



Date: January 16, 2020

To: High-Performance Transportation Enterprise Board / Colorado Transportation Commission

From: Nicholas Farber, Director, HPTE; Andrew Gomez, HPTE General Counsel

Subject: Intra-Agency Agreement Between HPTE and CDOT regarding Floyd Hill Revenue Gap Study

Purpose

The purpose of this memo is to describe the Intra-Agency Agreement (IAA) between the Colorado Department of Transportation (CDOT) and the High-Performance Transportation Enterprise (HPTE) regarding CDOT's contribution towards a revenue gap study on the I-70 Floyd Hill Project.

Action

The HPTE Board and Transportation Commission are asked to adopt a resolution that supports the staff recommendation to approve the IAA.

Background

Currently it is projected that the total cost of either boring a tunnel at the bottom of Floyd Hill or building a Glenwood Canyon like viaduct is around \$600 million (the two options being considered in the Floyd Hill Project Environmental Assessment). CDOT has identified \$200 million for the project through SB 267 funds (\$100 million) and Bridge Enterprise funds (\$100 million), and anticipates applying for federal grants (INFRA/BUILD) in the amount of \$100 million. This leaves at least half of the project unfunded. CDOT went to the I-70 Collaborative Effort (CE) in late September of this year and presented this funding scenario, and suggested a subcommittee could be formed to study how to fill the funding gap. The CE agreed to this and the subcommittee met in late October to discuss options and next steps. This study is the result of that meeting. Toll revenue could be leveraged through, including, but not limited to, a TIFIA loan, toll backed revenue bonds, taxable bonds, construction loans, private equity (through a public-private partnership), or private activity bonds.

In early November HPTE released a Request for Proposal seeking teams interested in providing traffic and revenue services, financial advisory services, and public meeting facilitation on the Floyd Hill Project. Four teams put in proposals and a team of evaluators from HPTE and Region 1 selected a preferred proposer team in late December.

Overview of the IAA

IAs between CDOT and HPTE document the substantive terms of how CDOT and HPTE work together and allocate rights and responsibilities on shared projects. This IAA states because of HPTE's expertise and legal powers unavailable to CDOT, as well as HPTE's experience in procuring and administering traffic and revenue studies as well as financial services, CDOT desires to provide funding to HPTE for the development of the Floyd Hill Revenue Gap Study. The study is expected to cost between \$1 million and \$1.3 million.

Options / Decision Matrix

1. **Staff Recommendation:** Approve the IAA between CDOT and HPTE.
2. Review but do not approve the IAA. Provide instructions on changes or revisions.

Attachment

Floyd Hill Revenue Study Intra-Agency Agreement