

ES.4 CONCLUSIONS

The refinement process sought to optimize T&R and establish a measure of the financial feasibility of the C-470 express lanes concept. Due to the preliminary nature of this feasibility study, and the variability of factors for a bond issuance, the revenue analysis was conducted to characterize a range of potential feasibility outcomes. A sensitivity analysis was conducted on the coverage rates and interest rate of the bonds. The projected cost of the C-470 express lanes (Phase 1 – Kipling Parkway to I-25) would be \$335 million. Using a Senior Lien Coverage Rate of 1.75, and varying the Junior Lien Coverage Rate from 2.19 to 2.99, a composite coverage rate of 1.3 to 1.4 was produced. Using a bond interest rate of 5.5 percent and 6.0 percent, it is estimated that the express lanes could support a bond issuance of approximately 68 to 80 percent of the initial capital construction cost after accounting for annual financing, operations and maintenance, and capital reserve. This would require between \$65.6 million and \$108.5 million in supplemental funding from as-yet undetermined sources. Several potential strategies to reduce the funding gap have been discussed with the Colorado Tolling Enterprise (CTE). As a result, the CTE has determined that an acceptable funding plan can be developed that would cover the entire project cost and allow the project to advance. Table ES.1 summarizes the results of the preliminary financial feasibility analysis.

Table ES.1
Summary of Preliminary Financial Feasibility Analysis

Scenario	Present Value Net Revenue (\$)	Capital Costs (\$)	Feasibility Factor
1.75 Senior Lien/2.19 Subordinate Lien and 5.5% Bonding Rate	269,708,624	335,267,740	0.80
1.75 Senior Lien/2.19 Subordinate Lien and 6.0% Bonding Rate	243,319,829	335,267,740	0.70
1.75 Senior Lien/2.99 Subordinate Lien and 5.5% Bonding Rate	251,299,736	335,267,740	0.75
1.75 Senior Lien/2.99 Subordinate Lien and 6.0% Bonding Rate	226,712,101	335,267,740	0.68

Note: All values are in 2006 Dollars

PHASED IMPLEMENTATION PLAN

Based on the conclusion that the eastern segment from Kipling Parkway to I-25 was the most financially feasible section of the corridor, it is proposed that this segment be implemented as Phase 1. The steps required to advance Phase 1 are described below:

- Carry express lanes alternative forward into the C-470 Corridor EA for consideration with other alternatives.
- Should the express lanes alternative be selected as the preferred alternative in the EA, pursue the following steps;