



4201 East Arkansas Avenue, Room 235
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: COLORADO STATE INFRASTRUCTURE BANK COMMITTEE
DATE: NOVEMBER 20, 2014
SUBJECT: SIB LOAN APPLICATION FOR PARK COUNTY HIGHWAY

Purpose

To provide background information related to the Park County Highway State Infrastructure Bank (SIB) loan application and to review the SIB Highway Committee's recommendation for approval.

Action

The Transportation Committee (TC) is being asked to review and approve the Park County Highway \$570,000 loan request.

Background

County Road 77 (Tarryall Creek Road) is located in Park County and connects the communities of Jefferson and Lake George as well as US Highway 285 to US Highway 24, making it a critical link in Park County's transportation system. The road serves several hundred residents, commercial operations, businesses, ranches and is the main access route to Pike National Forest. Additionally, 13 County/Forest roads connect to County Road 77, augmenting its function and importance as a rural collector road.

During periods of inclement weather, incidents of highway accidents or other traffic delays, vehicles are rerouted from US Highway 285 to US Highway 24 through County Road 77 and vice versa. Park County relies on this roadway to provide access to tourism which bolsters the local economy. The recreation opportunities in the area include hiking, viewing scenery and wildlife, photography, horseback riding, camping, picnicking, ski touring, backpacking, hunting, and fishing.

The Central Federal Lands Highway Division (CFLHD) of the Federal Highway Administration (FHWA), in cooperation with the United States Forest Service (USFS), the Colorado Department of Transportation (CDOT), and Park County is proposing to repave the last segment of County Road 77 beginning north of the Tarryall Estates and extending south-southeast approximately 7.6 miles (see Attachment A for map). This proposed project encompasses a variety of improvements including horizontal and vertical curve realignment, roadway widening and reconstruction hot asphalt concrete repaving.

The total cost of the project is \$11.4 million. The proposed sources of funds are Park County's local match requirement, Toll Credits and CFLHD. Under MAP-21, using the formula used to calculate matching funds, Park County would be required to match 17.21% or approximately \$1.9 million of the total project cost. Due to the timing of the MAP-21 match requirement, Park County was not given adequate time to budget for this local match requirement and thus the project could not be completed. Toll Credits will be used to offset Park County's local match shortfall. As presented to the Transportation Commission in the summer of 2014, the Toll Credit Program



has been used in the past to cover the local match shortfalls for certain projects impacted by MAP-21 match requirements. When the Toll Credit Program match is applied to this project, Park County's local match is 5% of the total project cost and the Toll Credit Program's match is 12.21% (see chart below). The funds received from the SIB loan will be used to cover Park County's local match portion of the project.

Source of Funding	Percentage of Funding	Project Cost
Park County's local match	5.00%	\$570,000
Toll Credits	12.21%	\$1,391,940
Central Federal Lands Highway Division	82.79%	\$9,438,060
Total	100.00%	\$11,400,000

Toll Credit Program

Information on the FHWA Toll Credit Program was presented in July 2014 to the TC as an "Information Only" memo (the original July 2014 memo has been included again in this month's Information Only section). The memo provides background information on the Toll Credit Program and examples of past usages. Toll Credits are not Federal funds, nor do they increase Federal Appropriation spending limits or Federal Obligation limits. Essentially, the State gives up a dollar of Federal Appropriation and Federal Obligation for every Toll Credit dollar committed to a project. But, despite this limitation, the Toll Credit Program can be beneficial in certain scenarios. One such scenario is the proposed agreement between CDOT, the U.S. Department of Transportation, FHWA and CFLHD to use CDOT's Toll Credits to provide the necessary matching funds for three legacy projects in the Federal Lands Access Program: Guanella Pass Road, Cottonwood Pass Road, and now Tarryall Creek Road.

Terms of the SIB Loan

The term is a maximum of 10 years with the pre-established interest rate of 2.75%, set semi-annually by the TC.

Key Benefits

The requested SIB loan will allow improvements to be completed on the last section of County Road 77 (see Attachment A for map). The funds will correct road deficiencies, ease Park County road maintenance burdens, meet USFS management transportation and administrative goals and ensure access to tourist attractions. As with other SIB loans to local jurisdictions, the loan will be secured with future Highway Users Tax Fund revenues.

Options and Recommendation

1. Approve the \$570,000 loan to Park County Highway. SIB Highway Committee recommendation.
2. Request additional information and delay for a future month.
3. Deny SIB loan request.

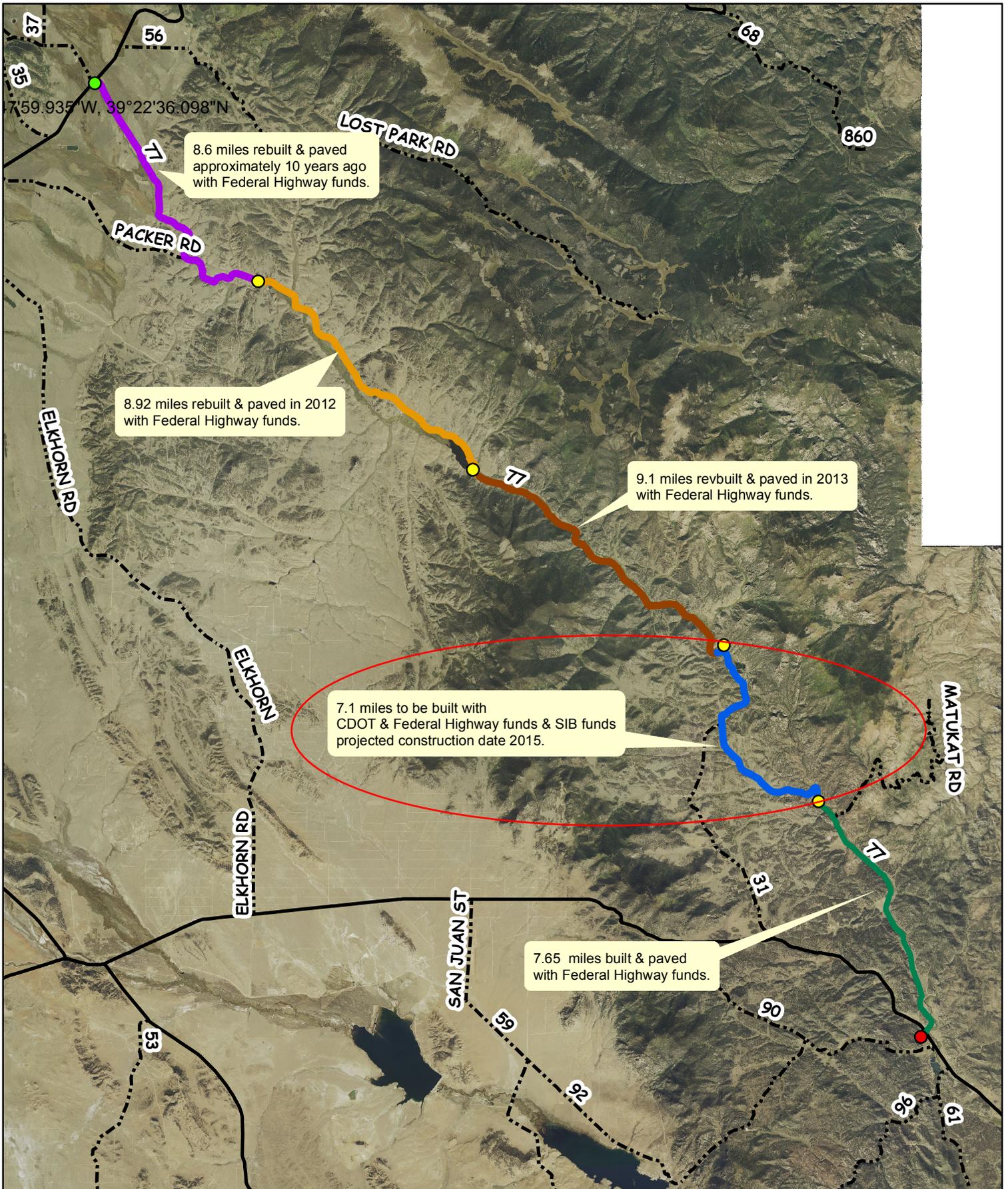
Next Steps

If the loan is approved, Park County will complete the loan agreement and the Division of Accounting and Finance (DAF), Office of Financial Management and Budget (OFMB), will disburse the funds to the agreed upon escrow agent.

Attachments

Attachment A-Map of County Road 77





8.6 miles rebuilt & paved approximately 10 years ago with Federal Highway funds.

8.92 miles rebuilt & paved in 2012 with Federal Highway funds.

9.1 miles rebuilt & paved in 2013 with Federal Highway funds.

7.1 miles to be built with CDOT & Federal Highway funds & SIB funds projected construction date 2015.

7.65 miles built & paved with Federal Highway funds.



**Transportation Commission of Colorado
November 20, 2014**

Resolution Number TC-

WHEREAS, the Colorado State Infrastructure 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, § 43-1-113.5, C.R.S. established the transportation infrastructure revolving fund and required that the fund include a highway account, a transit account, an aviation account and a rail account; and

WHEREAS, a loan application has been submitted by Park County Government (Borrower), to borrow \$570,000.00 from the highway account to correct roadway deficiencies and drainage issues with County Road 77; and

WHEREAS, the Transportation Commission has adopted rules, pursuant to § 43-1-113.5(3) C.R.S., 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 of the Rules for the Colorado State Infrastructure Bank, adopted by the Commission on November 30, 2009, The Colorado State Infrastructure Bank 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 Borrower has expressed its intent to attain Alpine Bank as the third party fiduciary, escrow, or administrative agent to confirm proper documentation from the Borrower for loan draws, with the Department directly disbursing funds to the Borrower upon receipt of the agent’s confirmation; and

WHEREAS, the Division of Project Support has reviewed and approved the highway project for which the Borrower requests to borrow funds; and

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

WHEREAS, the term of the loan is ten (10) years with a 2.75% interest rate, set by the Transportation Commission semi-annually.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes the Department, under the guidance and direction of the Chief Financial Officer, to execute a loan agreement with the Borrower in an amount of \$570,000.00 under the terms and provisions set forth in the 2 CCR 605-1.