



Date: October 19, 2016  
To: High Performance Transportation Enterprise Board  
From: Nicholas Farber, HPTE Operations Manager; Brent Butzin, HPTE General Counsel  
Subject: C-470 Reimbursement Resolution

Purpose

The purpose of this memo is to explain the reasoning behind the C-470 Reimbursement Resolution and to recommend its approval.

Action

The Board is asked to adopt a resolution that supports the staff recommendation.

Project Background

The C-470 Express Lanes Project (the Project) is located along 12.5 miles of C-470, between Interstate 25 (I-25) and Wadsworth Boulevard. The Project includes reconstructing existing pavement, adding auxiliary lanes, improving on and off ramps as well as the construction of new express lanes both westbound and eastbound. The total cost of the Project is \$276 million. \$39 million is being contributed between CDOT and local stakeholders and HPTE will borrow the remainder of the Project cost through a TIFIA loan and toll revenue backed bonds.

Details

US Treasury regulation 26 C.F.R. Section 1.150-2(e) requires public borrowers to pass a resolution that describes the project, the fund from which the expenditure is paid and that we will reimburse ourselves out of tax exempt bond proceeds for costs incurred prior to the issuance. This resolution will satisfy this requirement.

Recommendation

The staff recommends that the Board approve a resolution.

**Resolution – HPTE #213**

**Approving the Reimbursement of Certain Expenditures from the Proceeds of Bonds Anticipated to be Issued in Connection with the C-470 Express Lanes Project, Phase I**

**WHEREAS**, pursuant to Section 43-4-806, C.R.S. the General Assembly of the State of Colorado created the Colorado High Performance Transportation Enterprise (“HPTE”) as a government-owned business within the Colorado Department of Transportation (“CDOT”); and

**WHEREAS**, Sections 43-4-806(6)(c) and 43-4-807, C.R.S. provide, in part, that HPTE may issue revenue bonds for the purpose of completing surface transportation infrastructure projects; and

**WHEREAS**, CDOT and HPTE are currently working in cooperation on the planning, financing, construction, implementation and operation of the first phase of an approved project, generally consisting of the completion of one to two new tolled express lanes in each direction on State Highway 470 (“C-470”) from approximately Wadsworth Boulevard to the C-470/Interstate 25 interchange (the “Project”), and HPTE expects to issue revenue bonds in an amount presently estimated not to exceed \$177,000,000 (the “Bonds”), the interest on which is expected to be tax-exempt, to finance a portion of the costs of the Project; and

**WHEREAS**, HPTE expects to incur certain capital expenditures relating to the Project prior to the Bonds being issued for the Project, and HPTE reasonably intends to reimburse itself for such prior capital expenditures with proceeds of the Bonds.

**NOW THEREFORE BE IT RESOLVED**, the statements contained in this Resolution with respect to the reimbursement of the expenditures described in this Resolution are intended to be statements of official intent as required by, and in conformance with, the provisions of 26 C.F.R. Section 1.150-2(e).

**BE IT FURTHER RESOLVED**, the expenditures to be reimbursed pursuant to this Resolution, other than preliminary expenditures as such term is defined in 26 C.F.R. Section 1.150-2(f)(2), have been incurred within sixty (60) days prior to the date hereof or will be incurred after the date hereof in connection with the planning, design, acquisition, construction, reconstruction, development, improvement and/or equipping, as appropriate, of the Project.

**BE IT FURTHER RESOLVED**, the maximum principal amount of the tax-exempt Bonds expected to be issued by HPTE for the Project is not expected to exceed \$177,000,000.

**BE IT FURTHER RESOLVED**, HPTE reasonably expects to reimburse itself for certain expenditures set forth in this Resolution with the proceeds of the tax-exempt Bonds to be

issued by HPTE subsequent to the date hereof, but this Resolution does not constitute a binding obligation of HPTE to issue such Bonds.

**BE IT FURTHER RESOLVED**, this Resolution shall take effect immediately upon its passage.

Signed as of October 19, 2016

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Kari V. Grant  
Secretary, HPTE Board