Statewide Toll Feasibility Study Second-Tier Analysis

Presented To

COLORADO TOLLING ENTERPRISE

BOARD OF DIRECTORS
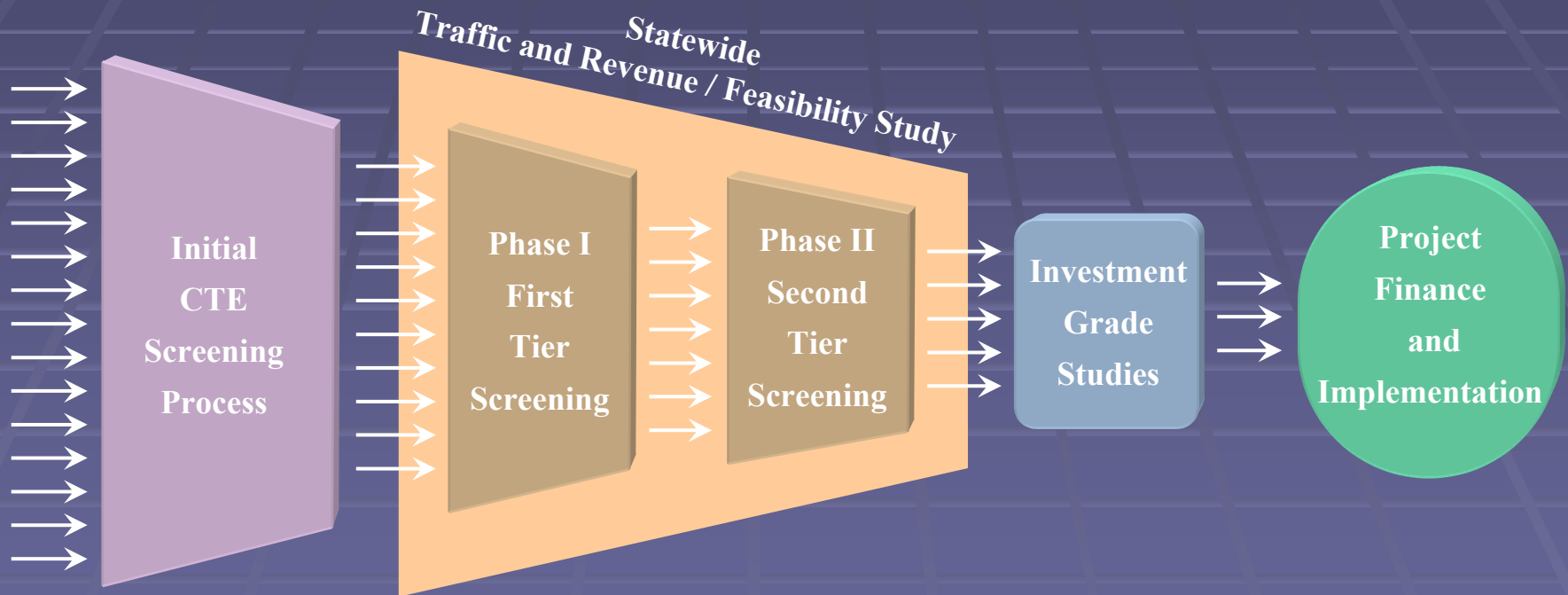
December 15, 2004

By

Colorado Tolling Enterprise
DOT
Colorado Department of Transportation

Toll Candidate Screening and Study Process

# Second-Tier Study Overview

- Preliminary Traffic and Revenue Analyses

- Preliminary Capital Cost Estimates

- Maintenance and Operating Cost Estimates

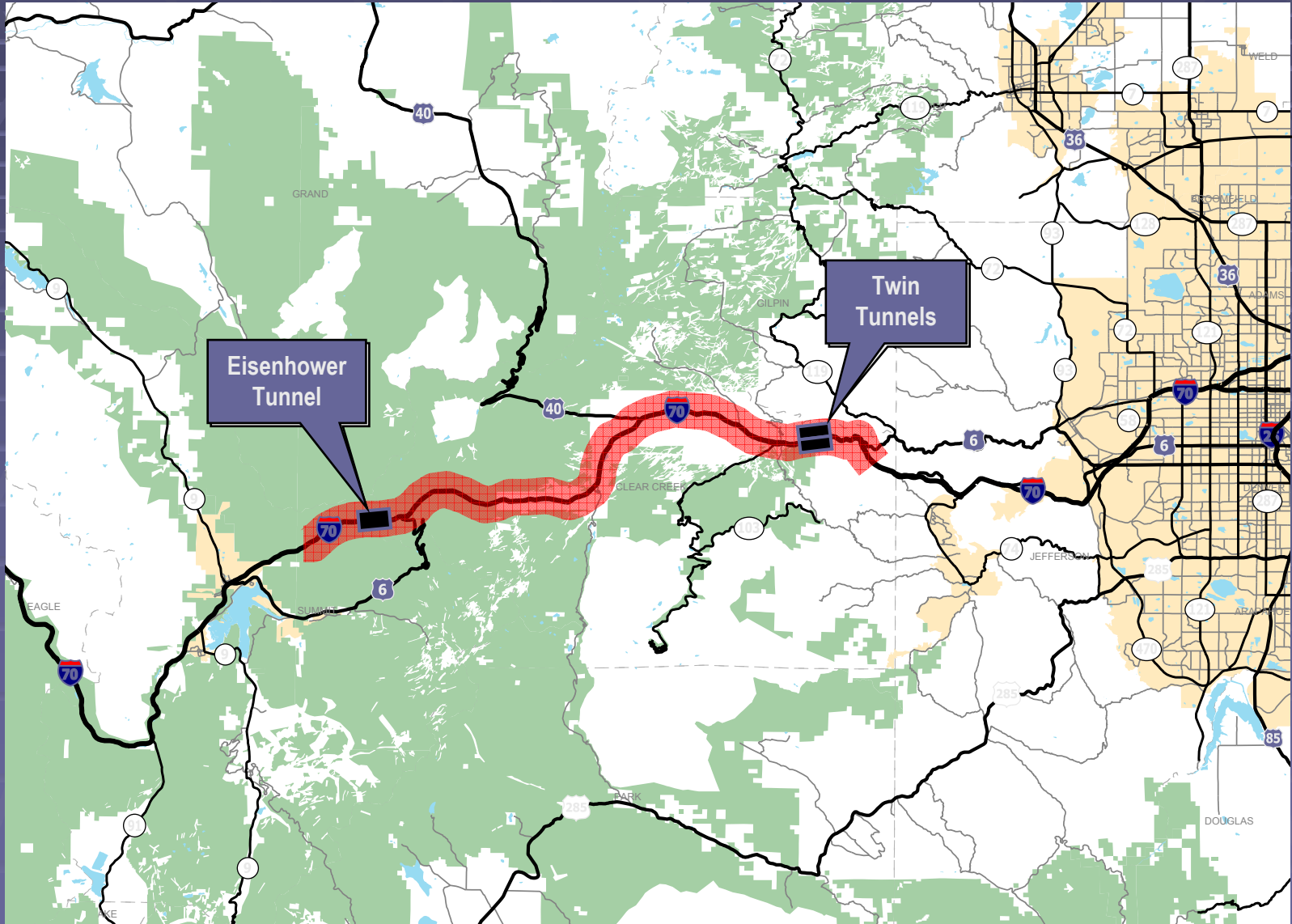- Preliminary Financial Feasibility Assessment

Second-Tier Study Overview

- I-25 North ETL
- I-70 East ETL
- U.S. 36 ETL
- I-225 ETL
- I-270 ETL
- C-470 ETL

- Northwest Corridor
- I-70 Mountain Corridor
- U.S. 287 Bypass
- Powers Boulevard
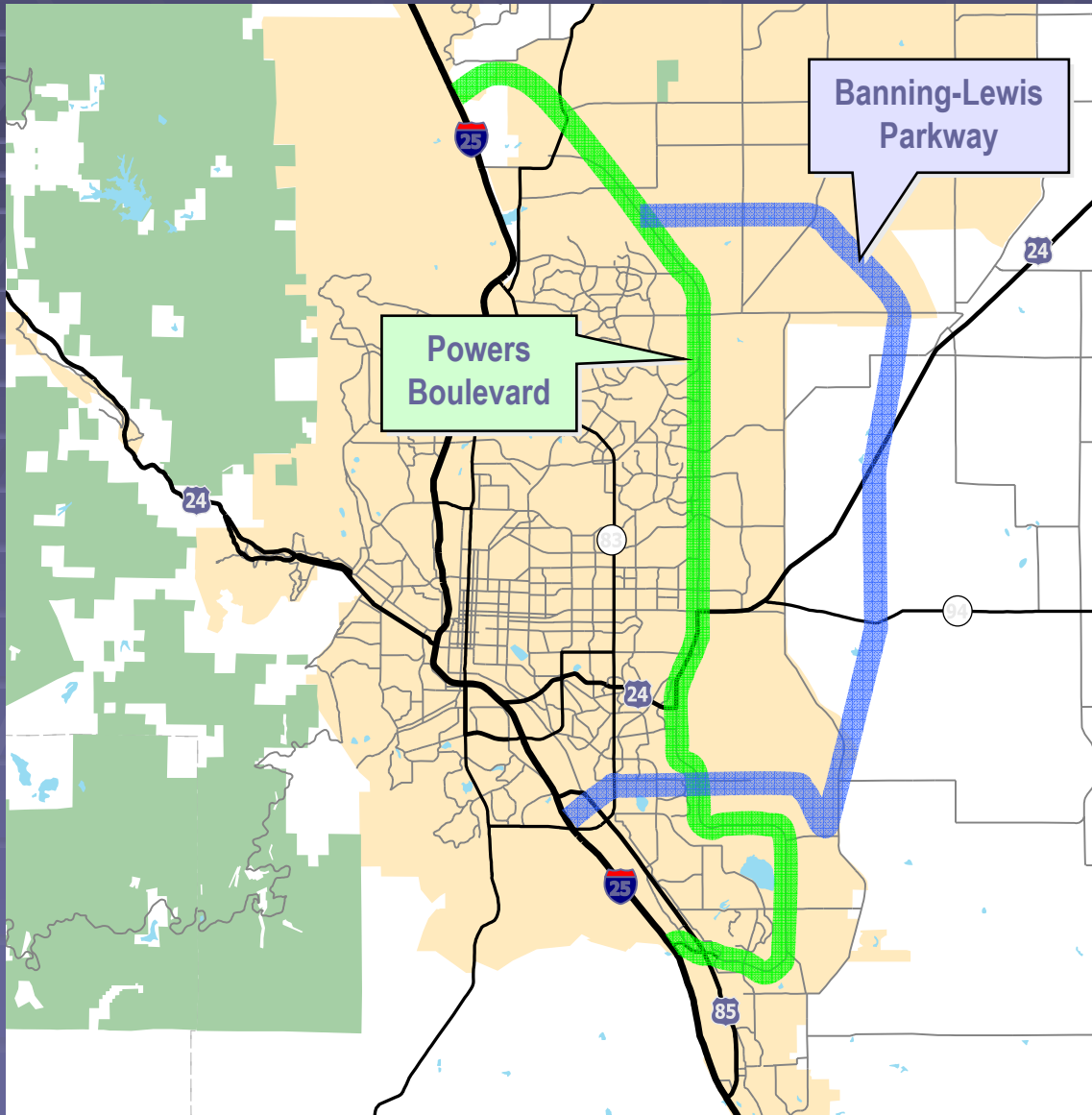- Banning-Lewis Parkway
- Front Range Toll Road

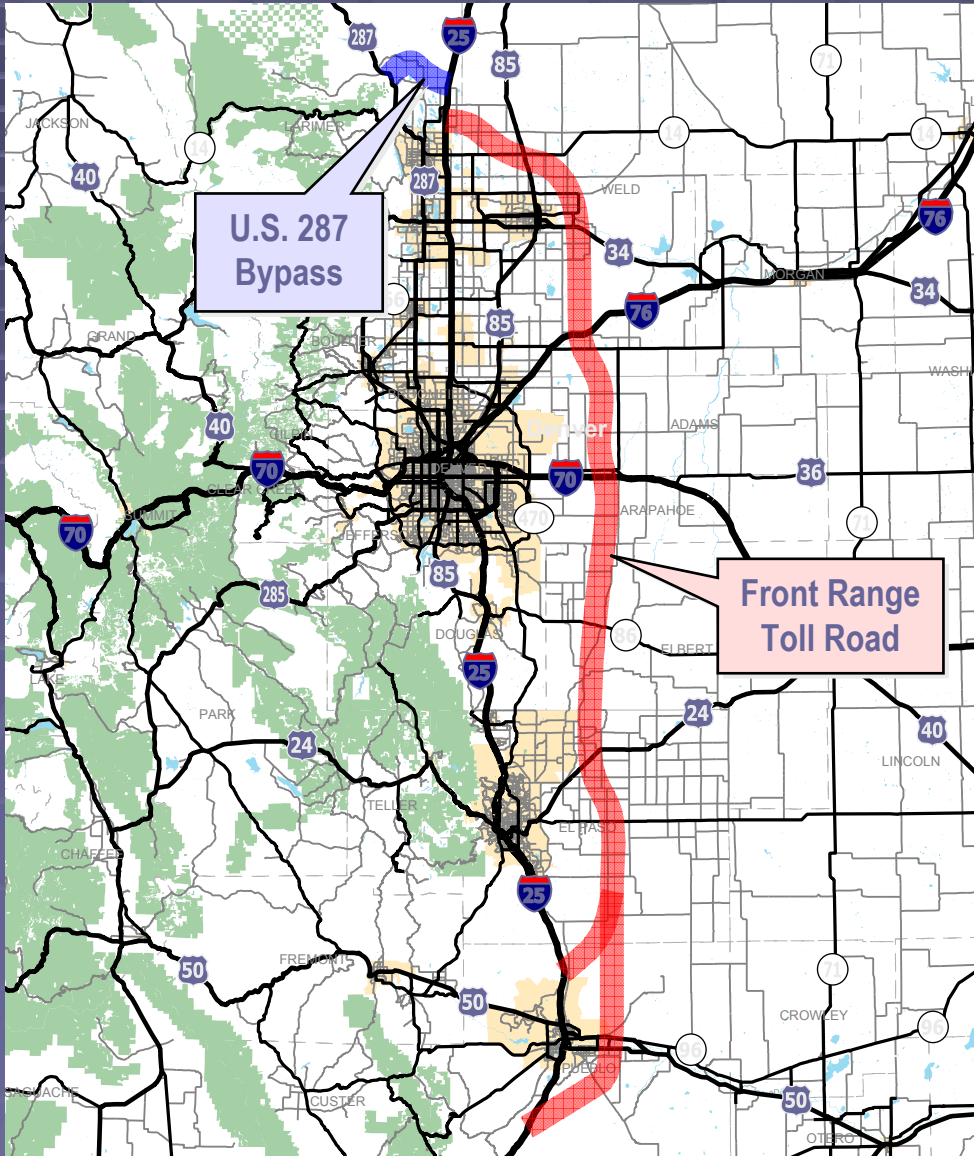# Denver Area Second-Tier Projects
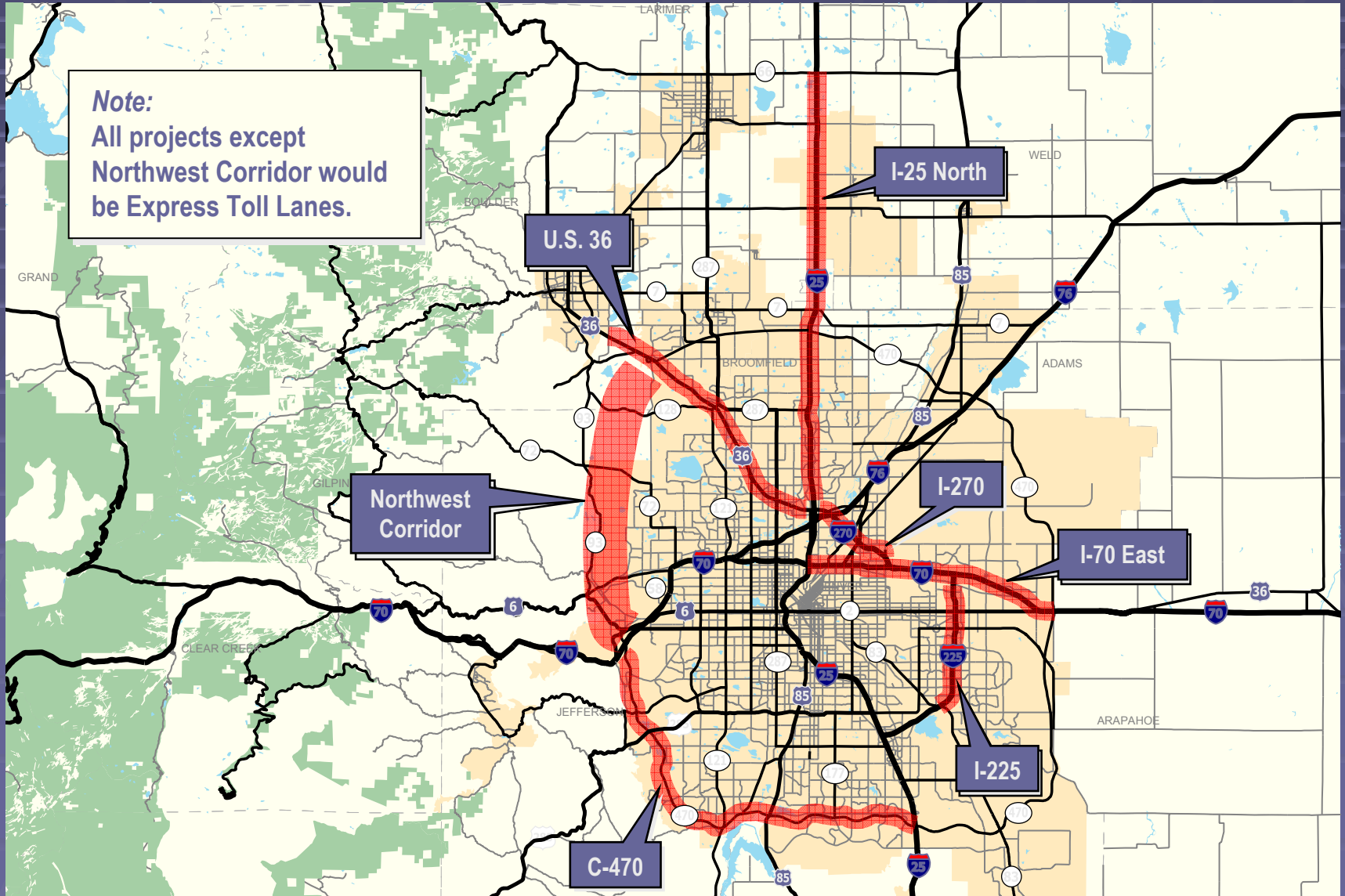
I-70 Mountain Corridor

Colorado Springs Area Projects

- Powers Boulevard
- Banning-Lewis Parkway

Other Projects

- Front Range Toll Road
- U.S. 287 Bypass

Traffic and Revenue Assessment

- Preliminary Analysis
  - Subject to considerable refinement in investment grade studies
- Used Regional Models for all Shortlisted Projects
  - Denver Area
  - Fort Collins Area
  - Colorado Springs Area
  - I-70 Mountain Corridor Model
- For ETL Projects, Developed "Micro-models" for Each Corridor
- Traffic Assignments at 2010 and 2025 Levels (2030 in some areas)
- Optimum Toll Analysis
- Annual Traffic and Revenue Forecasts
  - Interpolated from 2010 to 2025
  - Extrapolated from 2025 to 2040

Financial Feasibility Assessment

- Net Toll Pledge – O&M Paid First from Gross Toll Revenues

- 30 Years of Amortization

- 3 Years of Capitalized Interest During Construction

- Debt Service Coverage Provides for 1.75 x on Senior Lien Bonds; Target BBB Category Ratings

- Current Interest and Capital Appreciation Bonds on Senior Lien Used in Financial Structure

Financial Feasibility Assessment (cont'd)

- Construction Costs Inflated at 5% Annually Through 2010

- Tested for 100 Additional Basis Points

- Where Toll Revenues are Insufficient to Fund 100% of Total Development Costs, Federal Funds and State Funds (up to the 10% limitation) are Applied

Financial Feasibility Summary
(With Full Project Cost)

PROJECT	TYPE	SCENARIO	FEASIBILE WITH TOLL REVENUE ONLY	FEASIBLE WITH SOME FEDERAL FUNDS	NOT FEASIBLE
I-25 North	ETL	1	🟢		
I-70 East	ETL	3	🟢		
U.S. Route 36	ETL	1			🔴
I-225	ETL	1	🟢		
I-270	ETL	1	🟢		
C-470	ETL	2A		🟡 (12.5%)	
Northwest Corridor	Toll Road	2		🟡 (16.5%)	
Denver Area "System"	System	1		🟡 (20.0%)	
Denver Area "System"	System	2			🔴
I-70 Mountain Corridor	Tunnels	3A	🟢		
U.S. 287 Bypass	Toll Road	1			🔴
Powers Boulevard	Toll Road	4		🟡 (10.0%)	
Banning Lewis Parkway	Toll Road	2			🔴
Front Range T.R.	Toll Road	1			🔴

Preliminary Findings – Information Subject to Change

Financial Feasibility Summary
(With Full Project Cost + 100bps)

PROJECT	TYPE	SCENARIO	FEASIBLE WITH TOLL REVENUE ONLY	FEASIBLE WITH SOME FEDERAL FUNDS	NOT FEASIBLE
I-25 North	ETL	1	🟢		
I-70 East	ETL	3	🟢		
U.S. Route 36	ETL	1			🔴
I-225	ETL	1	🟢		
I-270	ETL	1		🟡 (10.8%)	
C-470	ETL	2A		🟡 (20.0%)	
Northwest Corridor	Toll Road	2		🟡 (20.0%)	
Denver Area "System"	System	1			🔴
Denver Area "System"	System	2			🔴
I-70 Mountain Corridor	Tunnels	3A	🟢		
U.S. 287 Bypass	Toll Road	1			🔴
Powers Boulevard	Toll Road	4		🟡 (20.0%)	
Banning Lewis Parkway	Toll Road	2			🔴
Front Range T.R.	Toll Road	1			🔴

Preliminary Findings – Information Subject to Change

Financial Feasibility Summary
(With Full Project Cost + 100bps)

PROJECT	TYPE	SCENARIO	FULL PROJECT COST	FULL PROJECT COST +100bps
I-25 North	ETL	1	🟢	🟢
I-70 East	ETL	3	🟢	🟢
U.S. Route 36	ETL	1	🔴	🔴
I-225	ETL	1	🟢	🟢
I-270	ETL	1	🟢	🟡 (10.8%)
C-470	ETL	2A	🟡 (12.5%)	🟡 (20.0%)
Northwest Corridor	Toll Road	2	🟡 (16.5%)	🟡 (20.0%)
Denver Area "System"	System	1	🟡 (20.0%)	🔴
Denver Area "System"	System	2	🔴	🔴
I-70 Mountain Corridor	Tunnels	3A	🟢	🟢
U.S. 287 Bypass	Toll Road	1	🔴	🔴
Powers Boulevard	Toll Road	4	🟡 (10.0%)	🟡 (20.0%)
Banning Lewis Parkway	Toll Road	2	🔴	🔴
Front Range T.R.	Toll Road	1	🔴	🔴

🟢 Feasible With Toll Revenue Only   🟡 Feasible With Tolls and Some Federal Funds (% Additional Funds Needed)   🔴 Not Feasible

Preliminary Findings – Information Subject to Change