

Resolution – HPTE #218

Approving HPTE December 14, 2016 regular meeting minutes

BE IT RESOLVED, that the December 14, 2016, meeting minutes attached hereto, are hereby approved by the High Performance Transportation Enterprise Board of Directors.

Signed as of January 18, 2017



Kari Grant
Secretary, HPTE Board

Agenda Item: **MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)**
Held: Wednesday, December 14, 2016; 11:30 am
4201 E. Arkansas Ave., CDOT HQ Auditorium, Denver, CO 80222

The regular meeting of the Board of Directors of the HPTE was convened in accordance with applicable statutes of the State of Colorado, with the following Directors present:

Attendance:	Kathy Gilliland, Chair	Jan Martin	Trey Rogers
	Don Marostica, Vice Chair	Thad Noll	Shannon Gifford
		Gary Reiff	

Chair Gilliland called the meeting to order @11:30 am: All Board Directors were present; Directors Reiff, Rogers and Noll attended by phone.

Director's Agenda Overview and Discussion: HPTE Director David Spector reported on continuing outreach to Legislators at the end of 2016. He and Andy Karsian (Office of Policy and Government Relations, OPGR) met with Senator Guzman's office in late November. Director Spector also met with Representative Singer in Longmont about the HOV3 transition.

Herman Stockinger, Director of OPGR, briefed the Board on staff coverage for the upcoming session. Ron Papsdorf (OPGR) and Andy Karsian will track all items of interest for HPTE. Mr. Papsdorf will also help with legislative communications. Several Board members expressed support for the increased coverage. Director Spector said the CDOT Joint Budget Committee briefing went well, without questions or comments about the HOV3 transition. CDOT Executive Director Shailen Bhatt thanked the team for the good dialog with the Committee.

HPTE Communications Manager Megan Castle reported on the HOV3 Telephone Town Hall that was held on December 12 for the communities within the US 36 Corridor. About 3,500 people joined in over the course of the call. Many of the questions were about the timing of the HOV transition, and how HOV3 affects congestion, pollution and project financing. Several callers spoke about the difficulty of finding a third partner for the commute. Impromptu polling during the Town Hall showed 8% of the callers carpool daily. Ms. Castle noted that even with good media coverage, most people say they get their commute information from the portable variable message signs (VMS) on the roadside used to help get key messages out. The HOV3 rule takes effect on January 1st. Director Spector updated the Board on HPTE revenue use and allocation guidelines. An informational presentation is on the Agenda, and staff is seeking Board input on how to proceed. He said there are 3 sources of "excess" revenue: toll revenue from I-25 North to 120th (unrestricted), conduit issuer fees, and residual annual budget roll forward. Staff is recommending that most excess revenue should be used to repay loans from the Transportation Commission, and to establish an HPTE reserve account. The Board asked questions regarding the timeline on debt and amortization, and the need to prioritize repayments to the Commission.

Director Spector updated the Board on HPTE revenue use and allocation guidelines. An informational presentation is on the Agenda, and staff is seeking Board input on how to proceed. He said there are 3 main sources of revenue: toll revenue from I-25 North to 120th, conduit issuer fees, and residual annual budget roll forward. Staff is recommending that most excess revenue should be used to repay loans from the Transportation Commission, and to establish an HPTE reserve account. The Board asked questions regarding the timeline on debt and amortization, and the need to prioritize repayments to the Commission. The Board expressed a desire to maintain flexibility with any such revenues.

Director Spector reported on the Toll Operations Manager position, saying the advertisement will go nationwide shortly after the holidays.

Board Break, Reconvene and Roll Call: Other items on the agenda are performance reports for I-25 North to 120th and the Mountain Express Lane, and an update on C-470 financing. The rating agencies have given C-470 BBB and BBB- ratings, reflecting the financial strength of the project. The Board will also consider final action to wrap up the evaluation of a local toll facility, and action to consolidate various agreements with RTD into one single agreement.

The Board took a five-minute break. Upon reconvening, all Board members were present.

Consent Agenda: Upon a motion by Vice-Chair Marostica and second by Board Director Noll, the Consent Agenda was approved by all present.
Resolution #215
Approving
November 16, 2016
Minutes:

Public Comment: Chair Gilliland invited members of the public to come forward if they wished to comment. No speakers came forward.

Director's Report: HPTE Director David Spector said the last month has been good with focus on the HOV3 transition. Thousands of people tuned in to the December 12th HOV3 Telephone Town Hall, with constructive citizen input. The I-25 North Johnstown to Fort Collins project is on track, and HPTE will issue a request for proposals from banks for financing in the later years of the project. Winter operations on the I-70 Mountain Express Lane have begun, with new yellow striping to clarify the purpose of the shoulder lane. Board Director Noll said he has heard from mountain corridor stakeholders that the amount of the license plate toll should be shown in addition to the ExpressToll rate on the Mountain Express Lane. The signs on US 36 show both rates, and Director Spector agreed staff will investigate a similar protocol for the Mountain Express Lane.

OMPD Report: Joe Mahoney of the Office of Major Project Development presented performance data from the Mountain Express Lane and I-25 North Express Lanes to 120th. He noted that quarterly performance reports to the Board will become the norm for Express Lanes projects, once traffic ramp-up is complete and traffic patterns normalize.

Performance is good for both Express Lanes. Early reports show good public acceptance of the I-25 North lanes, with a major increase in southbound speeds. Traffic on the I-25 North lanes is 52% AVI (or ExpressToll customers), 23% license plate toll (LPT), estimated HOV use is 23% and estimated hybrid use is 2%. The Mountain Express Lane (which does not allow HOV) shows 66% AVI traffic and 34% LPT. Given seasonal variables, both lanes are generating revenue as expected.

Communications Report: HPTE Communications Manager Megan Castle briefed the Board on the numerous communications, advertising, media and outreach efforts that are on-going for the HOV3 transition. The next required transparency events for Central 70 will be in mid-February. Ms. Castle thanked Board Director Noll for his assistance with communications on the I-70 Mountain Corridor.

C-470 Financing Update: HPTE Operations Manager Nick Farber briefed the Board on the preliminary statement for toll backed revenue bonds, which is being finalized for the January TIFIA Credit Committee. He noted the strong investment ratings for the project. The Board engaged in general discussion regarding the status of the Highlands Ranch Neighborhood Coalition lawsuit. Finally, Mr. Farber note a team will travel to Washington DC to meet in-person with the TIFIA Office soon to close out negotiations on the TIFIA financing.

Resolution #216
Regarding an
Evaluation by HPTE: HPTE Director Spector described HPTE's statutory obligation to evaluate any toll road offered for sale, and explained the proposed transaction. This Resolution documents HPTE's satisfaction of its statutory obligations. Upon a motion by Board Director Martin and Second by Board Director Gifford, Resolution #216 was approved by all present.

Resolution #217
Regarding
Amendment to the
US36 Concession
Agreement IGA with
RTD:

Mr. Farber said RTD has asked to consolidate the many intergovernmental agreements on the US 36 project. HPTE will work with RTD to clean up and clarify the roles, responsibilities and all provisions in the documents. He said this effort will also remove restrictions on spending pre-2014 revenue from I-25 Central Lanes, while making changes to previously approved expenditures for RTD bus improvements on the US36 Project. Upon a motion by Vice Chair Marostica and second by Board Director Gifford, Resolution #217 was approved by all present.

Adjourn

HPTE Director Spector thanked the Board and staff for their hard work in 2016, and said he is looking forward to the year ahead. There being no further business, the Board adjourned at 1:28 pm.