

MEMORANDUM

**TO:** THE COLORADO TRANSPORTATION INVESTMENT OFFICE BOARD OF DIRECTORS  
THE COLORADO TRANSPORTATION COMMISSION

**FROM:** NICK FARBER, CTIO DIRECTOR  
PIPER DARLINGTON, BUDGET AND SPECIAL PROJECTS MANAGER  
GEORGE HYPOLITE, ATTORNEY GENERAL

**SUBJECT:** I-25 NORTH TIFIA LOAN WORKSHOP

**DATE:** MARCH 15, 2023

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**Purpose:**

The purpose of this memo and attached presentation is to provide an overview of the I-25 North TIFIA loan, financing structure and related project documents.

**Requested Action:**

No action is being requested this month and the purpose of the materials is informational. Staff will return for formal approval of documents related to the transaction in April.

**Background:**

In August 2020, CTIO began working with the Build America Bureau (BAB) Transportation Infrastructure Finance and Innovation Act (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). In April 2021, CTIO submitted a formal Letter of Interest (LOI) to start the process of securing a loan.

**Current Details:**

Since April 2021, 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. Revenue performance on I-25 has remained strong even through the COVID-19 pandemic and financial analysis indicates that revenues from the corridor will be more than sufficient to support the TIFIA loan. Future tolls from the Express Lanes on Segments 5-8 will also support debt service and operating costs once they are open for tolling.

To address current needs 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 Segment 7 and 8.
- Fund \$323 million for future construction of Segment 5.

There are significant benefits for both the Department and stakeholders by pursuing a corridor-wide financing strategy that address the needs of multiple projects including:

- Leverages toll revenues across the corridor to address short-term financing needs for segments that are already under construction or planned for construction.
- Puts in place a Master Trust Indenture mechanism to access additional financing later in the future (should financing be needed), on other segments.
- Builds on operational segments with a strong operating history to provide a reliable repayment profile as future segments are implemented and completed.
- Establishes a more reliable payment profile, which can enhance access to capital relative to a single segment by segment approach.
- Incorporates facilities in operation, which allows segments to access improved costs of capital and lending terms by mitigating, at least in part, construction, and ramp-up risk.

Please see the attached presentation for more details on the loan structure, flow of funds, the project documents that the CTIO Board and the TC will be asked to approve and how CTIO will work with CDOT to address future projects along the corridor.

CTIO is in the process of finalizing all of the specific project documents with the Build America Bureau and will provide them in April for approval. Draft TC and CTIO Board Resolutions that will authorize the execution of those documents have been provided in Attachment B and Attachment C for review.

**Options/Decision Matrix:**

Informational only, no action is being requested.

**Next Steps:**

- CTIO will work with the BAB to finalize all documents and bring them to the TC and the CTIO Board for formal approval in April.

**Attachment:**

Attachment A: I-25 North TIFIA Loan Overview and Discussion Presentation

Attachment B: Draft HTPA Resolution: Approving Agreements Related to the I-25 North Express Lanes Project

Attachment C: DRAFT TC Proposed Resolution: Approving Agreements Related to the I-25 North Express Lanes Project