

MEMORANDUM

TO: THE COLORADO TRANSPORTATION INVESTMENT OFFICE BOARD OF DIRECTORS
FROM: NICK FARBER, CTIO DIRECTOR
PIPER DARLINGTON, BUDGET AND SPECIAL PROJECTS MANAGER
GEORGE HYPOLITE, ATTORNEY GENERAL
SUBJECT: APPROVAL OF I-25 NORTH FINANCING AGREEMENTS
DATE: APRIL 19, 2023

Purpose:

To request approval a Master Trust Indenture, a First Supplemental Trust Indenture, a TIFIA Loan Agreement, a TIFIA Bond, an Intra-Agency Agreement and a Direct Agreement and Such Other Matters for the I-25 North Express Lanes Project (collectively referred to as the I-25 North Financing Agreements) by the Colorado Transportation Investment Office (CTIO) Board of Directors (Board).

Requested Action:

The Board is being asked to adopt resolution #414, which supports the staff recommendation to approve the I-25 North Financing Agreements.

Background:

In August 2020, CTIO began working with the TIFIA program to explore the idea of a corridor-wide financing strategy that would address current and future needs for the entire I-25 North corridor encompassing I-25 North Segment 2 (US 36 to 120th) to Segment 8 (SH 392 to SH 14). Since submitting a formal Letter of Interest (LOI) in April 2021 to start the process of securing a loan, CTIO has been working closely with the BAB, its internal advisor team, the Attorney General's office, and CDOT leadership to reach financial close on the loan.

Current Details:

In March 2023, a joint workshop was held with CTIO staff, the CTIO Board, and the Transportation Commission in anticipation of reaching financial close on the loan in spring 2023. The workshop presented details on the loan structure, flow of funds, the project documents, and how CTIO will work with CDOT to address future projects along the corridor. In summary, CTIO is requesting a \$501 million TIFIA loan to:

- Reimburse CTIO for \$24 million in previously incurred eligible construction expenditures for Segment 3. These expenditures were originally paid for with the Bank of America construction loan.
- Fund \$154 million for the construction of Express Lanes in Segments 7 and 8.
- Fund \$323 million for future construction of Segment 5.

The CTIO Board is being asked to approve six documents as part of the financial close process. Due to the large file size, drafts of all the documents can be found at this [document link](#). A summary of each document and its purpose is provided below.

A. Master Trust Indenture (MTI)-

- Creates rules and responsibilities that each party must adhere to related to all Pledged Revenues of the I-25 North Project.
- Directs the flow of the corridor Pledged Revenues to the accounts and how much goes into each account monthly.
- Details CTIO's specific responsibilities with respect to the I-25 North Project related to construction, revenue generation, and operation and maintenance of the project.

B. The First Supplement to the Master Trust Indenture (MTI)-

- The Master Trust Indentures provides terms, conditions, and obligations that protect the beneficiaries with respect to all issuances supported by the asset. The Supplemental Indenture provides terms, conditions, and obligations that apply specifically to an individual issuance or series of issuances supported by the asset.
- This structure allows CTIO to issue future bonds/enter future obligations on the I-25 North Corridors simply by executing a new supplemental indenture each time. If the terms of the individual bonds/obligations were written into the MTI itself, CTIO would need to amend the MTI each time there was a new issuance.

C. TIFIA Loan Agreement (TLA)-

- Outlines all details of the transaction, including all reporting and disclosure requirements, loan terms, and obligations of CTIO during the construction and operations periods.

D. TIFIA Bond-

- Approved as part of the TLA, the TIFIA Bond (a form of which is attached to the TLA as an Exhibit) - the TIFIA Bond will evidence CTIO's obligation to repay the TIFIA Loan and will be delivered to TIFIA at the time of closing.

E. I-25 North Intra-Agency Agreement (IAA)-

- Documents the substantive terms of how CDOT and CTIO work together and allocate rights and responsibilities on the project.
- Provides TIFIA with certainty regarding CTIO and CDOT's roles and responsibilities.
- Documents the necessary contractual obligations between CDOT and HPTE.

F. Direct Agreement (DA)-

- CTIO is entering into a TIFIA Loan for the project but does not have the responsibility to either construct the Project or operate or maintain the Project.
- The Direct Agreement requires CDOT to covenant to certain provisions in the TIFIA Loan.
- The Direct Agreement gives TIFIA direct contractual privity and the ability to enforce certain rights against CDOT.

Please see the March 15, 2023 presentation for additional details on the overall loan structure, flow of funds during project operations, and how CTIO will work with CDOT to address future projects along the corridor.

Recommendation:

Staff recommends that the Board approve resolution #414, Approving the Execution and Delivery of a Master Trust Indenture, a First Supplemental Trust Indenture, a TIFIA Loan Agreement, a TIFIA Bond, an Intra-Agency Agreement and a Direct Agreement, and Such Other Matters for the 1-25 North Express Lanes Project.

Next Steps:

- If approved, CTIO will work with the BAB to execute all documents
- CTIO will finalize and submit its loan application for approval by the USDOT Secretary
- CTIO will update the Board when the loan closes, and the funds are available for disbursement.

Attachment A:

Resolution #414: Approving the Execution and Delivery of a Master Trust Indenture, a First Supplemental Trust Indenture, a TIFIA Loan Agreement, a TIFIA Bond, an Intra-Agency Agreement and a Direct Agreement, and Such Other Matters for the 1-25 North Express Lanes Project