

MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
FROM: NICK FARBER, DIRECTOR, COLORADO TRANSPORTATION INVESTMENT OFFICE (CTIO)
DATE: SEPTEMBER 14, 2022
SUBJECT: OVERVIEW OF CTIO

Purpose

This joint Colorado Transportation Investment Office (CTIO) Board of Directors and Transportation Commission workshop is designed to provide an overview of CTIO and how it supports key CDOT projects and initiatives.

Action

No action is requested. This is an informational-only item.

Background

CTIO was formed in 2009 as an independent, government-owned business within CDOT, but what is CTIO and what are its cover functions in supporting CDOT in project development and financing?

This joint workshop, requested by several TC members, is designed to answer these questions, and provide commissioner's insight into the core functions of CTIO, how it has accelerated project development, and helped finance major projects in the state.

Attachments

- A. CTIO overview presentation.



COLORADO

Transportation
Investment Office

Overview of CTIO

Joint TC/CTIO Workshop

September 14, 2022

About CTIO

- Formed in 2009 with the passage of Senate Bill 09-108, known as FASTER (Funding Advancements for Surface Transportation and Economic Recovery) Act
- The Colorado Transportation Investment Office (CTIO), which continues to be known as the High Performance Transportation Enterprise (HPTE) for legislative and legal documents, operates as a government-owned business within CDOT to pursue innovative means of more efficiently financing important transportation projects

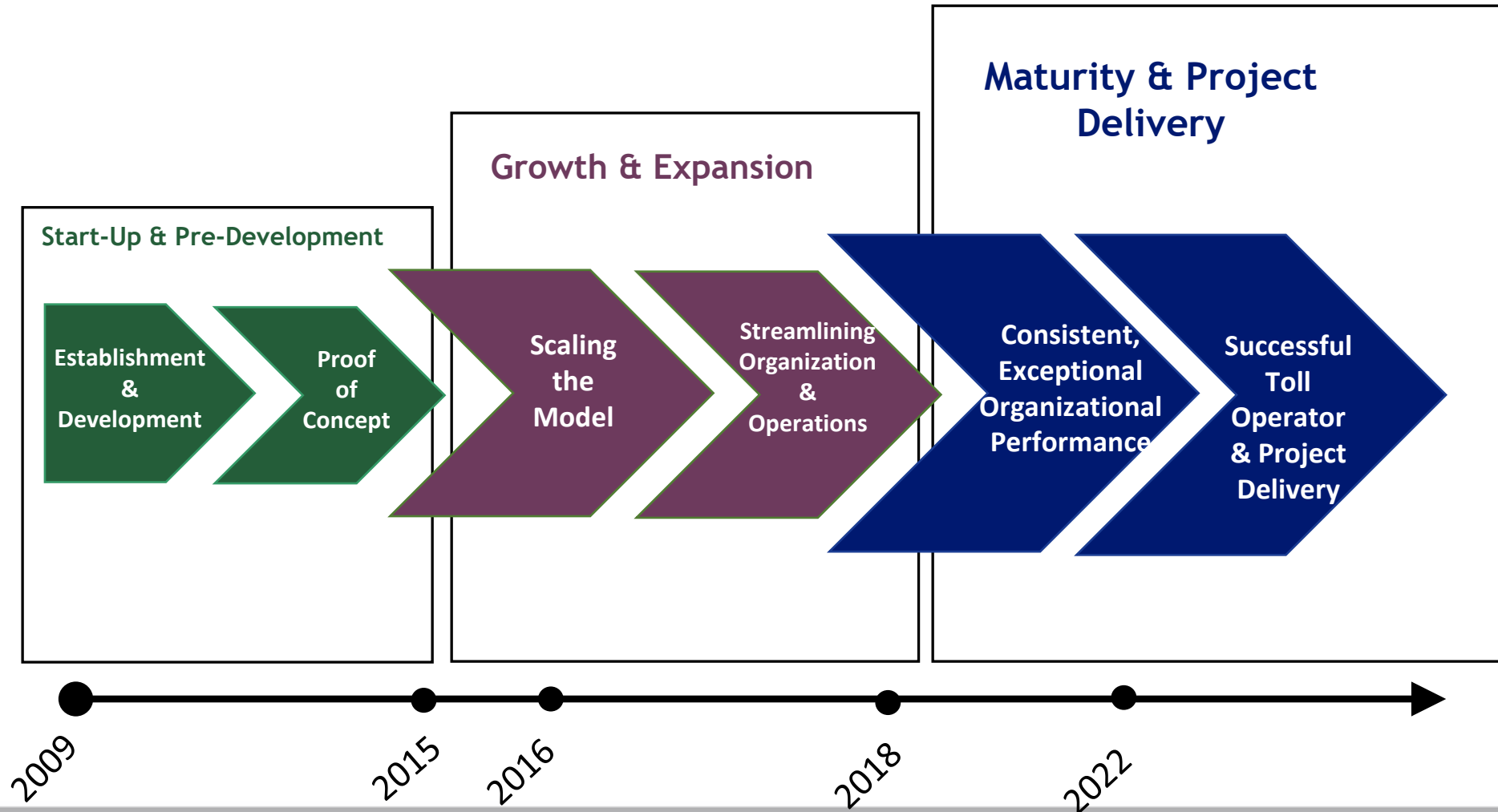
CTIO's Legal Framework

- Passed in 2009 as part of larger Funding Advancement for Surface Transportation and Economic Recovery (“FASTER”) legislation
- Passed during the Recession when securing funds for transportation was extremely challenging
- Meant to bridge the funding gap for transportation projects
- Allows for independent financing outside the confines of CDOT and TABOR
- Required to “***aggressively pursue***” innovative means of more efficiently financing important transportation projects:
 - Public Private Partnerships
 - Operating concession agreements
 - User fee-based project financing (tolls)
 - Annual performance payment agreements

CTIO's Mission

- Partner with CDOT, private industry, and local communities;
- Aggressively pursue innovative financing alternatives not otherwise available to the state;
- Quickly deliver transportation infrastructure options that improve mobility; and
- Communicate openly with all stakeholders

CTIO Phases of Growth



CTIO Staff and Governance

Organizational Chart: Internal

CTIO Board of Directors

External
Enterprise
Oversight



Internal
Program
Management



External
Program
Support

Nick Farber
Director

Kelly Brown
Tolling Operations
Manager

Piper Darlington
Budget and Special
Projects Manager

John Gregory
Major Projects
Manager

Maria Johnson,
Tolling
Operations
Supervisor

Josh Gerace
Tolling
Maintenance
Supervisor

Pam
Hutchins
Contract
Support

Simon Logan
Special Projects
Lead and Policy
Analyst

Karen Delgado
Program
Assistant

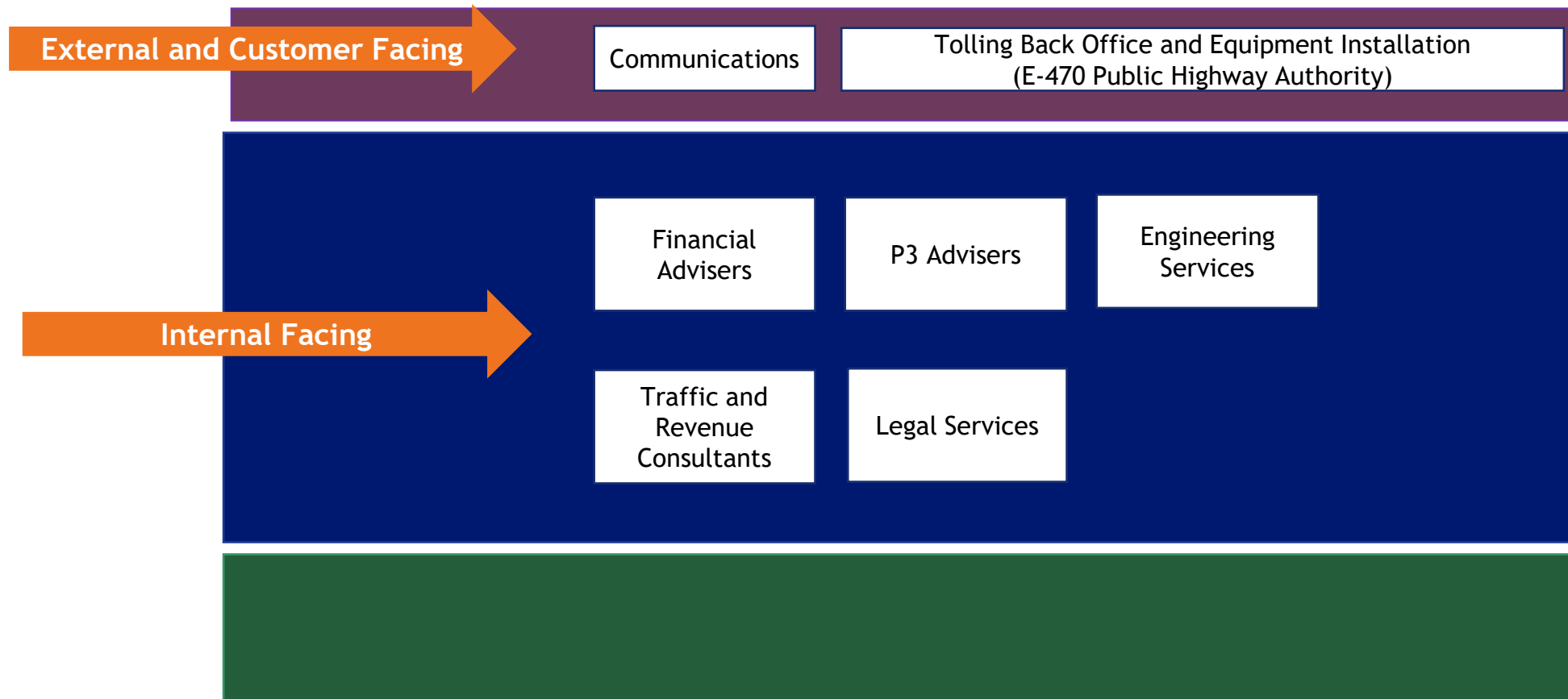
Kay Hruska
Enterprises
Controller

Randall Dingle
Contracts &
Procurement

Tim Hoover
Communications

George Hypolite
Attorney
General

CTIO Organizational Chart: External Support



CTIO Board of Directors

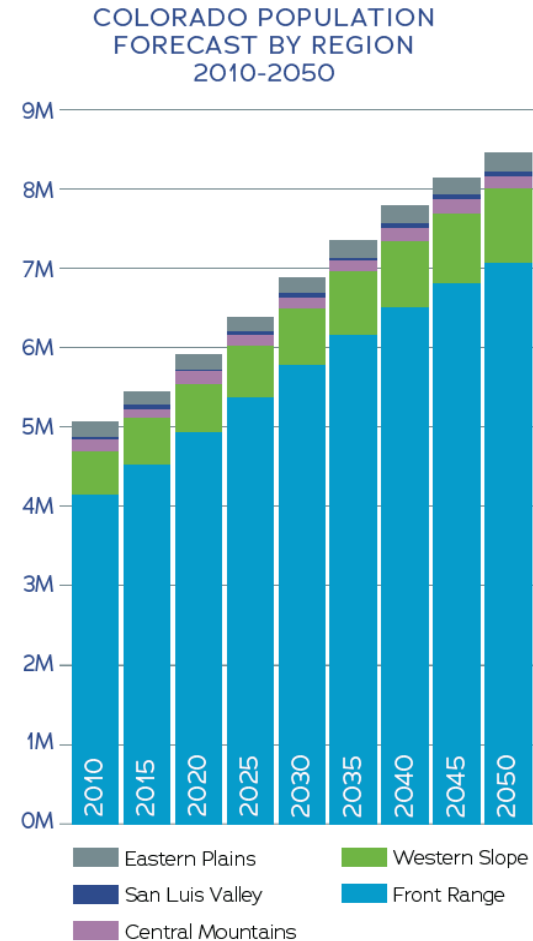
The CTIO Board of Directors consists of three members of the Transportation Commission (TC) and four members appointed by the Governor from each of the following geographic areas: (1) the planning area of the Denver Regional Council of Governments (DRCOG), (2) the planning area of the North Front Range Metropolitan Planning Organization (NFRMPO), (3) the planning area of the Pikes Peak Area Council of Governments, and (4) the I-70 Mountain Corridor area.

Board Members	Region	Term Expires
Chair: Margaret Bowes	I-70 Mountain Corridor	10/2023
Vice-Chair: Karen Stuart	Transportation Commission	At will of the TC
Travis Easton	Pikes Peak Area COG Planning Area	10/2025
Cecil Gutierrez	NFRMPO Planning Area	10/2023
Joel Noble	DRCOG Planning Area	10/2025
Don Stanton	Transportation Commission	At will of the TC
Eula Adams	Transportation Commission	At will of the TC

Express Lanes Network

Rapid Population Growth and the Need for Action

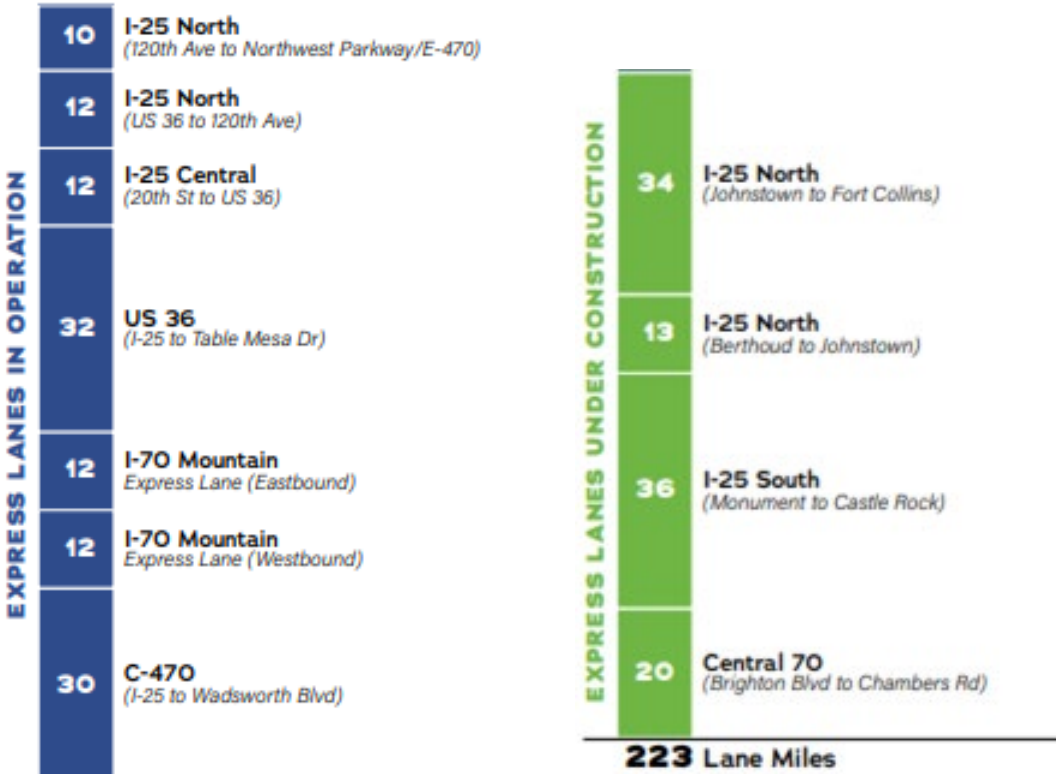
- Colorado added almost a million new residents (774, 518) between 2010 and 2020, growing the states population by 14.8% to 5.8 million residents.
- The rapid growth of Colorado's population points to even greater congestion unless innovative ways to accelerate key mobility projects are pursued.



Source: Colorado State Demography Office

Express Lane Network

LANE MILES OF EXPRESS LANES



EXPRESS LANES NETWORK USAGE

18% AVERAGE HOV USE

12.7 million total vehicles USING THE EXPRESS LANES

2 million total FREE TRIPS BY HOV3+ USERS

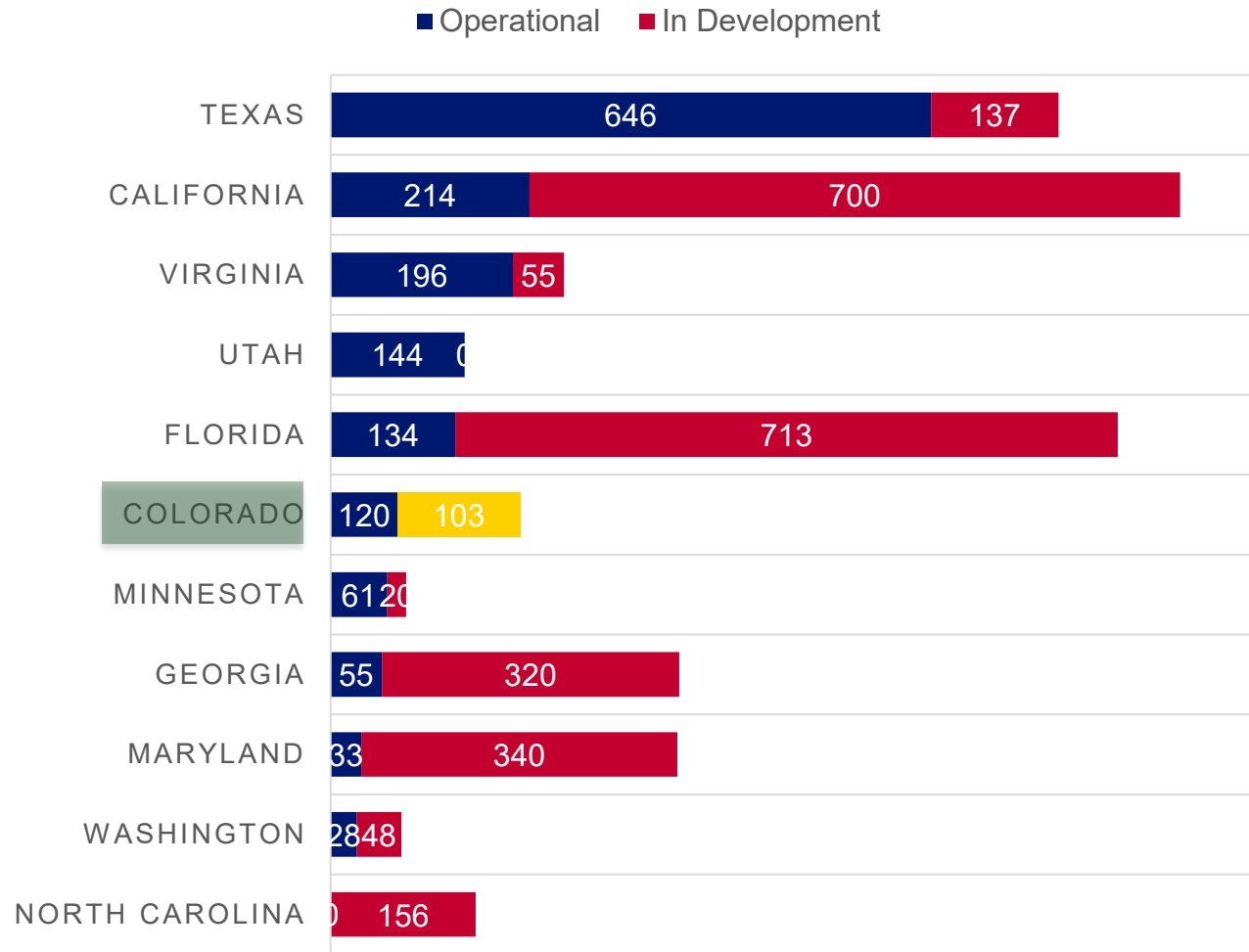


Benefits of Express Lanes

- Increase roadway capacity and help manage congestion on Colorado highways by adding lanes that provide a choice to drivers.
- Colorado's Express Lanes work for everyone—those who choose not to pay and stay in the non-tolled general purpose lanes and Express Lanes customers. Express Lanes benefits include:
 - Reduced delay on the most seriously congested corridors
 - Reliable travel times
 - Flexible and reliable mobility choices
 - Improved travel speeds in the general purpose lanes

US Comparison

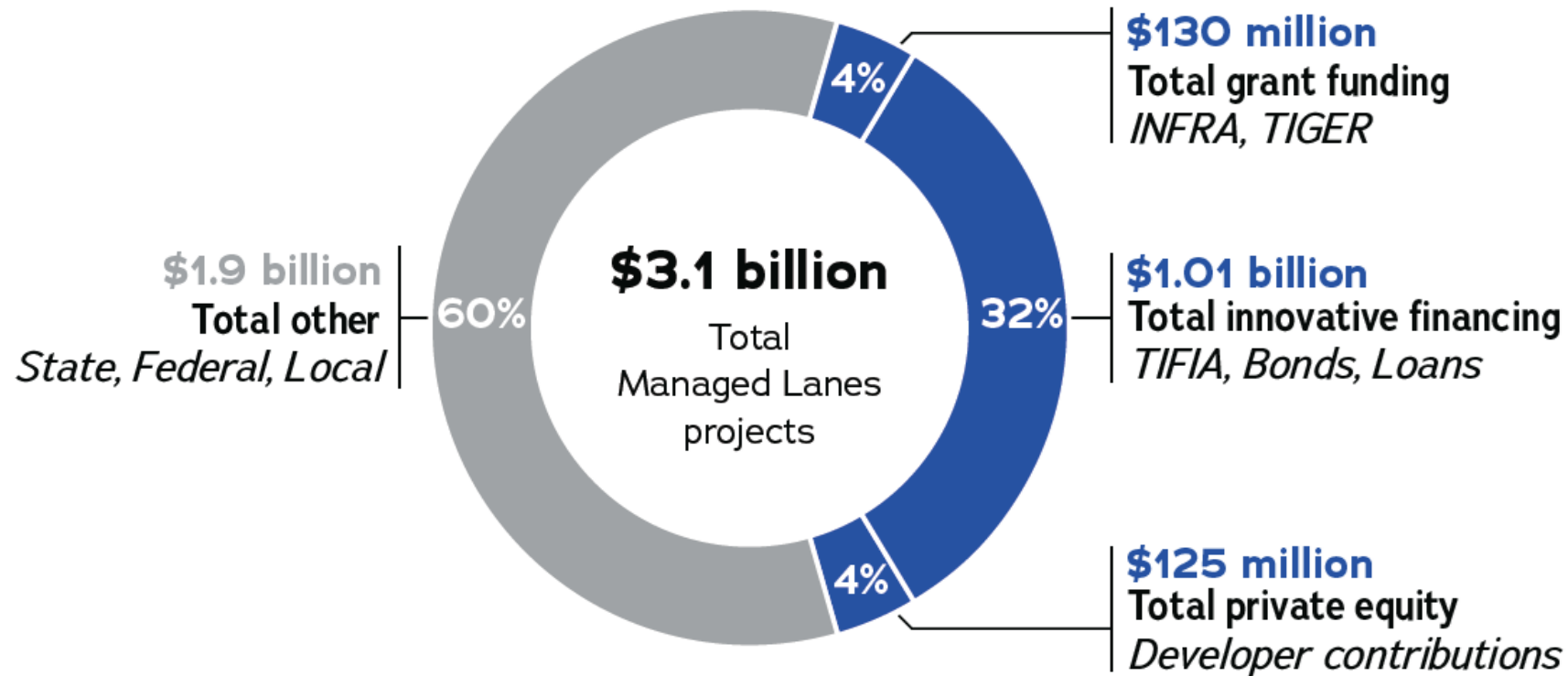
- Colorado has approximately 120 operational lane miles of Express Lanes.
- Colorado ranks #6 of 11 states with Express Lanes.



How CTIO Supports Key Projects and Initiatives

Project Financing Secured Through Managed Lanes

\$1.27 billion (41%) secured through use of Managed Lanes:



Important Considerations in Private Investment and Alternative Financing

Accelerated Timing

- Will it allow the project to start earlier, get built faster, and be completed sooner?

Reduced Upfront Costs

- Will it significantly reduce the upfront capital required from the state?

Expanded Scope

- Will it deliver more of the project's planned improvements and maximize value to Colorado residents?

Innovation

- Will the project provide unique opportunities for design, construction, and operational innovation?

Risk Transfer

- Will it permit CTIO/CDOT to shift significant project risks, such as cost overruns and revenue shortfall, to the private partner?

Reliability

- Will the state benefit from guaranteed performance on long-term operations and maintenance?

CTIO Supporting Project Acceleration and Financing

Express Lane Corridors: Ongoing Management and Implementation

- I-70 MEXL, I-25 South GAP, I-25 North

Public-Private Partnership (P3): Oversight and Contract Management

- US 36, Central 70

Innovative Financing

- TIFIA, Loans, Bonds

Project Development

- Floyd Hill, I-270

Public Outreach and Communications

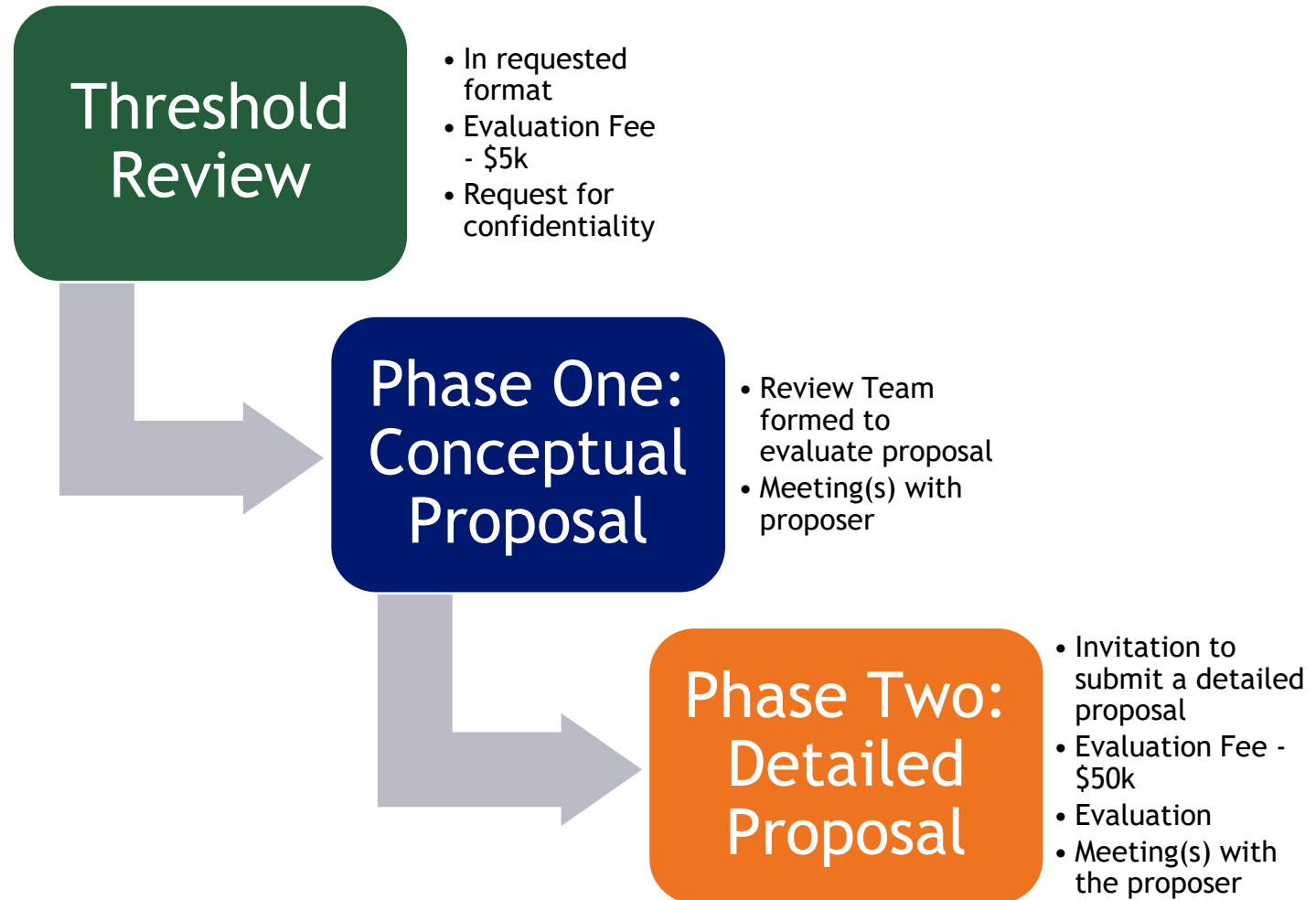
- Safety Campaigns

Public and Stakeholder Engagement

- **P3 programs and projects require more public outreach and a comprehensive involvement plan.**
- **Each P3 project will have unique project characteristics, possibly the CDOT Region, the location, and interested parties.**
- **There are two main guiding documents CTIO uses to determine the best approach to public and stakeholder engagement:**
 1. **CTIO P3 Management Manual (2020)**
 2. **CTIO Transparency Policy (2015)**

Review and Evaluation of Unsolicited Proposals

- CTIO updated its unsolicited proposal policy in 2020 after direction from the Board to increase engagement with the market.
- CTIO reviews and evaluates unsolicited proposals on behalf of the Department and has received 14 unsolicited proposals since the new policy was executed.
- CTIO draws on relevant expertise from CDOT staff and pays for their time.
- There are three main phases of evaluation.



Back Office

What is a back office?

The back office is the backbone of the Express Lanes system.

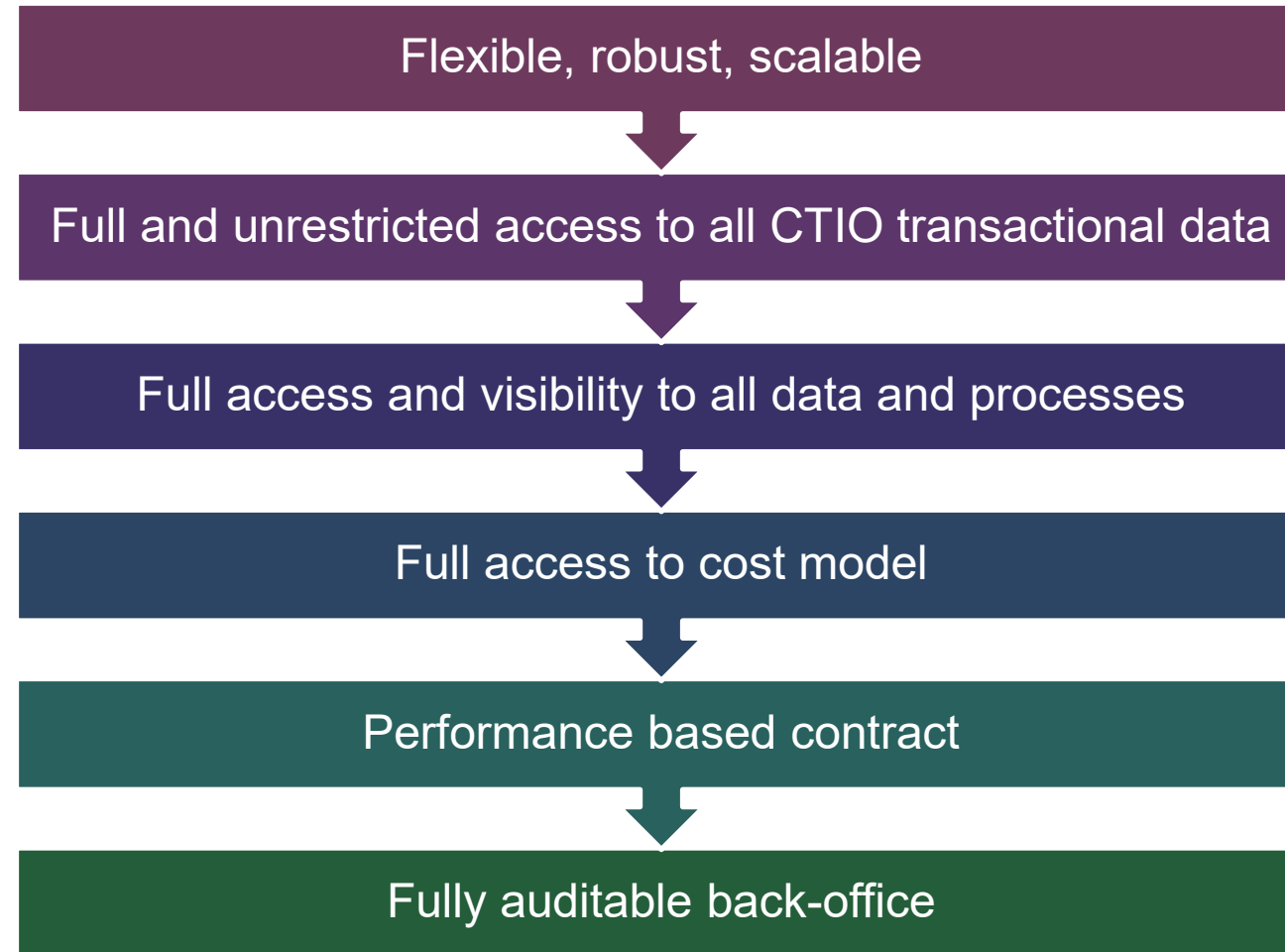
All Express Lanes have toll collection technology on the roadway that collects transaction data sent to the back office for processing.

Key functions of the current back office, provided by E-470, include:

- Toll collection
- Customer service and support
- Image review and validation of license plate tolls
- Transponder mailing and HOV3+ processing

Back Office: Goals For The Future System

By 2027 it is anticipated that CTIO's Express Lanes will generate approximately 45 million transactions a year.



Thank you!