



MEMORANDUM

TO: HPTE BOARD OF DIRECTORS
FROM: NICK FARBER, HPTE DIRECTOR
DATE: FEBRUARY 19, 2020
SUBJECT: FISCAL YEAR 2020-21 DRAFT BUDGETS FOR FUND 536 AND FUND 537

Purpose and Requested Action

This memorandum presents final Fiscal Year (FY) 2020-20 budgets for Fund 536 (Statewide Transportation Enterprise Special Revenue Fund) and Fund 537 (Statewide Transportation Enterprise Operating Fund). Staff requests that the High Performance Transportation Enterprise (HPTE) Board of Directors review the proposed budgets and provide final comments.

Policy Implications:

The purpose of this memo is informational only, and no action this month is required. A final budget review this month ensures:

- HPTE is in alignment with its internal annual budget timeline.
- Accurate communication between HPTE and the CDOT Office of Financial Management & Budget (OFMB) regarding the annual Fee-For-Service request.
- Compliance with internal CDOT annual budget processes and legislative deadlines.

Details

The HPTE FY 2021-22 budget allocations are based on an estimated \$16.6 million of projected HPTE revenue for FY 2020-21. The estimate is comprised of the following revenue sources:

Statewide Transportation Enterprise Special Revenue Fund (Fund 536):

US 36 Express Lanes:

- \$242,000 in interest income
- \$400,000 annual concessionaire management fee from Plenary Roads Denver

I-25 North Express Lanes:

- \$1,500 in interest income
- \$750,000 in transponder revenue
- \$8,026,120 in toll revenue

I-70 West Mountain Express Lanes:

- \$1,500 in interest income
- \$2,257,275 in toll revenue

C-470 Express Lanes:

- \$500,000 in interest on bond proceeds
- \$8,317,000 in toll revenue
- \$6,820,750 in a ramp-up reserve draw since capitalized interest runs out in June of 2020.

- Statewide Transportation Enterprise Operating Fund (Fund 537):

Administrative Cost Center (T8700-537):

- \$5,600,000 in fee-for-service revenue
- \$80,000 in interest income

In addition to allocating projected revenues in FY 2020-21, HPTE will also be allocating \$9.3 million in bond and commercial loan proceeds to debt service payments for I-70 Mountain Express Lanes and C-470. Key budget items that are currently identified on the FY 2020-21 Budget for Fund 536 are:

- *Lines 25 and 41: General Reimbursable Expenses and Toll Processing Costs.* Budget identified will be used supporting all tolling operations on the corridor including: mailing of transponders, processing of tolls and providing customer service support to all Express Lane customers.

Key budget items that are currently identified on the FY 2020-21 Budget for Fund 537 are:

- *Line 18: Express Lane Communications and Public Affairs Support.* Budget identified for this line item will fund communications work that includes hosting telephone and in-person town hall meetings, developing advertising campaigns to promote use of Express Lanes, complying with HPTE's transparency policy, public education campaigns for toll rates changes, analyzing customer feedback, general research, polling, leading focus groups as well as general media relations support.
- *Line 19: Toll Operations Advisor.* Budget identified for this line is to provide consultant-supported industry expertise on Express Lane operations for all corridors. Work includes the development of Toll Rate Equity Program on Central 70 (required by the NEPA document), and safety and TIGER reporting on MEXL and Segment 2, as well as analysis of toll rate sensitivity.
- *Line 20: Traffic and Revenue Advisor.* Budget identified for this line will be used to engage traffic and revenue consultants to produce a toll rate sensitivity analysis on the I-25 South Gap Project prior to opening the north bound segment 1 toll point.
- *Line 30: Public-Private Partnership (P3) Advisor.* Budget identified for this line will be used to engage HPTE's financial advisors to come up with a bond and TIFIA loan analysis based off the traffic and revenue studies done on SH 119 and I-270. HPTE will also use funds to come up with a plan on how to finance projects using the CM/GC delivery method so we are prepared when those projects are ready for financing.
- *Line 31: Strategic Partnerships and CDOT Project Support.* Budget identified for this line will be used to engage attorneys and programmatic support for the Burnham Yard Project.
- *Line 33: Central 70 Traffic Demand Management.* Budget identified for this line item will be used to provide transportation demand management services for residents, businesses and commuters in order to reduce travel demand along the I-70 corridor during construction of the Central 70 Project.

Additional details regarding allocations of all funds that been identified thus far are outlined in Attachment A: FY 2020-21 Draft HPTE Budget for Fund 536 and Attachment B: FY 2020-21 Draft HPTE Budget for Fund 537.

Options and Recommendations

The Board is being asked to review the attached draft budgets and provide feedback if necessary.

Next Steps

Over the next several months, HPTE staff will be finalizing the budgets for Fund 536 and 537. Activities will include:

- Partnering with E470 to produce an updated analysis of projected toll revenue and toll processing costs for I-25 North Segment 2 and the I-70 Mountain Express Lanes (MEXL) for the upcoming fiscal year
- Working with CDOT to refine the FY 2020-21 SOW and fee for service request. This will ensure that HPTE can complete work on behalf of CDOT within its currently approved budget
- Reviewing all line item allocations and making adjustments based on needs of the corridors and the finalized SOW

Attachments

Attachment A: FY 2020-21 Draft Budget for Fund 536

Attachment B: FY 2020-21 Draft Budget for Fund 537

Attachment A: Proposed Fiscal Year 2020-21 Budget for Fund 536

Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536

Line Item		Estimated Revenues	Proposed Allocations
1	US 36 Express Lanes (Cost Center T8620-536)		
2	Fiscal Year Revenues		
3	Interest Earnings	\$ 242,000	
4	Annual Concessionaire Management Fee	\$ 400,000	
5	Total US 36 FY 2020-21 Available Revenue	\$ 642,000	
6	Fiscal Year Allocations		
7	CDOT Staff Consulting		\$ (15,000)
8	Project Oversight		\$ (600,000)
9	Annual Audit		\$ (7,000)
10	Attorney General Fees		\$ (20,000)
11	Miscellaneous Corridor Studies		\$ -
12	Total US 36 FY 2020-21 Allocations		\$ (642,000)
13	US36 Remaining Balance		\$ -
14	I-25 North Express Lanes (Cost Center T8630-536)		
15	Fiscal Year Revenues		
16	Tolling Revenue	\$ 8,026,120	
17	Transponder Revenue	\$ 750,000	
18	Interest Earnings	\$ 1,500	
19	Total I-25 N FY 2020-21 Available Revenue & Funds	\$ 8,777,620	
20	Fiscal Year Allocations		
21	I-25 North Loan Payment		\$ (470,237)
22	Margin Rate Payment		\$ (155,973)
23	CDOT Staff Consulting		\$ (15,000)
24	Attorney General Fees		\$ (10,000)
25	General Reimbursable Expenses and Toll Processing Costs		\$ (2,162,000)
26	Corridor Operations & Maintenance		\$ (150,000)
27	Capital Replacement-Tolling Equipment		\$ (75,000)
28	Note Registrar		\$ (1,000)
29	Total I-25 N FY 2020-21 Allocations		\$ (3,039,210)
30	I-25 N Remaining Balance		\$ 5,738,410

Attachment A: Proposed Fiscal Year 2020-21 Budget for Fund 536

Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536

31	I-70 West Mountain Express Lane (MEXL) (Cost Center T8640-536)		
32	Fiscal Year Funds and Revenue		
33	Tolling Revenue	\$ 2,271,170	
34	Interest Earnings	\$ 1,500	
35	Total I-25 N FY 2020-21 Available Revenue & Funds	\$ 2,272,670	
36	Fiscal Year Allocations		
37	MEXL Loan Payment		\$ (697,500)
38	Margin Rate Payment		\$ (231,354)
39	CDOT Staff Consulting		\$ (15,000)
40	Attorney General Fees		\$ (5,000)
41	General Reimbursable Expenses and Toll Processing Costs		\$ (205,000)
42	Corridor Operations & Maintenance		\$ (200,000)
43	Capital Replacement-Tolling Equipment Reserve		\$ (75,000)
44	Note Registrar		\$ (1,000)
45	Total I-70 W MEXL FY1 2020-21 Allocations		\$ (1,429,854)
46	I-70 W MEXL Remaining Balance		\$ 842,816
47	C-470 Express Lanes (Cost Center T8650-536)		
48	Fiscal Year Funds and Revenue		
49	Tolling Revenue	\$ 8,317,000	
50	Draw on Ramp Up Reserve Account	\$ 6,820,750	
51	Interest Earnings on Bond Proceeds	\$ 500,000	
52	Total C-470 FY 2020-21 Available Funds	\$ 15,637,750	
53	Fiscal Year Allocations		
54	Bond Debt Service		\$ (8,089,750)
55	General Reimbursable Expenses and Toll Processing Costs		\$ (2,938,000)
56	Corridor Operations & Maintenance		\$ (250,000)
57	CDOT Staff Consulting		\$ (15,000)
58	Attorney General Fees		\$ (10,000)
59	Required Reserve Funds		\$ (4,335,000)
60	Total C-470 FY 2020-21 Allocations		\$ (15,637,750)
61	C-470 Remaining Balance		\$ -

Total Fund 536 Revenues & Funds \$ 27,330,040

Total Fund 536 Allocations \$ (20,748,814)

Remaining Unbudgeted Funds \$ 6,581,226

Attachment B: Proposed Fiscal Year 2020-21 Budget for Fund 537

Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537

Line Item		Estimated Revenues	Proposed Allocations
1	Fiscal Year Revenues		
2	Fee for Service	\$ 5,600,000	
3	Interest Earnings	\$ 80,000	
4	Total FY 2020-20 Revenue	\$ 5,680,000	
5	Fiscal Year Allocations		
6	Administrative Cost Center (T8700-537)		
7			
8	Overall Program Operations		
9	HPTE Staff Compensation		\$ (1,000,000)
10	CDOT Staff		\$ (200,000)
11	Board Expenses		\$ (10,000)
12	Staff Training and Certifications		\$ (10,000)
13	Administrative and Office Needs		\$ (15,000)
14	Conferences and Industry Memberships		\$ (10,000)
15	In and Out of State Travel		\$ (26,300)
16	Technical Services		
17	Program Management		\$ (254,700)
18	Express Lanes Communications and Public Affairs Support		\$ (550,000)
19	Toll Operations Advisor		\$ (750,000)
20	Traffic & Revenue Advisor		\$ (100,000)
21	Aconex Document Management System		\$ (673,000)
22	Financial Services		
23	Accounting Advisors and Annual Audit		\$ (21,000)
24	Surveillance and Ratings Fees		\$ (75,000)
25	General Financial Advisor		\$ (300,000)
26	Legal Services		
27	Outside Legal Services		\$ (300,000)
28	Attorney General Fees		\$ (85,000)
29	Strategic Project Development		
30	Public Private Partnership (P3) Advisor		\$ (400,000)
31	Strategic Partnerships and CDOT Project Support		\$ (400,000)
33	Central 70 Traffic Demand Management		\$ (500,000)
34	Miscellaneous		\$ -
35	Total FY 2020-21 Estimated Revenues	\$ 5,680,000	.
36	Total FY 2020-21 Proposed Allocations		\$ (5,680,000)
Total Fund 537 Revenue		\$ 5,680,000	.
Total Fund 537 Allocations		\$ (5,680,000)	
Remaining Unbudgeted Funds		\$ -	