



MEMORANDUM

TO: HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, BUDGET AND SPECIAL PROJECTS MANAGER
DATE: MARCH 17, 2021
SUBJECT: C-470 EXPRESS LANES PROJECT UPDATE

Purpose

To update the HPTE Board of Directors (the Board) on the C-470 Express Lanes Project's performance.

Requested Action:

The purpose of this memo and presentation is informational only, and no action is being requested.

Background:

The C-470 Express Lanes Project is located between I-25 and Wadsworth Boulevard totaling 30 miles. HPTE secured \$176 million in revenue bonds and a \$107 million TIFIA loan to support the project. The financing will be repaid by gross toll revenues generated by the Express Lanes. Toll commencement was slated for early 2019, but due to construction delays, it opened for tolling in August 2020. As a result of COVID-19 impacts, toll revenue collections and traffic have been underperforming compared to original forecasts. Please see the attached presentation for additional information.

Details and Next Steps:

- 1) Staff anticipates that traffic will start to pick up as the COVID-19 vaccine becomes widely available and vaccination rates increase. Staff will continue to closely track revenue performance on the C-470 over the next six to 12 months to proactively identify any potential rate coverage violations and monitor the drawdown on the Ramp Up Reserve Account (RURA).
- 2) In consultation with HPTE advisors and FHWA, staff will determine if approaching TIFIA to request additional funds for the RURA is warranted due to the impacts of COVID-19. There are undrawn TIFIA funds slated for construction that could be used for this purpose.
- 3) **While not anticipated at this time,** if the project fails to satisfy the coverage test for any calculation period/date, HPTE will be required to engage a Traffic and Revenue Consultant to assess project operations and opportunities for increasing revenue. A report would be due within 90 days of the consultants being hired, with HPTE taking action after that.

Attachment:

Attachment A: Presentation: C-470 Express Lanes Project Update