

10.0 FUNDING PLAN

Based on preliminary projections that 68 to 80 percent of the capital construction cost can be funded through toll revenue, 20 to 32 percent of the cost is expected to be derived from other sources to complete the funding package. The sections below outline potential strategies to make up this difference.

10.1 STRATEGIES TO LEVERAGE TOLL REVENUES

To close the gap between the projected toll revenues and the project cost, various funding strategies were developed to increase the leveraging power of the toll revenue. Two strategies believed to fall within TABOR guidelines are CDOT guaranteeing the O&M costs and CDOT donating ROW to the CTE.

If CDOT would guarantee payment of annual O&M costs, gross revenues could be used to determine bond capacity, thus increasing the leveraging of the toll revenue. The affect on the financial feasibility ranking of this strategy is an increase of approximately 13 percent.

The strategy of ROW donation is authorized under House Bill 1310, which allows CDOT to grant land purchases to CTE, thus reducing ROW costs and in turn increasing the financial feasibility factor. It is anticipated that by subtracting approximately \$7 million in ROW costs, the financial feasibility factor would increase by approximately 4 percent.

By combining the O&M guarantee and ROW purchasing techniques to increase the toll revenue leveraging capabilities, the financial feasibility factor could be increased. Table 10.1 summarizes the increase in the financial feasibility factor using the different toll revenue leveraging techniques.

**Table 10.1
Toll Revenue Leveraging Techniques**

Scenario		Present Value	Capital Costs (\$)	Feasibility Factor
		Net Revenue (\$)		
1.75 Senior Lien/2.99 Subordinate Lien and 6.0% Bonding Rate	Base Case	226,712,101	335,267,740	0.68
	O&M Guarantee	268,318,817	335,267,740	0.80
	O&M with Right-of-Way Purchase	268,318,817	321,067,740	0.84
1.75 Senior Lien/2.19 Subordinate Lien and 6.0% Bonding Rate	Base Case	243,319,829	335,267,740	0.70
	O&M Guarantee	287,099,398	335,267,740	0.86
	O&M with Right-of-Way Purchase	287,099,398	321,067,740	0.89
1.75 Senior Lien/2.99 Subordinate Lien and 5.5% Bonding Rate	Base Case	251,299,736	335,267,740	0.75
	O&M Guarantee	296,492,930	335,267,740	0.88
	O&M with Right-of-Way Purchase	296,492,930	321,067,740	0.92
1.75 Senior Lien/2.19 Subordinate Lien and 5.5% Bonding Rate	Base Case	269,708,624	335,267,740	0.80
	O&M Guarantee	317,403,840	335,267,740	0.95
	O&M with Right-of-Way Purchase	317,403,840	321,067,740	0.99

By employing these strategies, the project could be as much as 99 percent funded with toll revenues, thereby reducing the supplemental funds needed from other sources.

10.2 SUPPLEMENTAL FUNDING

Potential supplemental funding sources include federal funds through earmarks or grants, and state/local funding. Both the federal and state/local sources must fulfill the requirements set forth in the Metropolitan Planning Organization process discussed below. Federal loans are another potential strategy. Additionally, state/local funding is limited to 10 percent of the project cost, in accordance with enterprise guidelines under TABOR. The final funding package must be developed by the CTE. This funding package must identify the source of funds so as to comply with both the regional planning process and TABOR/enterprise guidelines. Such a funding plan is required

for a project to be included on DRCOG's RTP, which is, in turn, required before FHWA can issue a decision document for the C-470 EA.

Another strategy that could be pursued is private participation.

10.2.1 Metropolitan Planning Organization Process

Under federal law, the FHWA may only approve and provide funding for projects in a metropolitan area if they are included in a metropolitan area Transportation Improvement Program (TIP) and the Statewide Transportation Improvement Program (STIP). These programs are updated every 2 years, with potential amendments during the interim period.

As with many of the projects currently under environmental review in CDOT Region 6, DRCOG's 2025 Interim RTP does not identify any improvements to the C-470 corridor between now and 2025, other than partial funding for the Santa Fe Drive Interchange project. The project team has been engaged in ongoing coordination with DRCOG throughout the study process, with the intent of seeking an amendment to the RTP to add the preferred alternative. Travel demand modeling, air quality evaluation, and fiscal analyses for the C-470 alternatives have been coordinated with DRCOG throughout this process, and it is anticipated that the preferred alternative will be included as part of the 2030 RTP when it is released in 2005.

10.2.2 TABOR

In Colorado, TABOR sets the limits of state/local funding for transportation improvement projects to 10 percent for established Enterprises. If the CTE were to accept more than 10 percent of its annual revenue in state/local grants in a particular year, they could potentially lose their enterprise status.

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