

Resolution - HPTE #229

Amending the Financing Parameters Related to Issuance of the Colorado High Performance Transportation Enterprise C-470 Express Lanes Senior Revenue Bonds, Series 2017 and the 2017 TIFIA Bond for the C-470 Express Lanes Project

WHEREAS, pursuant to Part 8 of Article 4 of Title 43, Colorado Revised Statutes, as amended (“FASTER”), and particularly Section 43-4-806, C.R.S., the General Assembly of the State of Colorado (the “State”) created the Colorado High Performance Transportation Enterprise (“HPTE”) as a government-owned business within the Colorado Department of Transportation (“CDOT”); and

WHEREAS, HPTE receives less than 10% of its annual revenue in grants, as such term is used in Article X, Section 20 of the Constitution of the State, from the State government and local governments in the State, combined; 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 two new tolled express lanes on State Highway 470 (“C-470”) westbound from Interstate 25 to Colorado Boulevard; one new tolled express lane on C-470 westbound from Colorado Boulevard to Wadsworth Boulevard; and one new tolled express lane on C-470 eastbound from Wadsworth Boulevard to Interstate 25 (collectively, the “Project”); and

WHEREAS, HPTE is authorized by FASTER (a) to impose user fees, the proceeds of which, together with other revenues received by HPTE, are required by FASTER to be deposited into the Transportation Enterprise Special Fund; (b) to issue bonds and incur other secured obligations payable from the Transportation Enterprise Special Fund for the purpose of financing costs of the Project; (c) to pledge all or a portion of the Transportation Enterprise Special Fund for the payment of bonds and other secured obligations; and (d) to enter into contracts or agreements that are necessary or incidental to the exercise of its powers and performance of its duties, including trust indentures between HPTE and any commercial bank or trust company with full trust powers; and

WHEREAS, pursuant to and in accordance with FASTER, HPTE has determined to issue its Colorado High Performance Transportation Enterprise C-470 Express Lanes Senior Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) pursuant to a Master Trust Indenture (the “Master Trust Indenture”), as supplemented by a First Supplemental Trust Indenture (the “First Supplemental Indenture”), each between HPTE and Zions Bank, a division of ZB, National Association, as Trustee (the “Trustee”), to finance a portion of the cost of the Project; and

WHEREAS, pursuant to and in accordance with FASTER, HPTE has also determined to borrow an amount (the “2017 TIFIA Loan”) from the United States Department of

Transportation, acting through the Executive Director of the Build America Bureau (the “TIFIA Lender”), pursuant to a TIFIA Loan Agreement (the “2017 TIFIA Loan Agreement”) to be entered into between HPTE and the TIFIA Lender, and which loan will be evidenced by a bond (the “2017 TIFIA Bond”) issued to the TIFIA Lender pursuant to the Master Trust Indenture, as supplemented by a Second Supplemental Trust Indenture (the “Second Supplemental Indenture”) between HPTE and the Trustee (the Master Trust Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, the “Master Indenture”), to finance a portion of the cost of the Project; and

WHEREAS, on February 15, 2017, the HPTE Board of Directors (the “Board”) approved Resolution #223, authorizing the issuance of the Series 2017 Bonds; approving the form of the 2017 TIFIA Loan Agreement and authorizing issuance of the 2017 TIFIA Bond; and approving the forms of Preliminary Official Statement and Continuing Disclosure Undertaking, Master Trust Indenture, First Supplemental Trust Indenture, Second Supplemental Trust Indenture, Bond Purchase Agreement, and other related documents (the “Bond Resolution”); and

WHEREAS, the Bond Resolution provided, *inter alia*, that the HPTE Director shall have the power to determine, without any requirement that the Board approve such determination, the rates of interest to be borne by the Series 2017 Bonds; provided that no Series 2017 Bond bear interest at a rate exceeding 5.50% per annum and that the true interest cost of the Series 2017 Bonds shall not exceed 5.35% per annum; and

WHEREAS, the Bond Resolution further provided that the HPTE Director shall have the power to determine, without any requirement that the Board approve such determination, the principal amount of the 2017 TIFIA Bond; provided that such amount not exceed \$108,000,000, without regard to the possible compounding of interest which is added to such principal amount pursuant to the 2017 TIFIA Loan Agreement; and

WHEREAS, based on current market conditions and the likelihood that the Federal Reserve will raise rates in March, staff now recommends the Board approve a higher maximum interest rate to be borne by the Series 2017 Bonds, as well as an increase to the maximum principal amount of the 2017 TIFIA Bond, as further described in the memorandum provided by staff to the Board.

NOW THEREFORE BE IT RESOLVED, pursuant to the election to apply the Supplemental Securities Act to the issuance of the Series 2017 Bonds made in Resolution #223, the Board hereby delegates to the HPTE Director the power to determine, without any requirement that the Board approve such determination, the rates of interest to be borne by the Series 2017 Bonds; provided that no Series 2017 Bond shall bear interest at a rate exceeding 5.75% per annum and that the true interest cost of the Series 2017 Bonds shall not exceed 5.55% per annum.

BE IT FURTHER RESOLVED, pursuant to the election to apply the Supplemental Securities Act to the issuance of the 2017 TIFIA Bond made in Resolution #223, the Board hereby delegates to the HPTE Director the power to determine, without any requirement

that the Board approve such determination, the principal amount of the 2017 TIFIA Bond; provided that such amount not exceed \$110,000,000, without regard to the possible compounding of interest which is added to such principal amount pursuant to the 2017 TIFIA Loan Agreement.

BE IT FURTHER RESOLVED, all other provisions and authorizations of Resolution #223 shall remain in full force and effect with no modifications except as specifically provided for in this Resolution.

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

Signed as of March 15, 2017

Kari V. Grant
Secretary, HPTE Board