

Resolution #BE-15-6-5

Bridge Enterprise Resolution Expressing Intent to Issue Private Activity Bonds to Finance a Portion of Interstate 70 East Reconstruction Project

Approved by the Bridge Enterprise Board of Directors on June 18, 2015

WHEREAS, the Colorado Bridge Enterprise was created pursuant to Section 43-4-805, C.R.S., as an enterprise for purposes of section 20 of article X of the Colorado Constitution, and as a government-owned business within the Colorado Department of Transportation (“CDOT”), for the business purpose of financing, repairing, reconstructing, and replacing designated bridges, as defined in Section 43-4-803(10), C.R.S.; and

WHEREAS, CDOT, along with other participants, is currently undertaking the Interstate 70 East Reconstruction Project, which generally consists of the removal of the I-70 viaduct between Brighton Boulevard and Colorado Boulevard, the lowering of approximately one mile of I-70 below grade, the construction of a landscaped cover over a portion of I-70, and the addition of two managed lanes in each direction on I-70 between I-25 and Tower Road (the “I-70 East Project”); and

WHEREAS, the Colorado Bridge Enterprise has identified that certain portions of the I-70 East Project qualify as a designated bridge project, including, among other portions, the removal of the I-70 viaduct between Brighton Boulevard and Colorado Boulevard and the lowering of approximately one mile of I-70 below grade; and

WHEREAS, Sections 43-4-805(5)(c) and 43-4-807, C.R.S., provide, in part, that the Colorado Bridge Enterprise may issue revenue bonds for the purpose of paying the cost of financing, repairing, reconstructing, replacing and maintaining designated bridges; and

WHEREAS, Section 142(a)(15) of the Internal Revenue Code of 1986, as amended (the “IRS Code”), authorizes the issuance of private activity bonds for qualified highway or surface freight transfer facilities that receive federal assistance under Title 23 of the United States Code (“Qualified Facilities”); and

WHEREAS, Section 142(m) of the IRS Code establishes a national limitation of \$15 billion on the amount of private activity bonds which may be issued for Qualified Facilities (the “National Allocation”) and directs the United States Secretary of the Transportation (the “USDOT Secretary”) to allocate such amount among Qualified Facilities as the USDOT Secretary deems appropriate; and

WHEREAS, the I-70 East Project is a qualified highway facility as described in Section 142(a)(15) of the IRS Code and is expected to receive federal assistance under Title 23 of the United States Code; and

WHEREAS, Section 43-4-805(5)(h), C.R.S., authorizes the Colorado Bridge Enterprise to make and enter into contracts or agreements with private entities pursuant to which such private entity designs, develops, constructs, reconstructs, repairs, operates or maintains all or any portion of a designated bridge project on behalf of the Colorado Bridge Enterprise; and

WHEREAS, the I-70 East Project is expected to be procured pursuant to a design-build-finance-operate-maintain structure pursuant to a project agreement among the Colorado Bridge Enterprise, the Colorado High Performance Transportation Enterprise (“HPTE”) and a private entity; and

WHEREAS, the Colorado Bridge Enterprise intends to make available the issuance of private activity bonds as a source of funding for the private entity to design, develop, construct, reconstruct, repair, replace, operate and/or maintain the designated bridge project components of the I-70 East Project (the “I-70 East Bonds”); and

WHEREAS, the Colorado Bridge Enterprise would act solely as the issuer of the I-70 East Bonds and would lend the proceeds of such I-70 East Bonds to the private entity and the private entity would be obligated to repay such loan, and by extension, the principal of and interest on the I-70 East Bonds; and

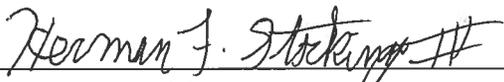
WHEREAS, in order to issue the I-70 East Bonds, the Colorado Bridge Enterprise will be required to apply to the USDOT Secretary for a portion of the National Allocation and receive an award of allocation from the USDOT Secretary in an amount equal to the principal amount of I-70 East Bonds to be issued by the Colorado Bridge Enterprise for the designated bridge project components of the I-70 East Project; and

WHEREAS, (a) the I-70 East Bonds, when issued, will be special, limited obligations of the Colorado Bridge Enterprise, payable solely from and secured solely by a trust estate established under the issuing instrument, and will not, and shall not be deemed to constitute an obligation, moral or otherwise, of the Colorado Bridge Enterprise, HPTE, CDOT or the State of Colorado (the “State”), any other agency, instrumentality or political subdivision of the State, or any official, board member, director, officer, employee, agent or representative of any of the foregoing, and neither the full faith and credit of the Colorado Bridge Enterprise, HPTE, CDOT or the State nor the taxing power of the State or any other agency, instrumentality or political subdivision of the State will be pledged to the payment of the principal or redemption price of and interest on the I-70 East Bonds; (b) the registered owners of the I-70 East Bonds may not look to any revenues of the Colorado Bridge Enterprise, HPTE, CDOT or the State for repayment of the I-70 East Bonds and the only sources of repayment of the I-70 East Bonds will be as provided in the issuing instrument; (c) the I-70 East Bonds will not constitute an indebtedness of the Colorado Bridge Enterprise, HPTE, CDOT or the State or a multiple-fiscal year obligation of the Colorado Bridge Enterprise, HPTE, CDOT or the State within the meaning of any provisions of the State Constitution or the laws of the State; (d) the payment of the I-70 East Bonds will not be secured by any encumbrance, mortgage, or other pledge of property of the Colorado Bridge Enterprise, HPTE, CDOT or the State, other than the trust estate established under the issuing instrument; and (e) no property of the Colorado Bridge Enterprise, HPTE, CDOT or the State, subject to such exception, will be liable to be forfeited or taken in payment of the I-70 East Bonds; and

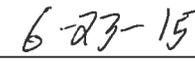
NOW THEREFORE BE IT RESOLVED, the Colorado Bridge Enterprise intends to issue the I-70 East Bonds in an aggregate principal amount not to exceed \$725 million to defray a portion of the costs of the designated bridge project components of the I-70 East Project, provided that the I-70 East Bonds shall be issued only (a) after receipt from the USDOT Secretary of an allocation of a portion of the National

Allocation; (b) after negotiation of an agreement acceptable to the Bridge Enterprise Board of Directors with one or more private entities to design, build, finance, operate and maintain the I-70 East Project; and (c) adoption by the Bridge Enterprise Board of Directors of a resolution approving the issuing of the I-70 East Bonds.

BE IT FURTHER RESOLVED, the Bridge Enterprise Board of Directors hereby authorizes the Bridge Enterprise Director or any other officer of the Colorado Bridge Enterprise to execute and deliver such certificates and other documents and take such other actions as may be necessary or convenient to the accomplishment of the purposes of this Resolution, including, without limitation, the delivery of all certificates and other documents required to be delivered in connection with applying to the USDOT Secretary for a portion of the National Allocation.



Herman Stockinger, Secretary
Transportation Commission of Colorado



Date