

Resolution #TC-1974

State Infrastructure Bank Loan to Gunnison County

Approved by the Transportation Commission on: April 21, 2011

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 Gunnison County (borrower), to borrow an amount not to exceed \$1,000,000 from the aviation account to help reconstruct the commercial apron to the south of the terminal building; 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 supports 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

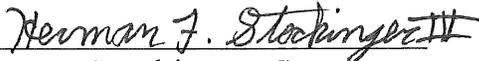
WHEREAS, the form of escrow agreement provided to CDOT requires an indemnity and CDOT's request to delete the indemnity, based on the prohibition against the state indemnifying private entities, has been rejected; and

WHEREAS, the Review Committee requests that, for this construction project loan, the borrower be specifically exempted from the requirement to attain a third party fiduciary or escrow agent and, instead, that CDOT be allowed to engage the services of an administrative agent to confirm proper documentation from the borrower for loan draws with CDOT directly disbursing funds to the borrower upon receipt of the administrative agent's confirmation; and

WHEREAS, the Division of Aeronautics and the Colorado Aeronautic Board has technically approved this aviation project; and

WHEREAS, a sufficient amount is available to loan in the aviation account;

NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes CDOT, under the guidance and direction of the Chief Financial Officer, to execute a loan agreement with the borrower in an amount not to exceed \$1,000,000.00 under the terms and provisions set forth in the adopted rules, with a specific exemption from the bank rule requiring disbursement of funds to a third party fiduciary or escrow agent and, instead, allowing CDOT to engage an administrative agent to confirm proper documentation from the borrower for loan draws with CDOT directly disbursing loan draws to the borrower upon receipt of the administrative agent's confirmation.



Herman Stockinger, Secretary
Transportation Commission of Colorado