

Colorado Department of Transportation

Colorado State Infrastructure Bank

(CO SIB)



2008 Application Package



Colorado State Infrastructure Bank

Borrowers Information

This booklet provides potential transportation project sponsors with information about the Colorado Department of Transportation's State Infrastructure Bank (CO SIB) program and how to apply for a loan.

The CO SIB program was developed as part of a federal pilot program. The bank makes loans available to communities in all areas of Colorado, to help fund transportation projects. The CO SIB program is described below followed by program eligibility guidelines, application instructions and an application form.

Program Concept

The demands for transportation improvements have outpaced available funds. This problem can now be addressed through the CO SIB. The CO SIB offers several important advantages to communities looking for financing.

The CO SIB acts as a bank to provide capital for funding projects in the short-term. As project loans are re-paid, more capital becomes available for new projects. Other advantages include:

- **Low rates:** Local governments and/or private developers can borrow at or below market rates, which lowers the overall cost of borrowing.
- **Revolving fund:** As loans are re-paid, funds become available for new projects.
- **Administrative simplicity:** Standard project agreements and loan documents reduce processing time and legal fees.

Who to Contact for More information

The CO SIB is managed under the Office of Financial Management and Budget, Colorado Department of Transportation.

For more information, contact the Office of Financial Management & Budget, CDOT, 303-757-9262.

Eligible Borrowers

CO SIB customers are typically sponsors of highway or inter-modal projects, and can either be public entities (such as local governments, special districts, and other state agencies), or private corporations and non-profit organizations.

Eligible Projects

To be eligible for CO SIB assistance, a project must be a qualified project, which includes projects authorized by the commission, right-of-way acquisitions, maintenance projects, and safety projects.

In addition, CO SIB assistance may require the use of federal funds. To be eligible for federal funding, a project must qualify under Title 23 or Title 49 of the Code of Federal Regulations. A road will be eligible if it is part of a "federal-aid highway." A federal-aid highway is any street or highway that is open to public travel, except one functionally classified as a local street and/or minor collector. Also, roads

Interest Rates and Other Loan Terms

designed as part of the National Highway System are eligible.

Eligible phases of a project include:

- Planning
- Preliminary Engineering
- Design
- Right-of-way Acquisition
- Capital Acquisition
- Construction

Examples of eligible projects include but are not limited to the following:

- Construction of transportation facilities
- Resurfacing of transportation facilities
- Transportation projects that enhance safety
- Improvements to transportation facilities
- Acquisition of transportation vehicles and facilities
- Transportation projects designed to achieve environmental mitigation

Interest will be applied to all CO SIB loans. The interest rate will correspond to a rate equal to or less than the market rate. Also, a fee may be charged to reimburse CDOT for reasonable expenses incurred while administering the CO SIB. The maximum fee is set as a 1% origination fee of a loan value up to \$1 million and the fee decreases in percentage terms as the amount borrowed increases.

If an origination fee is assessed, the schedule will be as follows:

- 1% for loan proceeds up to \$1 million
- $\frac{3}{4}$ % for loan proceeds over \$1 million and up to \$2.5 million
- $\frac{1}{2}$ % for loan proceeds over \$2.5 million and up to \$5 million
- $\frac{1}{4}$ % for loan proceeds over \$5 million

Interest payments may be delayed for up to two years; the accrued interest can be capitalized into the principal outstanding balance.

Application Instructions

I) Application Information

- 1) Complete and submit this application and all attachments to the address below:

Colorado Department of Transportation
OFMB Attn. Will Ware
4201 E. Arkansas Avenue
Denver CO 80222

- 2) The applicant shall submit this application and all attachments to the address above by September 15, 2001.

II) Financial Information

- 1) Indicate the amount you want to borrow and the total cost or estimated cost of the project.
- 2) Indicate the date when your entity can begin to make payments.
- 3) Indicate how long you need to repay the entire loan in terms of years.
- 4) Indicate yes or no if you plan to borrow additional funds for this or any other phase of the project.
- 5) Indicate if this loan is superior, equal, or subordinate to other debt that is serviced by the revenue sources pledged for repayment.
- 6) Indicate yes or no if, in the last five years, the entity has suffered an operating deficit. If yes, supply an explanation describing what actions were taken, in attachment G, as article 7.
- 7) Supply the following items as attachments.
 - a) Supply a pro forma statement, as attachment A, for the expected financing period that identifies anticipated revenue sources that will be used to repay the loan, e.g., HUTF city/county revenues, local option sales taxes, or general fund property taxes.
 - b) Supply a statement, as attachment B, which identifies any funding source or collateral that can be pledged to secure the loan.
 - c) If the sponsor has a bond rating on any debt previously incurred, supply a copy of the latest rating letter, as attachment C.
 - d) Supply copies of the entity's financial statements, as attachment D, for its current and previous fiscal years.
 - e) Supply a resolution, as attachment E, from your council or board authorizing the application and borrowing of funds from the CO SIB.
 - f) Provide a detailed description of the project, as attachment F, which includes a graphical depiction of the project, equipment specifications, or other information necessary to fully describe the project.

III) Project information

- 1) Indicate the type of project.
- 2) Indicate yes or no if this project is in an approved transportation plan.
- 3) Indicate yes or no if this project is in the regional transportation plan.
- 4) Indicate yes or no if this project is in the statewide transportation improvement program plan.
- 5) Indicate yes or no if this project meets the federal-aid eligibility requirement.
- 6) Indicate yes or no if this project involves a public/private partnership. If yes, supply a description of the arrangements as attachment H.
- 7) Indicate yes or no if this project involves a formation of a special financing district. If yes, supply an update on any on going negotiation, a report on the formation of the district, a report on the assessments, and a copy of any resolutions related to the creation of the district as attachment I.
- 8) Supply the following items as attachment G; please limit response to five pages.
 - a) Supply an explanation, in attachment G as article 1, of why the project is needed.
 - b) Supply an explanation, in attachment G as article 2, of how the state's transportation system will be enhanced and what benefits will emanate due to this project.
 - (i) *Types of benefits that would be of interest include:*
 - *Congestion mitigation*
 - *Environmental mitigation*
 - *Safety*
 - *Economic development*
 - *Linkages/Connectivity/Access to existing and/or planned projects*
 - c) Supply a matrix or funding table, in attachment G as article 3, which illustrates the funding source for each phase of the project.
 - d) Supply an explanation, in attachment G, as article 4, that identifies the extent to which the project's implementation is accelerated due to financial assistance from the CO SIB.
 - e) Supply an explanation, in attachment G, as article 5, of the negative effects of not receiving assistance for this project.

IV) Acknowledgement and Certification

Colorado State Infrastructure Bank Application



Revised (7/01)

Section I – Application Information

Name of Project Sponsor: _____

IRS Employer ID#: _____ Project Title: _____

Business Address: _____
Street City County Zip Code

Contact Person: _____ Phone Number: _____

Fax Number: _____ Email Address: _____

Section II – Financial Information

(1) Requested Loan Amount: _____ Total Cost (estimate) of the Project: _____

(2) How soon can you begin annual loan repayments from date of loan closing? _____

(3) How long a period will you need to repay your loan from date of loan closing? _____

(4) Do you expect to use additional debt for this project in the future? Yes ___ No ___

(5) Would the payment of this loan be superior, on a parity basis, or subordinate to other debt that is serviced by the funding or revenue sources pledged to this loan? Superior ___ Parity ___ Subordinate ___

(6) Has the applicant suffered an operating deficit in the last five years? Yes ___ No ___ If yes, attach an explanation describing what actions were taken.

(7) Please provide the following items as attachments:

- a. A statement that identifies the anticipated funding or revenue sources pledged to repay the loan;
- b. A statement that identifies other funds, anticipated revenue, or securities that are available to secure this loan;
- c. If applicable, a rating letter from the rating organization that evaluated the entity's last bond issue, indicating rating and when established;
- d. Financial statements for the organization making the application;
- e. A resolution from your council or board authorizing this application and borrowing from the COSIB; and
- f. A detailed description of the project

Applications and additional information available at <http://www.dot.state.co.us/businesscenter/budget>

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Section III – Project Information

- (1) Type of Project: Highway Transit Aviation Rail
- (2) Is this project in the local area transportation plan? Yes ___ No ___
- (3) Is this project in the regional transportation plan? Yes ___ No ___
- (4) Is this project in the statewide transportation improvement program plan? Yes ___ No ___
- (4) Does this project meet the federal-aid eligibility requirement? Yes ___ No ___
- (5) Does this project involve a public/private partnership? Yes ___ No ___ If yes, attach a description of the arrangements.
- (6) Does the project involve the formation of a local improvement district (LID) or an urban renewal district (URD) or similar entity? Yes ___ No ___ If yes, attach the status of negotiations with benefited property owners, an engineer's report on the district formation and assessments, and any resolutions creating the district.
- (7) Please provide the following items as attachment "G"; please limit to five pages:
- A brief explanation of the need for the project;
 - A brief explanation of how this project enhances the overall transportation system and the benefits such as congestion mitigation, environmental mitigation, safety, economic development, and connectivity;
 - An illustration of the funding source(s) for each phase of the project – planning, preliminary engineering, design and architectural, right of way, construction, other;
 - A brief explanation that identifies the extent to which COSIB assistance accelerates project implementation;
 - A brief description of the likely negative effects of NOT receiving COSIB assistance

Section IV – Acknowledgement and Certification

The undersigned hereby certifies that the information provided in this application is true and correct as of the date set forth opposite my signature on this application and acknowledge my understanding that any intentional or negligent misrepresentation of information contained in this application may result in civil liability and/or criminal penalties under the state statutes of Colorado, and liability for monetary damages to the Lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Authorized Signature

Date

Print or Type name

Title

Please complete ALL sections of the application. Additional information may be requested.