2014
SUBMISSION DEADLINE: SEPTEMBER 10, 2014 @ 2:00 PM (Mountain)**

Summary of Request

The High Performance Transportation Enterprise (“HPTE”) is soliciting loan and/or line-of-credit (the “Facility”) proposals from qualified financial institutions to finance a portion of the construction costs associated with the I-70 Peak Period Shoulder Lane Project (“I-70 PPSL” or the “Project”) being undertaken by the Colorado Department of Transportation (“CDOT”). This procurement will be conducted as a solicitation under HPTE’s Project Procurement Guidelines and will be a two-phase process with this request serving as the initial solicitation document to identify qualified, interested lenders. The second phase will be a negotiated selection of the bidder whose proposal is determined to be the most advantageous to the State of Colorado (“State”) and HPTE, based on the lending terms and on pricing. A successful selection in phase one will not guarantee any lender a role in the financing.

Project Description and Construction Plan¹

The Project, part of CDOT’s comprehensive plan to improve travel in the I-70 Mountain Corridor, will upgrade 13-miles of Eastbound I-70 from Empire Junction to Hidden Valley within CDOT’s existing right of way. The upgrades will create a wide shoulder that – during peak travel periods only – will operate as a third travel lane. The express lane will be dynamically priced to keep traffic moving. Prices will lower when CDOT wants to encourage drivers to use the lane and rise as the lane reaches capacity. Utilizing the shoulder to create an express lane within the existing I-70 right-of-way during peak periods instead of adding a full lane has several benefits:

- Dynamic toll pricing keeps traffic moving: prices lower to encourage drivers to use the lane and rise as the lane reaches capacity
- Reduces travel time by nearly half from the Eisenhower/Johnson Memorial Tunnels to the top of Floyd Hill, resulting in an average 30-minute time savings
- Provides additional capacity by using the shoulder as a third lane, during peak hours
- Enhances recent Twin Tunnels (Veterans Memorial Tunnels) improvements
- Allows for faster speeds in all lanes, decreasing overall traffic time

The I-70 PPSL is currently under construction with an estimated in-service/completion date of October 2015.

Request for Proposals Anticipated Timing

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| ▪ Proposal Issue Date: | August 28, 2014 |
| ▪ Deadline for Questions: | September 3, 2014 (2pm, Mountain) |
| ▪ Response to Questions: | September 5, 2014 |
| ▪ Proposal Due Date: | September 10, 2014 (2pm, Mountain) |
| ▪ Selection of Qualified Banks: | September 17, 2014 |
| ▪ Negotiations with Qualified Banks: | September/October 2014 |
| ▪ Award and Closing: | October 2014 |

¹ <http://www.coloradodot.info/projects/i70mntnppsl>

Plan of Finance

The aggregate construction cost is estimated to be \$72 million, of which HPTE intends to finance \$35 million on an interim/construction basis. HPTE will pledge all Available Toll Revenues², defined as gross toll revenues net of toll processing costs, to the repayment of the facility. While Available Toll Revenues are intended to be the primary source of payment, it is anticipated that CDOT will provide credit enhancement to the Facility. Such enhancement is expected to take the form of an agreement by the Transportation Commission, subject to annual allocation, to make loans to HPTE to cover any shortfall in debt service, as described in the Indicative Terms and Conditions. When feasible, it is HPTE’s intent to refinance this Facility with long-term toll revenue bonds or other alternative financing tools (such as TIFIA).

Indicative Terms and Conditions

Borrower	The High Performance Transportation Enterprise, a government-owned business and a division of the Colorado Department of Transportation. HPTE is currently an “enterprise” for purposes of the State’s constitutional TABOR debt limitations.
Facility Type	Non-Revolving Line of Credit to fund the costs of construction for the I-70 PPSL.
Tax Status	Federal and State tax-exempt.
Facility Amount	Up to \$35,000,000.
Initial Facility Term	5-7 years from the date of closing.
Facility Term-Out Amortization	HPTE does not anticipate any principal redemption during the initial term of this facility. HPTE currently anticipates that the facility will be structured with a 25-year stated term-out amortization.
Take-Out / Permanent Financing	HPTE anticipates undertaking a takeout, permanent financing within a 5-7 year schedule. The exact timing of this financing cannot be determined at this time, but will depend on the Project’s performance, the market for the takeout financing, and the potential availability of other long-term financings tools, such as TIFIA.
Security	<p>HPTE and CDOT will enter into an Inter-Departmental Agreement (the “IDA”) whereby the Transportation Commission will, subject to annual allocation, make a loan to HPTE to replenish shortfalls in a debt service account or debt service reserve account associated with the payment of principal, interest and fees associated with the Facility.</p> <p>The Facility will be secured by, and payable from, (i) an irrevocable senior lien on Available Toll Revenues generated by the I-70 PPSL and (ii) payments made by CDOT to HPTE pursuant to the IDA, with such payments being subject to annual allocation by the Transportation Commission. If the Transportation Commission declines to allocate moneys to make such a loan, the lender will have no further recourse against CDOT or the Transportation Commission.</p>
TABOR Considerations	For HPTE to be able to incur the Facility without voter approval under TABOR (Article X, Section 20 of the Colorado Constitution), revenue projections for the Project must demonstrate that any such loan from CDOT would not need to be

² Ernst and Young Infrastructure Advisors, LLC and Louis Berger have been engaged by HPTE to evaluate, respectively 1) the financial viability of the Project and 2) the Traffic and Revenue expectations for the Project. Their materials will not be available at this time to prospective lenders. Louis Berger is preparing an Exploratory Level 1 study, which will be made available to qualified lenders during Phase Two of this procurement process. Note that a Level 3 “Investment Grade” study will not be performed for this Project.

	called upon or that, if required to be called upon, would be expected to be repaid with applicable interest in accordance with its terms (on a basis subordinate to the repayment of the Facility being sought from proposers).
Trustee	All monies allocated by the Transportation Commission to HPTE for the Facility and all Available Toll Revenues shall be deposited in a collateral account held by a trustee or depository acceptable to the Lender.
Fees	Drawn and undrawn fees are to be negotiated.
Facility Interest	Interest on the Facility will have a first claim on Available Toll Revenues. In years where Available Toll Revenues are insufficient, HPTE intends to capitalize those unpaid amounts into the Facility principal balance.

Proposal Response Criteria

1. Name and contact information of primary firm contact person. (Maximum Response: 1 page)
2. Briefly describe the firm’s transportation finance experience, the firm’s experience with CDOT and/or tolling sector in particular. (Maximum Response: 1 page)
3. Provide feedback on the following topics for your firm (Maximum Response: 1 page per topic):
 - a. Affirm your institution’s capacity for an initial Facility of up to \$35 million backed by Available Toll Revenues and subject to the CDOT credit enhancement.
 - b. Discuss your firm’s ability to capitalize interest payments, which would increase the Facility balance, over the initial term of the Facility.
 - c. Discuss your firm’s ability to structure a Facility with a 30-year stated amortization (initial term plus the stated term-out provision), but with an expected take-out financing in 5-7 years. Specifically discuss call provisions, step-up provisions, hard “put” dates, or other methods which would incentivize a refinancing by HPTE.
 - d. Discuss your firm’s ability to structure this Facility on either a fixed or variable basis.
 - e. Will the Facility be made directly by the proposing financial institution? If the proposing financial institution will seek to place the Facility with another financial institution, what, if any, disclosure will CDOT/HPTE be required to prepare? Describe your firm’s needs with respect to credit ratings (if any), Facility documentation and ongoing financial reporting.³
4. Please include any additional information unique to your firm or your proposed approach to this financing that you believe is relevant to evaluating your firm’s qualifications. (Maximum Response: 1 page)
5. Compliance Information. Please note that this section has no page limit. Clearly indicate / state / disclose each of the following:
 - a. Compliance with MSRB Rule G-37. Any regulatory inquiry relating to the proposing firm’s compliance with MSRB Rule G-37.
 - b. Any delinquent State or local tax or outstanding fee that has occurred in the previous three years.
 - c. The firm should summarize any pending or completed regulatory or judicial action from its SEC Form ADV that would directly affect the services requested in this RFP.

³ Please note that HPTE intends to close on the Facility in a time-efficient manner. In the event that credit ratings and additional documentation are required by your firm, please describe the benefit to HPTE of your firm’s approach.



An evaluation committee appointed by the Director of HPTE will, on the basis of the proposal responses determined to be the most advantageous to the State and HPTE, identify not more than three (3) proposers for the negotiating phase of the procurement process.

Proposal Terms and Conditions

- CDOT/HPTE is aware of the Municipal Advisor (MA) Rule and has provided an IRMA letter on its website.⁴
- CDOT/HPTE will not reimburse any firm for costs associated with responding to this RFP.
- CDOT/HPTE reserves the right to reject any or all proposals, to conduct interviews, and to negotiate final terms with proposers.
- Nothing in this RFP, the responses, or in the acceptance of any responses, in whole or in part, shall oblige CDOT/HPTE to complete negotiations with the selected financial institution.
- CDOT/HPTE reserves the right to end, in its sole discretion, negotiations with a financial institution at any time up to the consummation of the transaction arising from this RFP.
- CDOT/HPTE will not indemnify banks for any reason.

Proposal Questions

All questions should be directed to Stifel by the stated deadline; responses will be circulated to all Proposers. Proposers are disallowed from contacting the State, CDOT, HPTE, Ernst & Young, Louis Berger, and/or Kutak Rock during this evaluation period.

Proposal Due Date

Proposals are due no later than September 10, 2014 at 2:00 PM (Mountain). Late proposals will not be accepted. All proposals must be signed by an officer authorized to commit and negotiate on behalf of the financial institution.

Proposals should be delivered electronically (only) to the following:

Mike Cheroutes, Director
 HPTE
 Michael.Cheroutes@dot.state.co.us
 (303) 757-9249

Josh Benninghoff, Managing Director
 Stifel (Financial Advisor to HPTE/CDOT)
 Benninghoffj@stifel.com
 (303) 291-5240

Thank you for your interest in this important financing.

⁴ CDOT’s IRMA Disclosure Letter is publicly available at <http://www.coloradodot.info/business/CDOTIRMADisclosureCertDRAFTV.1.pdf>