

# MEMORANDUM

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## DEPARTMENT OF TRANSPORTATION

**Office of Financial Management and Budget**  
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Date: 6 June 2013

To: Transportation Commission

From: Ben Stein, CFO

Subject: Region 4 HQ and Maintenance Facility

Accompanying this memorandum is a proposed resolution to authorize the issuance of up to \$19 million of Certificates of Participation for

- The construction of a new regional HQ for Region 4
- The construction of a new maintenance facility for Region 4
- To authorize the sale of the current Region 4 HQ as well as the Loveland and Evans residencies
- To authorize negotiating an Intergovernmental agreement the Colorado State Patrol for it to purchase from CDOT space in the new facility
- To pay for the cost of issuance of the certificates

A remaining outstanding issue is the level of LEEDs certification for the building. The options are no LEEDS certification, LEEDs Certified, and Leeds Gold. The staff recommendation is basic LEEDs certified as this complies with state directives. Since this element of the project remains in question, there is a blank in the resolution pending the Commission's decision.

In addition to the proposed resolution, I have attached a summary sheet showing a range of possible financing costs and options. I currently anticipate using a 10 year alternative and a maximum annual allocation of about \$2 million on the certificates.

For the issuance of the certificates, CDOT will use Stifel Nicolaus as its financial advisor and work with the State Treasurer's office, through which it is now statutorily required to work on transactions of this type to obtain legal services, trustee services and the other entities required to complete a financing.

Please do not hesitate to contact me if you have any additional questions.

**COLORADO DEPARTMENT OF TRANSPORTATION  
 CERTIFICATES OF PARTICIPATION  
 (GREELEY HQ PROJECT)  
 SERIES 2013**

	10 Year Amortization		15 Year Amortization	
	Par	Proceeds	Par	Proceeds
Dated Date	6/15/2013	6/15/2013	6/15/2013	6/15/2013
First Coupon	12/15/2013	12/15/2013	12/15/2013	12/15/2013
Last Maturity	6/15/2023	6/15/2023	6/15/2028	6/15/2028
True Interest Cost (TIC)	1.957%	1.957%	2.713%	2.713%
Average Life (years)	5.722	5.722	8.584	8.587
Par Amount	17,000,000	16,130,000	17,000,000	16,035,000
Bond Proceeds	18,076,968	17,151,915	18,183,421	17,151,711
Total Interest	3,017,300	2,862,700	5,303,600	5,004,850
Total Debt Service	20,017,300	18,992,700	22,303,600	21,039,850
Average Annual Debt Service	2,001,730	1,899,270	1,486,907	1,402,657

**Transportation Commission of Colorado  
June 20, 2013**

**Resolution Number TC-XXX**

**WHEREAS**, pursuant to C.R.S. 43-1-211, CDOT is authorized to purchase land and/or build buildings suitable for offices of for housing machines, tools, and equipment and pursuant to C.R.S. 43-1-212, CDOT may enter into rental or leasehold agreements under which the department may acquire title to such buildings with the approval of the Governor, the Chief Engineer, the Director of the Office of State Planning and Budgeting and a majority of the Transportation Commission; and,

**WHEREAS**, a Facility Needs Assessment Study completed by CDOT Property Management indicated that CDOT Region 4 Headquarters Building located in Greeley, Colorado currently has facility deficiencies; and

**WHEREAS**, the building deficiencies include, but are not limited to, fire and other safety hazards, size constraints, inefficient access and site circulation; and

**WHEREAS**, CDOT Property Management and Region 4 contracted with real estate brokerage firm CRBE, Inc. to analyze and identify viable alternative relocation sites for the Region 4 Headquarters Building; and

**WHEREAS**, after a thorough analysis, CDOT and CRBE have identified two sites located in Greeley, Colorado and on the US 34 Business Loop as the preferred alternative locations to build a new CDOT Region 4 Headquarters facility; and

**WHEREAS**, the current baseline budget for the new Region 4 Headquarters building and sufficient space for the Colorado State Patrol to purchase from CDOT as a part of this transaction is \$17 million. In addition to this C.R.S. 24-30-1301(13) requires that the building also be LEED certified for an additional cost of \$.6 million for certification and \$1.2 million for a gold level certification; and

**WHEREAS**, relocating the Region 4 Headquarters will also require that a new vehicle maintenance and storage facility be built and CRBE's and CDOT's study of this issue has identified the best location for this facility to be on land that CDOT already owns in Gilcrest, CO with the cost of erecting this facility included in the dollar amounts specified in the prior paragraph; and

**WHEREAS**, as part of the CDOT Region 4 Headquarters relocation, CDOT will be able to market and sell the existing CDOT Region 4

Headquarters building located at 1420 2<sup>nd</sup> Street, Greeley, CO, 8063, and also market and sell CDOT Region 4 residencies located in Evans, CO and Loveland, CO with any proceeds from such sales to be returned to the Transportation Commission for its allocation or, if so permitted by the covenants associated with the Certificates, to use such proceeds to accelerate the repayment of them; and

**WHEREAS**, it is CDOT's intention to purchase the necessary land, design and construct the new CDOT Region 4 Headquarters building and the vehicle maintenance and storage building located in Gilcrest, CO, by issuing Certificates of Participation.

**NOW, THEREFORE, BE IT RESOLVED** that the Transportation Commission hereby approves CDOT's plan to build a new CDOT Region 4 Headquarters building in Greeley, CO and a vehicle maintenance and storage building in Gilcrest, CO and authorizes CDOT to issue sufficient Certificates of Participation, not to exceed \$19 million including cost of issuance, to purchase necessary land, design, and construct these buildings including LEED certification at the \_\_\_\_\_ level and sufficient space for the Colorado State Patrol subject to arrival at a mutually satisfactory interagency agreement with the Colorado State Patrol to reimburse CDOT for the State Patrol's pro rata share of the facility.

**IT IS FURTHER RESOLVED** that the Transportation Commission authorizes CDOT to market and sell in accordance with 43-1-210(5) the existing CDOT Region 4 Headquarters building and property and the residencies located in Evans, CO and Loveland, CO and authorizes that the funds received from the sale of these properties be returned to the Transportation Commission for it to allocate, or if so permitted by the covenants associated with the Certificate, to accelerate the pay down of the balance of the Certificates of Participation issued for the new Region 4 Headquarters project.

**IT IS FURTHER RESOLVED** that the primary source for the repayment of any certificates not repaid from the sale of these properties or the payments toward the cost of the facility reimbursed by the Colorado State Patrol (to the extent permitted by the covenants of the Certificates) shall be repaid through annual allocations made as a part of the annual budget process as approved by the Transportation Commission. .

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**Herman Stockinger, Secretary**  
**Transportation Commission of Colorado**