

Resolution #TC-15-2-5

I-70 East Corridor Project Scope, Delivery Method, and Financing Mechanism

Approved by the Transportation Commission on February 19, 2015

WHEREAS, in 2003, the Colorado Department of Transportation (CDOT) began the I-70 East Corridor Environmental Impact Statement (I-70 East Corridor EIS) to study the future of I-70 East from I-25 to Tower Road and to meet the requirements of the National Environmental Policy Act (NEPA); and

WHEREAS, the purpose of the I-70 East Corridor EIS is to implement a transportation solution that improves safety, access, mobility and addresses congestion along this 12-mile segment of I-70 East which is one of Colorado's most heavily traveled, congested highway corridors and an essential component of the state's only east-west interstate; and

WHEREAS, during the lengthy I-70 East Corridor EIS process, both Federal Highway Administration (FHWA) and CDOT have studied and considered dozens of alternatives to solve the I-70 East Corridor problems including, but not limited to, a no-action alternative, a realignment alternative, and a revised viaduct alternative; and

WHEREAS, a Supplemental Draft I-70 East Corridor EIS was released on August 29, 2014 in which FHWA and CDOT preliminarily identified the Partial Cover Lowered Alternative with Managed Lanes Option as the Preferred Alternative for the I-70 East Corridor Project; and

WHEREAS, following the public release of a Final EIS, a Record of Decision (ROD) will be signed; and

WHEREAS, in order to complete the ROD, CDOT must have a feasible financing plan for a specific phase of the approved project and in order to develop this financing plan CDOT must engage the construction industry to assess project construction costs and consistency with available funding; and

WHEREAS, the passage of FASTER legislation in 2009 established the Colorado Bridge Enterprise (CBE) in order to accelerate the repair and reconstruction of deficient bridges further defined as structures that are "poor"; and

WHEREAS, using the criteria outlined in the FASTER legislation, 128 bridges were originally determined to be eligible for the CBE program and the elevated portion of I-70 East corridor on a bridge, known as the Viaduct, was included on that list; and

WHEREAS, the Transportation Commission is responsible, pursuant to C.R.S. 43-1-106(8), for formulating the general policy of the Colorado Department of Transportation (CDOT) and to promulgate and adopt CDOT budgets; and

WHEREAS, pursuant to Resolution #3179 approved on July 21, 2014, the Transportation Commission has directed the High Performance Transportation

Enterprise (HTPE) to pursue Public-Private Partnership (P3) opportunities in the procurement of the I-70 East Corridor Project; and

WHEREAS, the Transportation Commission further directed staff to develop a comprehensive program addressing disadvantaged and small business utilization and workforce training in administering the procurement for the I-70 East Corridor Project; and

WHEREAS, CDOT, HPTE and CBE staff and consultants have identified a total cost to deliver the first phase of the preliminarily identified Preferred Alternative for the I-70 East Corridor Project to be \$1.17 billion. Of this amount, it is anticipated that CBE will be eligible to contribute up to \$850 million; and

WHEREAS, three delivery models for the I-70 East Corridor Project have been analyzed: Design Build (DB), Design Build Operate Maintain (DBOM) and Design Build Finance Operate Maintain (DBFOM); and

WHEREAS, CDOT Senior Management and Department staff have recommended and presented to the Transportation Commission a Project governance structure in which the CBE will be the Managing Partner for the I-70 East Corridor Project and will enter into contract with private partners under a concession agreement along with HPTE (see Figure 1: I-70 East Corridor Project Governance Structure); and

WHEREAS, CDOT has engaged with the public in an extensive outreach effort, including soliciting public input on financing and delivery options and the findings of the Value for Money analysis; and

WHEREAS, CDOT Senior Management have recommended the DBFOM method of delivery because of its ability to transfer more risk to the private sector and to offer a more predictable long term cost schedule through the structure of availability payments, minimizing future contingency and cost overrun exposure to CDOT; and

WHEREAS, CDOT Senior Management and Department staff have also recommended that because of its significant contribution to this Project, the CBE and the CBE Board of Directors should have the final approval of the Project's financing mechanism.

NOW, THEREFORE, BE IT RESOLVED, the Transportation Commission approves the staff-recommended governance structure (as illustrated below in Figure 1: I-70 East Corridor Project Governance Structure) between CDOT, CBE and HPTE that was presented to the Commission in January 2015 in which CBE will be the managing partner for the I-70 East Corridor Project and CBE and HPTE will enter into an anticipated concession agreement with a private partner.

BE IT FURTHER RESOLVED, as part of the governance structure and necessary for the I-70 East Project, CDOT, CBE and HPTE will develop an Intra-Agency Agreement between the three entities that will further define responsibilities and commitments for the Project;

BE IT FURTHER RESOLVED, the Transportation Commission instructs staff to pursue delivery of the first phase of the I-70 East Corridor Project as identified by the Record of Decision.

BE IT FURTHER RESOLVED, subject to the approval of the Board of the CBE, the Transportation Commission directs staff to move forward with a Request for Qualifications for the I-70 East Corridor Project utilizing the optimal financing structure available to the Department within a Design Build Finance Operate Maintain procurement and delivery process.

Herman F. Stockinger III

Herman Stockinger, Secretary
Transportation Commission of Colorado

3-4-15

Date

Figure 1: I-70 East Corridor Project Governance Structure

