



COLORADO

Transportation  
Investment Office

# I-25 North TIFIA Loan Overview & Discussion

March 15, 2023

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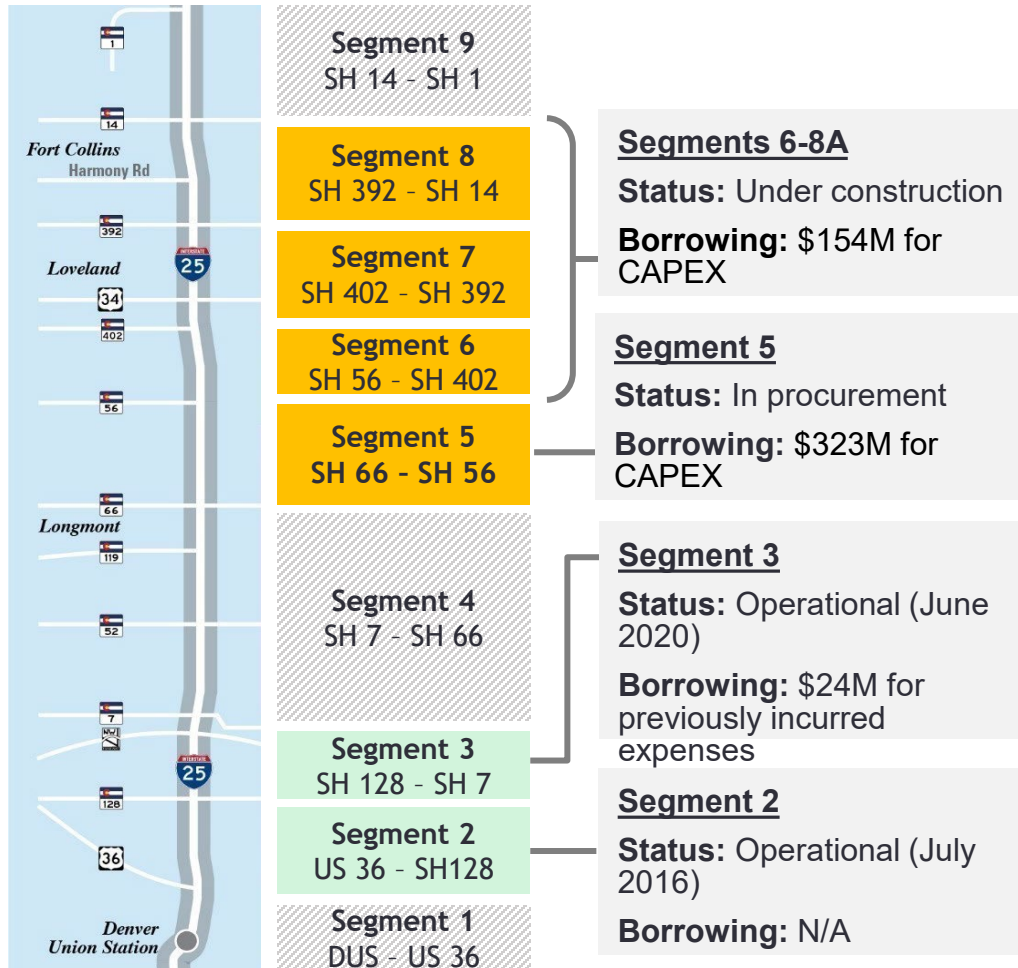
# Agenda

- Overview of the Financing, Structure and Scope of Project
- I-25 North Project Documents
- Future Segments
- Next Steps
- Wrap-Up and Q&A

# Financing Updates

- Inclusion of Segment 5
  - Segment 5 improvements were not included in the original project scope.
  - Estimated cost of \$430M, funded with state and federal sources as well as TIFIA proceeds.
  - To be constructed under a fixed-price CMGC contract and will begin operations in 2028.
- Loan size increased from \$191M to \$501M
  - TIFIA-eligible costs and maximum loan size increased with inclusion of Segment 5.
  - Segments 2 and 3 provides capacity for loan size increase.
- Advancement of creditworthiness process with Build America Bureau (BAB)
  - Creditworthiness review is currently in process;
  - All project documents and agreements are under final negotiation.
- Revised financing schedule
  - Closing is now anticipated in late Spring 2023

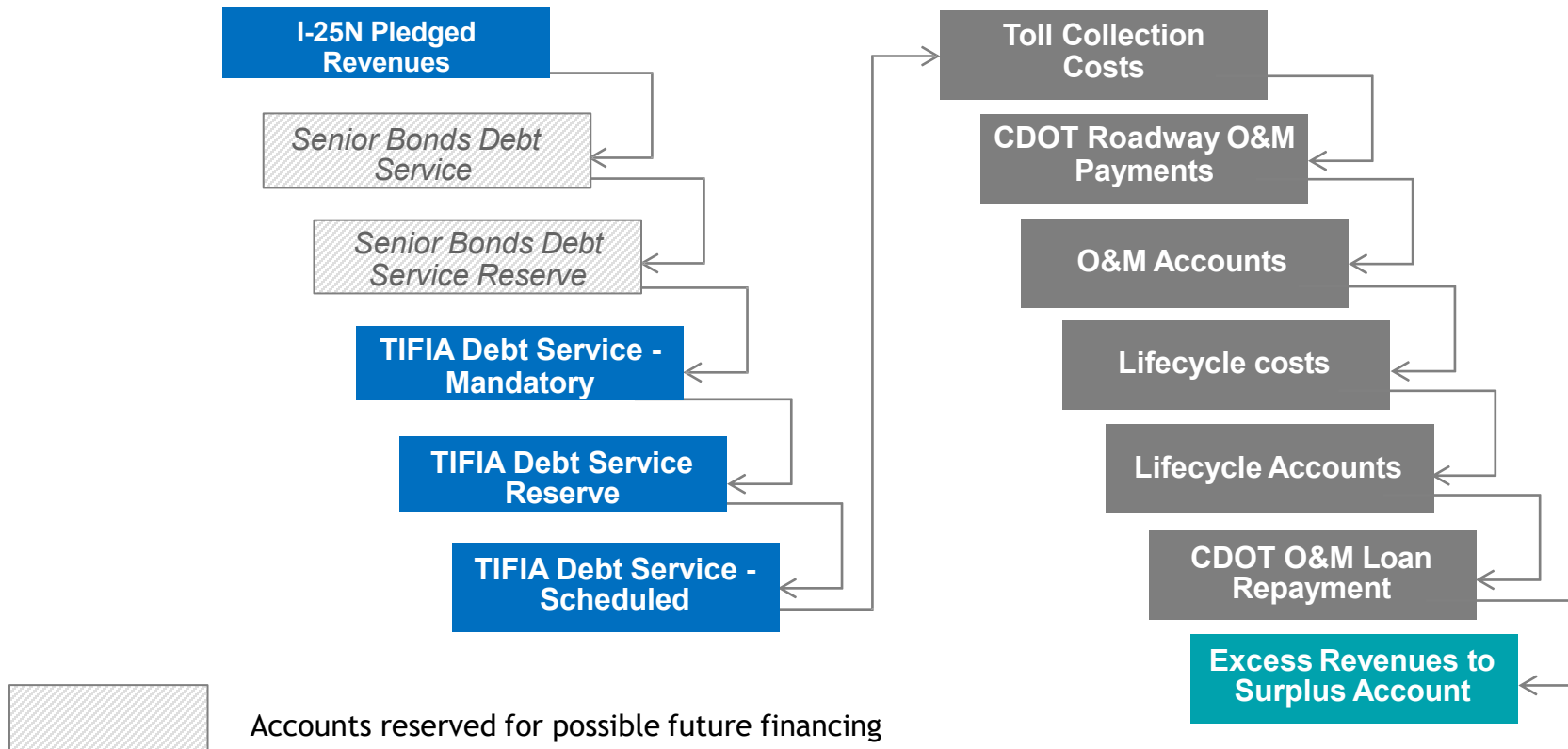
# Scope of Project



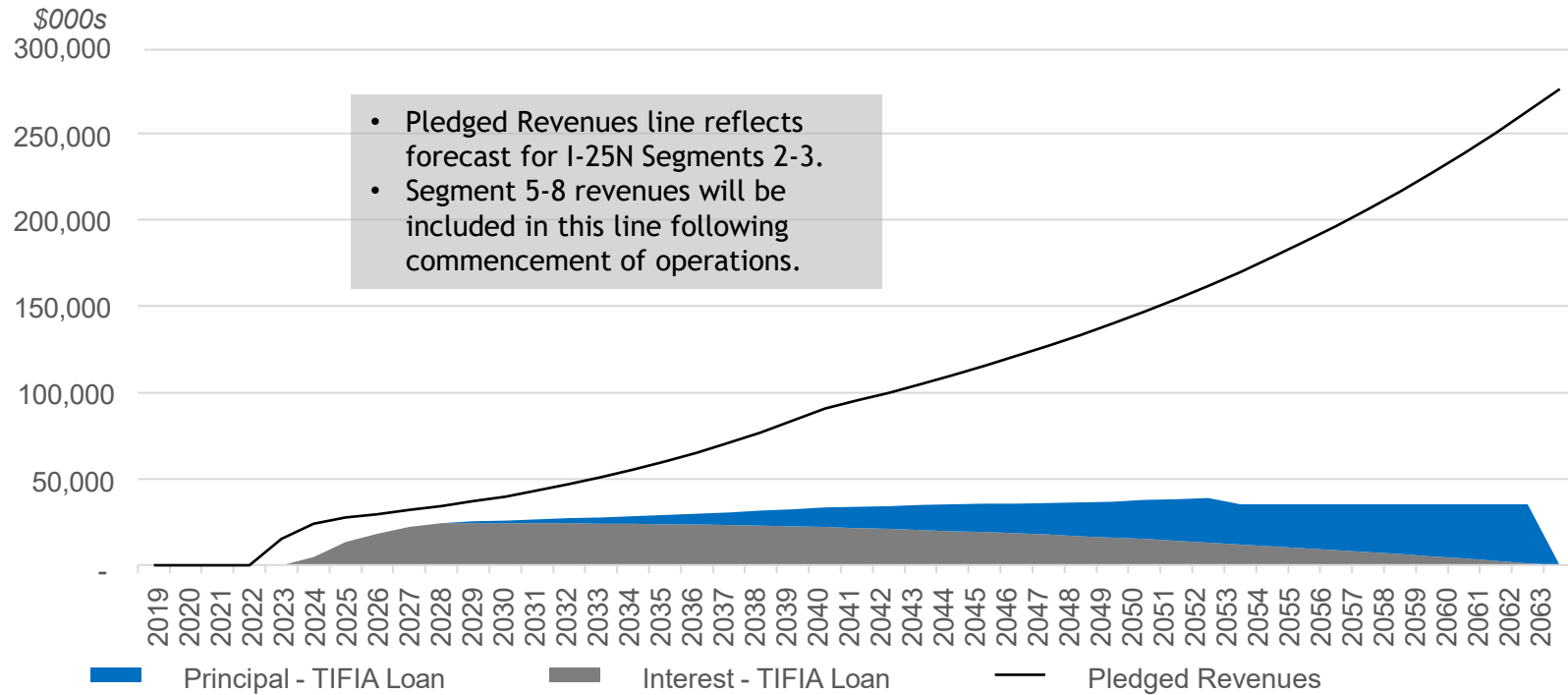
- Segments 6-8 currently under construction, tolling commencement early 2024
- Construction is planned for Segment 5, tolling commencement in first half of 2028.
- Operational Segments 2 and 3 as well as Segments 5-8 will be pledged to debt service.
- Preserves the principles of each segment covering its own allocated debt service and operating costs.
- Segment 1 is operated under a separate revenue-risk P3 agreement and excluded from this financing.

# Flow of Funds During Operations

Project debt will benefit from a gross revenue pledge, which initially will be limited to a subordinated TIFIA loan. Proposed structure will accommodate the issuance of senior debt for potential future improvements.



# Proposed Debt Service Schedule



\*Excludes O&M, lifecycle expenses and movements to/from project reserve accounts, which would be paid from Pledged Revenues after debt service.

- Loan repayment will commence in the period after Segments 6, 7 and 8 achieve substantial completion (but prior to completion of Segment 5 in 2028).
- Loan structure results in near-level debt service, resulting in robust coverage (pledged revenue relative to debt service).

# Project Documents- TC Approval

## Direct Agreement

- 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, TIFIA has insisted that CDOT enter into a Direct Agreement with them and CTIO.
- 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.

# Project Documents- CTIO Board Approval

## TIFIA Loan Agreement

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

## Master Trust Indenture

- 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 on a monthly basis.
- 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



# Project Documents- Joint Approval

## Intra-Agency Agreement

- 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.

# Addressing Future Segments

- Upon completion of the I-25 Segment 2 Safety Improvements Study and the determination of project scope and cost, CDOT and CTIO can review options for participating in the project through financing or excess toll revenue.
- CTIO has built-in as much flexibility as possible to its documents to help address Segment 2 when the project is ready as well as Segment 3 and 4 in the future.



# Next Steps

- Finalize all documents
- Formal approval of documents by the TC and CTIO Board
- Finalize and submit application to Credit Review Team (CRT)
- Council for Credit and Finance Committee (CCF) provides approval of the application
- USDOT Secretary Approval
- Final Ratings reports from Rating Agencies
- Loan Closing and Financial Close (spring 2023)

Questions?