

MEMORANDUM

TO: CTIO BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, CTIO BUDGET AND SPECIAL PROJECTS MANAGER
SUBJECT: C-470 EXPRESS LANES QUARTERLY UPDATE
DATE: MARCH 16, 2022

PURPOSE

To update the CTIO Board of Directors (the Board) on performance of the C-470 Express Lanes.

REQUESTED ACTION:

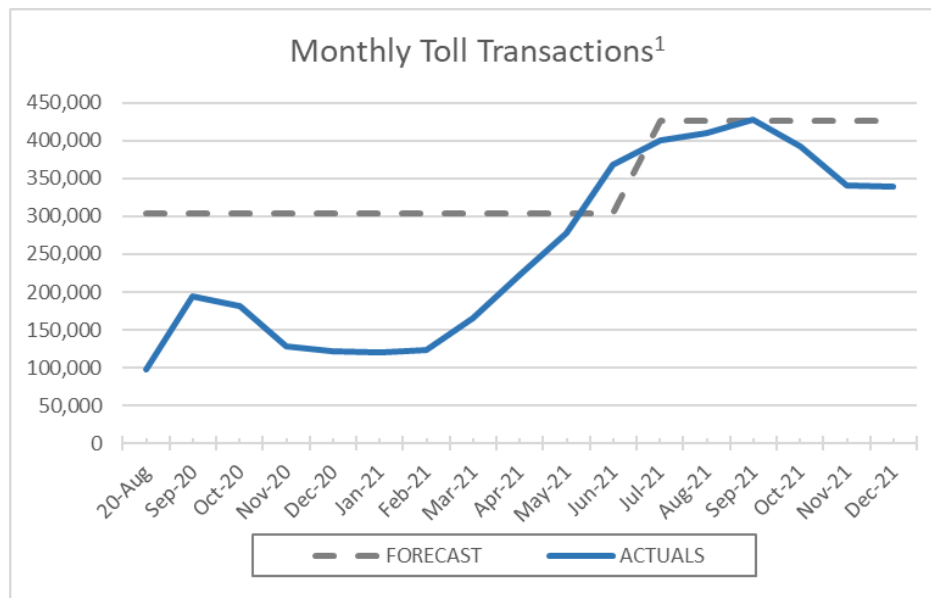
The purpose of this memo is informational only and no action is being requested.

BACKGROUND:

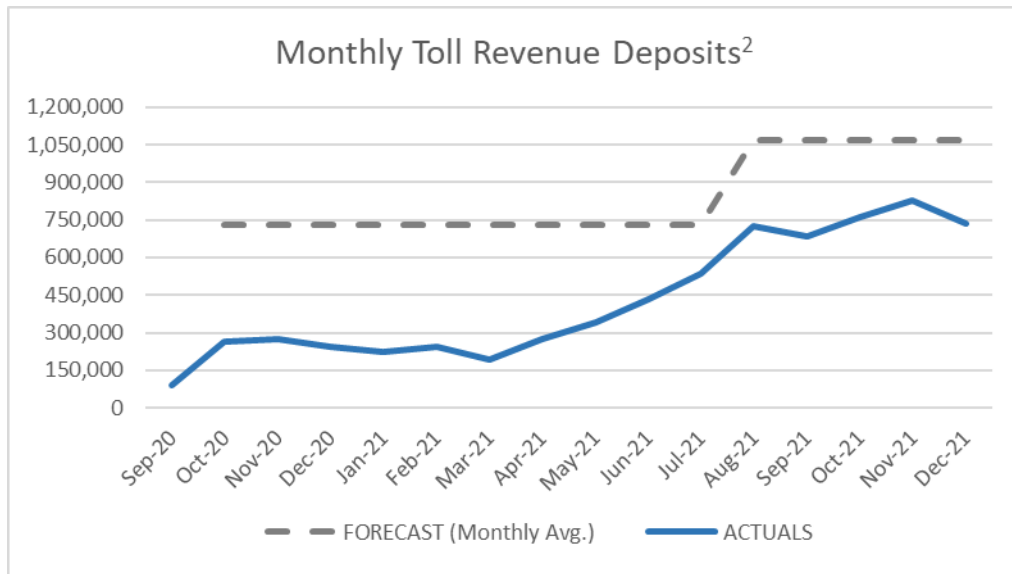
The C-470 Express Lanes Project is located between I-25 and Wadsworth Boulevard totaling 30 miles. HPTE secured \$176 million in revenue bonds and a \$107 million Transportation Infrastructure Finance and Innovation Act program (TIFIA) loan to support the project. The financing will be repaid by gross toll revenues generated by the Express Lanes. Toll commencement occurred in August 2020 and because of COVID-19 impacts on toll revenue collections and traffic, the Board requested that staff continue to provide quarterly updates on the performance of the Express Lanes.

CURRENT DETAILS:

While overall corridor volumes for C-470 are below pre-COVID-19 levels, staff has seen a steady increases in both transactions and toll revenue deposits through the end of December 2021 as reflected in the updated in the charts below.



¹ Inclusive of gross transactions including all transponder and license plate trips. The monthly forecast is based on simple average of annual forecast and does not account for seasonality (i.e., lower traffic and revenue during holiday season). On average, C-470 is down 27% from the transaction forecast life to date and 16% for the for the October, November, December period.



² Includes revenue collected from tolls and fines for transponder and license plate transactions; deposits lag by approximately one month from the date of the original transaction (e.g., June deposits reflect May revenue performance).

NEXT STEPS:

- 1) Staff has proactively hired Traffic and Revenue advisor to better understand how the COVID-19 pandemic has changed travel patterns on the corridor and how HPTE could adjust toll rates to react to the new conditions. Staff anticipates having recommendations to share with the Board in at the May Board meeting.
- 2) Staff anticipates that traffic will continue to pick up as the COVID-19 vaccination rates increase and 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).
- 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 implementing recommendations shortly thereafter.
- 4) Staff will provide another quarterly update to the Board in June reflecting January, February, and March performance.