

**Resolution #TC-16-9-15**

A resolution of the Colorado State Transportation Commission declaring the official intent of the Colorado Department of Transportation to reimburse itself from the proceeds of a future lease purchase financing for capital expenditures and providing certain other matters in connection therewith.

**Approved by the Transportation Commission on Sept. 15, 2016.**

**WHEREAS**, the Colorado Department of Transportation (“CDOT”) is an executive department of the State of Colorado; and

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**WHEREAS**, the Colorado State Transportation Commission (the “Commission”) is the governing body of CDOT; and

**WHEREAS**, CDOT presently intends to acquire, renovate and construct certain properties to house CDOT operations (the “Project”), including facilities in Pueblo, Colorado; and

**WHEREAS**, on June 18, 2015, the Transportation Commission approved resolution #15-6-9 to authorize staff to expend \$1,600,000 (in aggregate, including the initial design amount) to fund design through the Design Development phase, provide earnest money in an effort to secure potential site location(s) for the Project, and establish the Project GMP; and

**WHEREAS**, CDOT has made an agreement with the City of Pueblo (“City”) and W.L. Enterprises for the acquisition of approximately 12 acres of property located on the northeast corner of Outlook Blvd. and Wills Blvd.; and

**WHEREAS**, W.L. Enterprises is donating this land to the City, which will plat and rezone the property before deeding the property to CDOT for the purpose of constructing its new Region 2 headquarters; and

**WHEREAS**, the City has also agreed to pay for and construct the offsite improvements required to enable development of the site; and

**WHEREAS**, CDOT currently intends and reasonably expects to participate in a lease purchase financing to finance the Project, including an amount of approximately \$23,275,000 (the “Reimbursement Amount”) for reimbursing CDOT for capital expenditures made by CDOT prior to the date when funds for the Project are available from such financing;

and **WHEREAS**, the new Region 2 project includes a co-location of certain facilities with the Colorado State Patrol (“CSP”); and

**WHEREAS**, CDOT has agreed to loan CSP up to \$5,600,000 for the cost of construction for their portion of the new building; and

**WHEREAS**, CDOT does not intend to reimburse itself with lease purchase financing for the CSP portion of the project; and

**WHEREAS**, CSP has submitted a funding request to the Capital Development Committee to secure funds to repay CDOT for the actual final sum of CSP construction costs in 2018, at the completion of construction; and

**WHEREAS**, the initial expenditure of funds of CDOT for the Project, other than preliminary expenditures, as such term is defined in 26 C.F.R. § 1.150-2(f)(2) (“Preliminary Expenditures”), occurred on a date that is within 60 days prior to the date hereof; and

**WHEREAS**, the lease purchase financing is to occur within 18 months of either the date that CDOT first expended funds other than Preliminary Expenditures for the Project or the date that the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of CDOT funds, other than Preliminary Expenditures, for the Project); and

**WHEREAS**, the Commission hereby desires to declare the official intent of CDOT, pursuant to 26 C.F.R. § 1.150-2, to reimburse itself for the expenditure of CDOT funds for the Project from the proceeds of a future lease purchase financing of CDOT.

**NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO STATE TRANSPORTATION COMMISSION:**

**Section 1. Dates of Capital Expenditures.** All of the capital expenditures covered by this Resolution for the Project were or will be made not earlier than 60 days prior to the date of this Resolution. For the avoidance of doubt, the expenditures referenced in the preceding sentence do not include the Preliminary Expenditures, certain of which were made before 60 days prior to the date of this Resolution.

**Section 2. Declaration of Official Intent.** CDOT presently intends and reasonably expects to participate in a lease purchase financing within 18 months of either the date of the first expenditure of funds by CDOT for the Project (other than Preliminary Expenditures) or the date that the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of CDOT funds,

other than Preliminary Expenditures, for the Project), and to allocate an amount approximately equal to the Reimbursement Amount of the proceeds thereof to reimburse CDOT for its expenditures in connection with the Project.

**Section 3. Authorization for CDOT to Participate in Lease Purchase Financing.** In addition to any amounts authorized for reimbursement previously by separate Commission resolutions (including, for certainty, amounts to be reimbursed in relation to the construction of the Region 4 headquarters project in Greeley, Colorado, and the CDOT/Region 1 headquarters project in Denver, Colorado), the Commission hereby authorizes CDOT, pursuant to 26 C.F.R. § 1.150-2 and consistent with this Resolution, to reimburse itself for the expenditure of CDOT funds on the Project, in an amount not to exceed \$23,275,000, from the proceeds of a future lease purchase financing of CDOT.

**Section 4. Confirmation of Prior Acts.** All prior actions of the officials and agents of CDOT that are in conformity with the purpose and intent of this Resolution and in furtherance of the Project shall be and the same hereby are in all respects ratified, approved and confirmed.

**Section 5. CSP Building Funds.** CDOT intends to loan CSP \$5,600,000 from Commission Contingency Funds for the construction of their portion of the new building. CSP will pay CDOT back in one lump sum payment in 2018 at the completion of construction.

**Section 6. Effective Date of Resolution.** This Resolution shall take effect immediately upon its passage.

**INTRODUCED AND ADOPTED** at a regular meeting of the Commission on September 15, 2016



Herman Stockinger, Secretary  
Transportation Commission of Colorado



Date of Approval

