



COLORADO

Department of
Transportation



U.S. 36 Public-Private Partnership

February 13, 2014

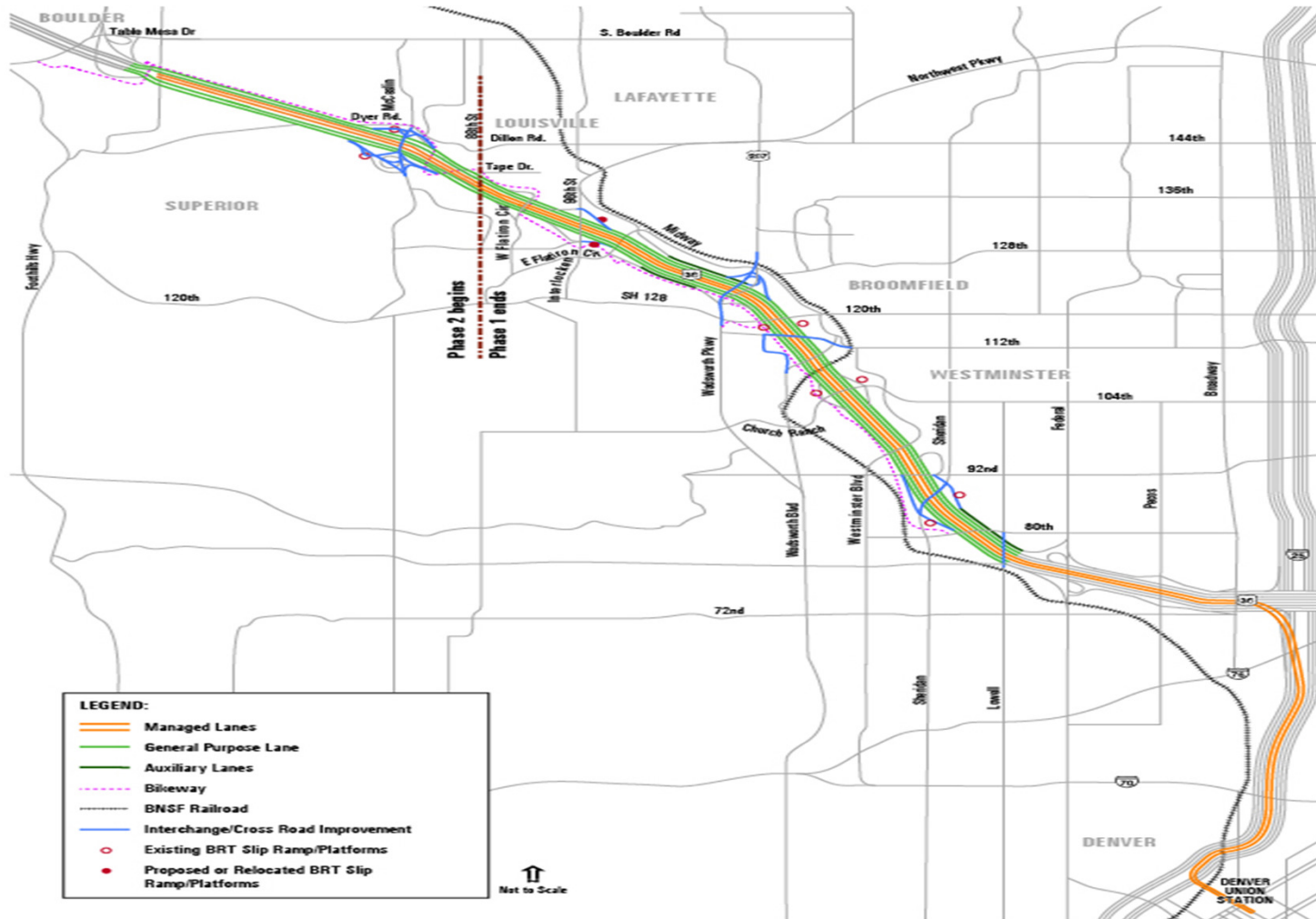


History of Transportation Funding in Colorado

1991	<ul style="list-style-type: none"> • Most Recent State Gas Tax Increase (to \$0.22/gallon) Takes Effect
1992	<ul style="list-style-type: none"> • TABOR Enacted
2005	<ul style="list-style-type: none"> • Referendum C Passes (allows state to retain growing revenues for 5 years)
2007	<ul style="list-style-type: none"> • General Fund Transfers to CDOT Peak at \$468 million • State Gas Tax Revenues Peak
2008	<ul style="list-style-type: none"> • General Fund Transfers to CDOT Eliminated
2009	<ul style="list-style-type: none"> • FASTER Enacted (creating HPTE, increasing vehicle registration fees, results in about \$180 million per year for transportation projects)
2010	<ul style="list-style-type: none"> • U.S. 36 Phase 1 Funded (Govt. Tax Sources and TIFIA Loan to HPTE)
2011	<ul style="list-style-type: none"> • U.S. 36 Phase 2 Project Corridor Consensus to Utilize P3 to Expedite Implementation
2012	<ul style="list-style-type: none"> • US 36 Phase 2 Procurement for P3 begins
2013	<ul style="list-style-type: none"> • Plenary Roads Denver Selected; Business Terms Agreement Approved
2014	<ul style="list-style-type: none"> • Expected Financial Closing in February



US 36 Project Area





Summary of Outreach

National Environmental Policy Act	6 Public Hearings
Corridor Elected Officials & Staff	~28 meetings
Stakeholder Groups	~10 Presentations
DRCOG (Regional Transportation Planning Process)	~ 7 Presentations
Transportation Commission & High Performance Transportation Enterprise	Monthly Public Meetings
General Assembly	11 updates (JBC, TLRC, Joint Transportation Committee)



Why P3 on US 36?

- Accelerates construction by 20 years
 - Project otherwise wouldn't have been completed until 2035
- Delivers Project with lowest upfront public subsidy
 - 2/3 construction cost borne by private sector
- Minimizes risk to the public sector
 - Transfers construction cost risks to private sector
 - Transfers operating and maintenance risks to private sector
 - Transfers rehabilitation and reconstruction risks to private sector
 - Transfers revenue risk to private sector



What the Contract Does & Doesn't Do

DOES	DOESN'T
Does allow concessionaire to conduct US 36 roadway operations and maintenance	Doesn't sell or turn ownership of road over to a private company
Does outline that only one <u>new</u> lane in each direction on US 36 will be tolled	Doesn't allow the concessionaire to toll ALL lanes on US 36 (<u>existing lanes remain free</u>)
Does require a public, governor-appointed board to approve all toll rates	Doesn't allow the concessionaire to set whatever tolls they want
Does only apply to US 36 construction and US 36 & I-25 toll revenue collection	Doesn't enact public private partnerships for other corridors
Does transfer the risk of paying back debt to build project to concessionaire	Doesn't require taxpayers to be responsible if revenue is less than projected
Does allow CDOT to make continued transportation improvements on adjacent corridors	Doesn't prohibit the State, RTD or local governments from improving transportation in the area for 50 years



What the Contract Does & Doesn't Do

DOES	DOESN'T
Does identify who can use the lane: BRT, HOV & SOV drivers willing to pay a toll	Doesn't allow the concessionaire to set the policy on what qualifies as HOV
Does tie toll rates to congestion measures	Doesn't allow the concessionaire to set the toll rates without limits. Tolls are likely to be closer to \$5 to \$6
Does outline the service standards for maintenance and operations with penalties if they don't meet them	Doesn't let the concessionaire slip under the radar for performance
Does require that concessionaire maintenance employees be paid the same as state employees	Doesn't result in ANY state employees losing their jobs (they will be shifted to other areas) or pay reduction
Does include a process to amend or get out of the contract	Doesn't prevent the state from adjusting the contract if necessary