

MEMORANDUM

TO: CTIO¹ BOARD OF DIRECTORS
FROM: PIPER DARLINGTON, ACTING DIRECTOR, CTIO
SUBJECT: FISCAL YEAR 2023-24 FIRST BUDGET AMENDMENT
DATE: JULY 19, 2023

Purpose:

This memo provides information to the Colorado Transportation Investment Office (CTIO) Board of Directors (the Board) regarding proposed changes to the fiscal year (FY) 2023-24 budget for Fund 536 (Special Revenue Fund).

Action:

The Board is asked to review the request and approve Resolution #424 included as Attachment A, approving the first budget amendment to the FY 2023-24 budget.

Background and Details:

Specific changes related to the proposed first budget amendment are highlighted in yellow on Exhibit A of Attachment A.

Changes highlighted in yellow and numbered on Attachment A: FY 2023-24 Final Budget for Fund 536 are:

Lines 23 and 93: HB-22-1074 Safety Enforcement Civil Penalties and Lines 35 and 104: HB-22-1074 Implementation and Backoffice Costs: These lines have been added to reflect estimated fine revenue and expenses that will be generated from the Safety Enforcement Program on I-25 North US36 to Northwest Parkway/E-470 and C-470. The estimates are based on the following conservative assumptions:

- That on I-25 North US36 to Northwest Parkway/E-470, three percent of corridor volume recorded are considered violators under the new safety enforcement rules.
- For C-470, based on observed, initial data collected under the pilot program with Blissway, CTIO estimates that weaving violations will be an average of 2,000 per week.
- That violators are assessed a Civil Penalty. If paid within 20 calendar days of the Notice Date; the Civil Penalty amount is \$75. On day 21, the Civil Penalty amount escalates to \$150. Staff estimates that that 30 percent of all drivers will make payment in the early payment window and another seven percent will make the \$150 payment between days 21 and 45. The estimate assumes that the remaining 63 percent of violators will be sent to the Administrative Law Court for a default judgement and then to collections, with an estimated 20 percent recovery rate.

¹ The High-Performance Transportation Enterprise (CTIO) is now doing business as the Colorado Transportation Investment Office (CTIO). CTIO is how the enterprise refers to itself now and in the future. However, the CTIO name is retained for legislative and legal documents.

- An average of 45 percent of the revenue generated will go to cover costs of operating the Safety Enforcement Program.
- All net revenue generated from the program will stay within the corridor where they are generated and be available to help accelerate projects such as the I-25 North I-25 US36 to Northwest Parkway/E470 Safety Improvements Study and I-70 Floyd Hill.

Based on actual observed data collected from the I-70 Mountain Express Lanes (MEXL) and C-470 as well as the conservative assumptions listed above, staff feels comfortable moving forward with increasing the budget for the program at this time. This will allow staff to move forward with expansion and implementation of the program to I-25 North US36 to Northwest Parkway/E-470. and C-470. CTIO will closely monitor both driver and payment behavior as the program goes live and will bring regular updates to the Board, including any budget adjustments that might be needed.

Options and Recommendations

1. Act on Resolution #424 adopting an amended budget. **Staff recommendation**
2. Request additional information on any of the items requested as part of the amendment.
3. Deny the request.

Next Steps

- If approved, staff will work to execute the necessary contractual documents with Blissway and proceed with the roll out of the Safety Enforcement Program on I-25 North US36 to Northwest Parkway/E470 and C-470 Express Lanes.

Attachment

Attachment A: Resolution #424

Resolution- HPTE #424

Approval of the First Amendment to the Fiscal Year 2023-24 Final Budget Allocation Plan

WHEREAS, the General Assembly of the State of Colorado created the Colorado High Performance Transportation Enterprise (“HPTE”)¹ as a government-owned business within the Colorado Department of Transportation (“CDOT”); and

WHEREAS, Section 43-4-806(3)(a), C.R.S. created the Statewide Transportation Enterprise Special Revenue Fund in the state treasury (“Fund 536”) for the purpose of, *inter alia*, depositing user fee revenues received by the HPTE, and further provided for the establishment of separate accounts in connection with specific surface transportation infrastructure projects; and

WHEREAS, Section 43-4-806(4), C.R.S., separately created the Statewide Transportation Enterprise Operating Fund (“Fund 537”) for the HPTE; and

WHEREAS, pursuant to Section 43-4-806(6)(l), C.R.S., the CTIO Board of Directors previously adopted annual budgets for fiscal year 2023-24 for Fund 536 and Fund 537 by resolution on March 15, 2023; and

WHEREAS, the need has now arisen to amend the budgets for fiscal year 2023-24 for Fund 536 and/or Fund 537 (the “First Amendment”) to authorize the expenditure of additional moneys not anticipated at the time of adoption of the budgets, to be funded out of such revenue sources as identified herein.

NOW THEREFORE BE IT RESOLVED, the amended fiscal year 2023-24 budget set forth in this First Amendment for Fund 536, reflecting additional revenues, payments and operating costs related to the Express Lanes, is attached hereto as **Exhibit A** is hereby approved and adopted by the CTIO Board of Directors.

Signed as of July 19, 2023

Simon Logan
Secretary, CTIO Board of Directors

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**Exhibit A to HPTE Resolution #424
Amended (First Amendment) FY 2023-24 Fund 536 Budget**

Fiscal Year 2023-24 Final Annual Budget Allocation Plan for Fund 536					
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536					
Line Item		Final Revenues	Final Allocations	Revised Revenues-1st Amendment	Revised Allocations-1st Amendment
1	US 36 Express Lanes (Cost Center T8620-536)				
2	Fiscal Year Revenues				
3	Annual Concessionaire Management Fee	\$ 450,000		\$ 450,000	
4	Interest Earnings	\$ 15,000		\$ 15,000	
5	Total US 36 FY 2023-24 Available Revenue	\$ 465,000		\$ 465,000	
6	Fiscal Year Allocations				
7	CTIO and CDOT Staff Time		\$ (34,000)		\$ (34,000)
8	Project Oversight		\$ (425,000)		\$ (425,000)
9	Annual Audit		\$ (1,000)		\$ (1,000)
10	Attorney General Fees		\$ (5,000)		\$ (5,000)
11	Miscellaneous Corridor Studies		\$ -		\$ -
12	Total US 36 FY 2023-24 Allocations		\$ (465,000)		\$ (465,000)
13	Remaining Balance		\$ (464,995.00)		\$ -
14	I-25 Express Lanes				
15	US36 to Fort Collins (Cost Center T8630-536)				
16	Fiscal Year Revenues				
17	Segment 2	\$ 12,008,036		\$ 12,008,036	
18	Segment 3	\$ 8,299,000		\$ 8,299,000	
19	Segment 6/7/8	\$ 9,522,000		\$ 9,522,000	
20	Total I-25 North Tolling Revenue	\$ 29,829,036		\$ 29,829,036	
21	Transponder Revenue	\$ 650,000		\$ 650,000	
22	Interest Earnings	\$ 200,000		\$ 200,000	
23	HB-22-1074 Safety Enforcement Civil Penalties			\$ 8,770,000	
24	Total I-25 North FY 2023-24 Revenue	\$ 30,679,036		\$ 39,449,036	
25	Fiscal Year Allocations				
26	CTIO and CDOT Staff Time		\$ (275,000)		\$ (275,000)
27	Attorney General Fees		\$ (100,000)		\$ (100,000)
28	General Reimbursable Expenses and Toll Processing Costs		\$ (4,211,800)		\$ (4,211,800)
29	Sales Tax and Sales Tax Processing Costs		\$ (119,000)		\$ (119,000)
30	Routine Maintenance		\$ (420,000)		\$ (420,000)
31	Operations		\$ (1,401,000)		\$ (1,401,000)
32	Capital Replacement-Tolling Equipment		\$ -		\$ -
33	Miscellaneous Corridor Studies		\$ -		\$ -
34	Tolling Backoffice System and Software Development		\$ (857,950)		\$ (857,950)
35	HB-22-1074 Implementation and Backoffice Costs				\$ (3,710,000)
36	Total I-25 North FY 2023-24 Allocations		\$ (7,384,750)		\$ (11,094,750)
37	Remaining Balance		\$ 23,294,286		\$ 28,354,286
38	Monument to Castle Rock (the GAP) (Cost Center T8655-536)				
39	Fiscal Year Revenues & Funds				
40	Tolling Revenue	\$ 3,501,149		\$ 3,501,149	
41	Transponder Revenue	\$ 250,000		\$ 250,000	
42	Interest Earnings	\$ 60,000		\$ 60,000	
43	Total GAP FY 2023-24 Revenue	\$ 3,811,149		\$ 3,811,149	
44	Fiscal Year Allocations				
45	CTIO and CDOT Staff Time		\$ (275,000)		\$ (275,000)
46	Attorney General Fees		\$ (5,000)		\$ (5,000)
47	General Reimbursable Expenses and Toll Processing Costs		\$ (1,767,730)		\$ (1,767,730)
48	Sales Tax and Sales Tax Processing Costs		\$ (44,000)		\$ (44,000)
49	Routine Maintenance		\$ (456,000)		\$ (456,000)
50	Operations		\$ (465,480)		\$ (465,480)
51	Capital Replacement-Tolling Equipment Reserve		\$ -		\$ -
52	Tolling Backoffice System and Software Development		\$ (125,416)		\$ (125,416)
53	Total GAP FY 2023-24 Allocations		\$ (3,138,626)		\$ (3,138,626)
54	Remaining Balance		\$ 672,524		\$ 672,524

Fiscal Year 2023-24 Final Annual Budget Allocation Plan for Fund 536

Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536

55	Burnham Yard (Cost Center T8600-536)			
56	Fiscal Year Revenues & Funds			
57	CDOT Payment for Project Expenses per IAA	\$ 1,748,978		\$ 1,748,978
58	Proceeds for Debt Service (Capitalized Interest)	\$ 3,284,578		\$ 3,284,578
59	Interest Earnings	\$ 50,000		\$ 50,000
60	Total Burnham Yard FY 2023-24 Available Revenue and Funds	\$ 5,083,556		\$ 5,083,556
61	Fiscal Year Allocations			
62	Eligible Property Expenditures for Planning Activities	\$ -		\$ -
63	Historic Building Preservation and Repair	\$ -		\$ -
64	Security Services	\$ (548,350)		\$ (548,350)
65	FY2023-24 Debt Service	\$ (1,094,859)		\$ (1,094,859)
66	Total Burnham Yard FY 2023-24 Allocations	\$ (1,643,209)		\$ (1,643,209)
67	Remaining Balance	\$ 3,440,347		\$ 3,440,347
68	I-70 West Mountain Express Lanes (MEXL)			
69	MEXL Eastbound and Westbound (Cost Center T8640-536)			
70	Fiscal Year Revenues & Funds			
71	Tolling Revenue	\$ 6,013,711		\$ 6,013,711
72	Interest Earnings	\$ 120,000		\$ 120,000
73	HB-22-1074 Safety Enforcement Civil Penalties	\$ 3,286,853		\$ 3,286,853
74	Total I-70 MEXL FY 2023-24 Revenue	\$ 9,420,564		\$ 9,420,564
75	Fiscal Year Allocations			
76	MEXL Loan Payment	\$ (4,056,503)		\$ (4,056,503)
77	CTIO and CDOT Staff Time	\$ (275,000)		\$ (275,000)
78	Attorney General Fees	\$ (5,000)		\$ (5,000)
79	General Reimbursable Expenses and Toll Processing Costs	\$ (517,800)		\$ (517,800)
80	Routine Maintenance	\$ (260,920)		\$ (260,920)
81	Operations	\$ (995,480)		\$ (995,480)
82	Capital Replacement-Tolling Equipment	\$ -		\$ -
83	Loan Expenses (Note Registrar, Refinancing)	\$ (75,000)		\$ (75,000)
84	Tolling Backoffice System and Software Development	\$ (41,662)		\$ (41,662)
85	HB-22-1074 Implementation and Backoffice Costs	\$ (1,107,503)		\$ (1,107,503)
86	Total I-70 MEXL FY 2023-24 Allocations	\$ (7,334,868)		\$ (7,334,868)
87	Remaining Balance	\$ 2,085,696		\$ 2,085,696
88	C-470 Express Lanes (Cost Center T8650-536)			
89	Fiscal Year Funds and Revenue			
90	Tolling Revenue	\$ 11,258,184		\$ 11,258,184
91	Draws on Project Reserve Accounts	\$ 3,085,654		\$ 3,085,654
92	Interest Earnings	\$ 100,000		\$ 100,000
93	HB-22-1074 Safety Enforcement Civil Penalties			\$ 3,560,000
94	Total C-470 FY 2023-24 Available Funds	\$ 14,443,838		\$ 18,003,838
95	Fiscal Year Allocations			
96	Bond Debt Service	\$ (10,053,204)		\$ (10,053,204)
97	CTIO and CDOT Staff Time	\$ (275,000)		\$ (275,000)
98	Attorney General Fees	\$ (10,000)		\$ (10,000)
99	General Reimbursable Expenses and Toll Processing Costs	\$ (1,856,000)		\$ (1,856,000)
100	Routine Maintenance	\$ (420,610)		\$ (420,610)
101	Operations	\$ (1,399,000)		\$ (1,399,000)
102	Debt Monitoring and Surveillance Fees	\$ (150,000)		\$ (150,000)
103	Tolling Backoffice System and Software Development	\$ (280,024)		\$ (280,024)
104	HB-22-1074 Implementation and Backoffice Costs			\$ (1,680,000)
105	Total C-470 FY 2023-24 Allocations	\$ (14,443,838)		\$ (16,123,838)
106	Remaining Balance	\$ -		\$ 1,880,000.00
107	Central 70 (Cost Center T8660-536)			
108	Fiscal Year Funds and Revenue			
109	Tolling Revenue	\$ 9,986,400		\$ 9,986,400
110	Interest Earnings	\$ 150,000		\$ 150,000
111	Transponder Revenue	\$ 250,000		\$ 250,000
112	CDOT Payment for Project Administration per Approved IAA	\$ 900,000		\$ 900,000
113	Total Central 70 FY 2023-24 Available Revenue & Funds	\$ 11,286,400		\$ 11,286,400
114	Fiscal Year Allocations			
115	CTIO and CDOT Staff Time	\$ (275,000)		\$ (275,000)
116	Attorney General Fees	\$ (5,000)		\$ (5,000)
117	General Reimbursable Expenses and Toll Processing Costs	\$ (1,877,000)		\$ (1,877,000)
118	Routine Maintenance	\$ (147,968)		\$ (147,968)
119	Operations	\$ (539,000)		\$ (539,000)
120	Tolling Equity Program Administration	\$ (350,000)		\$ (350,000)
121	Tolling Backoffice System and Software Development	\$ (194,950.50)		\$ (194,950.50)
122	Total Central 70 FY 2023-24 Allocations	\$ (3,388,919)		\$ (3,388,919)
123	Remaining Balance	\$ 7,897,481		\$ 7,897,481
	Total Fund 536 Revenues & Funds	\$ 75,189,543		\$ 87,519,543
	Total Fund 536 Allocations	\$ (37,799,209)		\$ (43,189,209)
	Remaining Unbudgeted Funds	\$ 37,390,334		\$ 44,330,334