



COLORADO

Department of
Transportation



Surface Transportation P3

Rural Community Infrastructure P3 Roundtable, July 24, 2018



What Does CDOT Do?

FY 2017-2018 \$1.42 BILLION BUDGET

CDOT RESPONSIBILITIES

 **ADMINISTERS**
\$208
MILLION
EACH YEAR IN FEDERAL
GRANTS

3,454

BRIDGES

CDOT
MAINTAINS & OPERATES
23,000
 **TOTAL**
LANE MILES
OF HIGHWAY



**DIVISION OF
TRANSIT
AND RAIL**

ADMINISTERS FED/STATE
GRANTS AND OPERATES
BUSTANG

6.1 MILLION
MILES
PLOWED

OF SNOW PER YEAR

35 **MOUNTAIN
PASSES**
OPEN YEAR-ROUND

**AIRPORT
PLANNING**
INTERFACE WITH FAA



What Does HPTE Do?

Public Private Partnerships

Express Lanes

Innovative Finance Think Tank

Required to **“aggressively pursue”** innovative means of more efficiently financing important transportation projects:

- Public Private Partnerships
- Operating concession agreements
- User fee-based project financing (tolls)
- Annual performance payment agreements



Exists to **make Coloradans’ commutes better**

WHY use P3 to deliver a project?

- Project Acceleration
- Risk Allocation
- Engineering Innovation
- Life Cycle Costs/
Value For Money

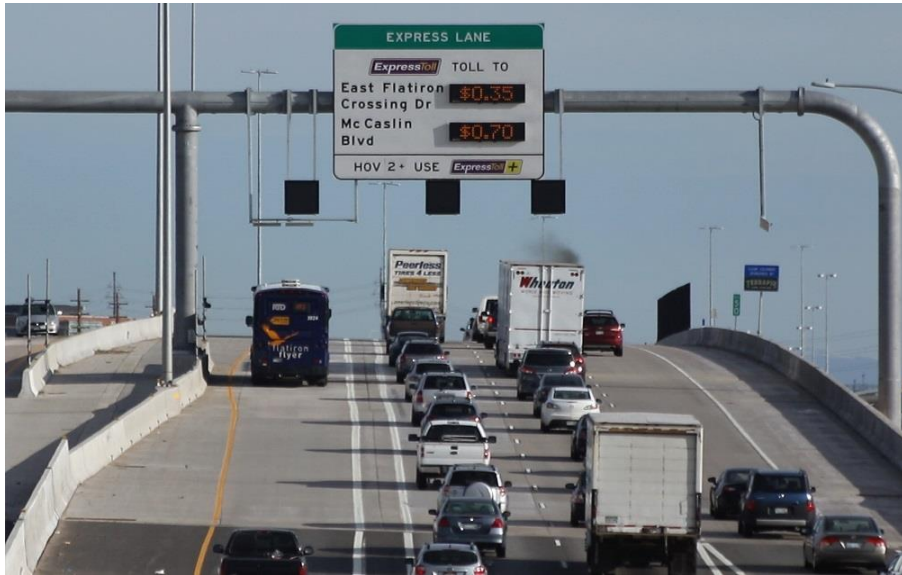


Many types of P3

- Toll/revenue risk
- DBFOM
- DBM
- Revenue share?

Risks and Roles are transferred

- Not designing a project, but establishing performance standards for design
- Not engineering a project, but creating performance standards for engineering
- Not plowing the highway, but creating performance standards for plowing



- Delivered P3 project 20 years early
- 0 injury crashes in first year of operations of reconfigured DDI interchange
- Travelers have a choice

- Recognized nationally and internationally
Best use of technology and innovation (AAA and American Association of State Highway and Transportation Officials)

- Multimodal success: Bus Rapid Transit, bikeway, toll express or carpool





Current



Future

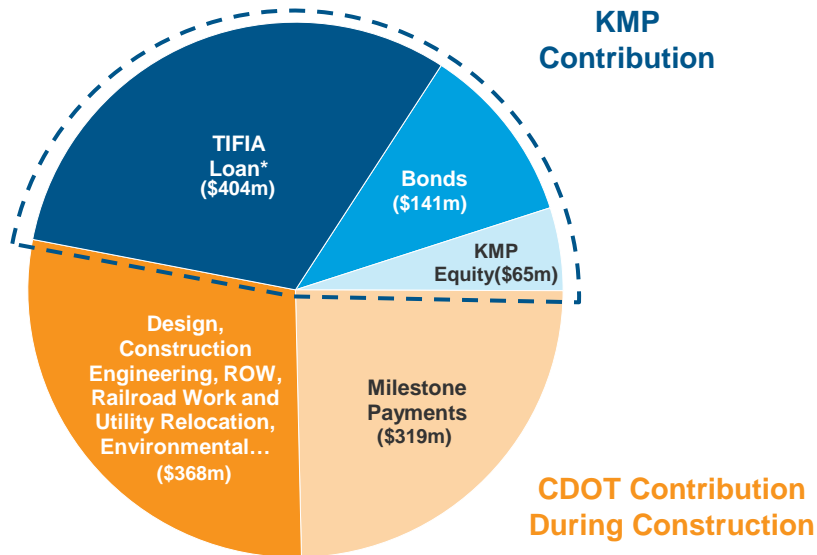


Construction Challenges

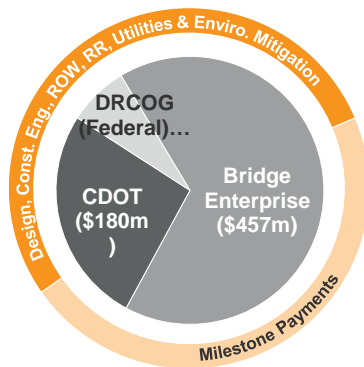
- Building next to a school and established neighborhood
- Removing a viaduct while maintaining traffic flow
- Rebuilding a highway with 200,000 vehicles/day
- Maintaining access to 1,200 businesses during construction
- Three separate railroad relocations



Central 70 Project Funding & Financing During Construction



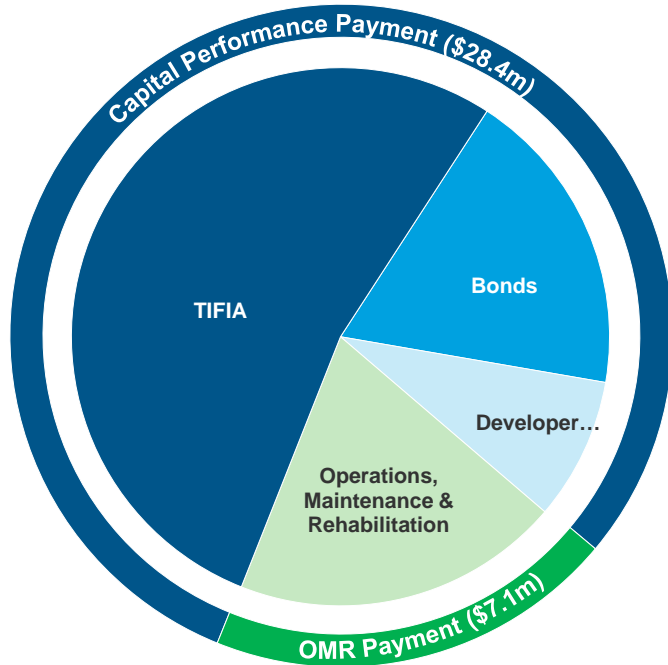
| Construction Period Costs | |
|---------------------------|-----------------|
| Total Project Costs | \$1,297m |
| Less: Financing Costs | \$79m |
| Capital Costs | \$1,218m |



- *Kiewit Meridiam Partners (KMP) completes design and construction*
 - Like most construction projects, and all CDOT projects, priced in today's dollars
 - Capital costs exclude long-term operations, maintenance, rehabilitation and up-front financing costs
 - KMP's construction price bid of \$811M for design and hard costs is lower than CDOT estimates
- *KMP contribution incentivizes completing project on time and on budget*
 - KMP contributes 47% of total up-front construction costs
 - KMP retains construction, schedule and delay risk
 - KMP pledges to complete construction a full construction season sooner than CDOT estimates
 - KMP's loans and equity get repaid over 30 year term
- *Funding/financing structure maximizes value to public*
 - Costs CDOT less up front to deliver Central 70 than it otherwise would if delivered through traditional design/build delivery method
 - Construction milestone payments are less than the estimated cost of completing each milestone
 - Enables CDOT to contribute to other priority projects statewide

*Federal TIFIA loans have extremely low interest rates and favorable repayment terms.

Central 70 Project Funding & Financing During Operations



| Developer Operations Period Costs | |
|-----------------------------------|----------|
| O&M | > \$150m |
| Rehab | > \$100m |

- *KMP operates and maintains Central 70 for 30 years*
 - KMP bears risk of cost increases or unexpected work not contemplated in the Project Agreement
 - CDOT has long-term cost certainty for Central 70
 - KMP does not keep the tolls—the State retains any Express Lane toll revenues and, by law, must reinvest them in the corridor
 - I-70, which always remains a state asset, is handed back to CDOT in high quality condition at end of 30 year term
- *CDOT makes an annual payment to KMP, and requires that interstate be maintained at high level*
 - Annual Performance Payment (APP) made to KMP goes to repay KMP's capital contribution and to pay for annual operations, maintenance and rehabilitation
 - KMP's bid = \$35.5m APP
 - Capital repayment = 80% of the APP (paid from Bridge Enterprise FASTER revenue stream)
 - Operations, maintenance and rehabilitation (OMR) = 20% of the APP (paid from Express Lane revenues, Denver contribution, and CDOT funds)
 - If KMP fails to meet performance standards, CDOT deducts from payments
 - Capital repayment escalates at 2%, OMR payment escalates at CPI, annually, providing cost certainty
- *Only 25% of Bridge Enterprise revenues go to Project during operating period*
 - I-70 viaduct and other bridges in Central 70 project comprise more than 60% of the statewide poor bridge surface area that needs to be replaced
 - Approximately 75% of the Bridge Enterprise revenues received during operating period will be dedicated to other bridge repair projects statewide

TRANSPARENCY, CONFIDENTIALITY AND ENGAGEMENT



10 MINUTES
NON-STOP
NEWS

**TEMPERS FLARE OVER NEW U.S. 36 CONTRACT
CRITICS SAY PROCESS WAS NOT TRANSPARENT**

TRANSPARENCY, CONFIDENTIALITY AND ENGAGEMENT



| Document/Information | When Disclosed |
|--|---|
| Stage One | |
| Initial RFQ, Addenda to RFQ, Final RFQ | At the same time as issued to Proposers |
| RFQ Comments submitted by Proposers and HPTE responses | At the same time as responses are issued to Proposers, other than CORA Exempt Materials |
| SOQs | After the later of (i) expiry of the protest period following announcement of Short-Listed Proposers and (ii) resolution of any protest, except for CORA Exempt Materials |
| Evaluation Materials | After the later of (i) expiry of the protest period following announcement of Short-Listed Proposers and (ii) resolution of any protest, except for CORA Exempt Materials |
| Identity of Short-Listed Proposers, included scores and ranking of all Proposers | Upon announcement of selection of Short-Listed Proposers |
| Stage Two | |
| Initial RFP (Request for Proposal Submissions) | At the same time as RFP is issued to Proposers |
| Final RFP | At the same time as RFP is issued to Proposers |
| Documents resulting from discussions, interviews, and one-on-one meetings | |
| Best and final offers | |
| Computer software and methodology for the financial model | Presumed CORA Exempt Material |
| Proposers' financial statements | Presumed CORA Exempt Material |
| Documents related to the Commercial Close | |



Public Involvement

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

SCOPING

Ongoing Community Outreach

Door-to-Door Survey July 2003 thru Nov. 2003

Total households reached - **more than 26,000**, Total surveys - more than 2,000

Block Meetings Aug. 2003 thru Nov. 2003

28 block meetings

Neighborhood Meetings Oct. 2003 thru Dec. 2003

12 neighborhood meetings

Dec. 10 and 11, 2003

Feb. 18 and 19, 2004

May 12 and 13, 2004

May 17 and 18, 2006

Oct. 12 and 13, 2005

Feb. 23 and 24, 2005

Sept. 29 and 30, 2004

Corridor-Wide Meetings

May 4 and 7, 2011

May 2 and 3, 2012

Nov. 13 and 14, 2012

April 10 and 11, 2013

Aug. 17, 19 and 20, 2015

Feb. 16, 2017

PACT Process

2010 thru 2011

(PACT = Preferred Alternative Collaborative Team)

HPTE Meetings

Workforce Development

Nov. 2, 2015

Jan. 6, 2017

Sept. 8, 2016

Cover Planning / CDAC Meetings

March 2015

June 2015

January 2016

November 2015

March 2016

April 2016

Public Hearing

December 2008

Public Hearing

September 2014

Public Hearing

February 2016

Working Groups

2004 thru 2008

20 working groups

Community Outreach Process Forum March 31, 2004

Nov. 30, 2004

March 21, 2006

Topic-Specific Neighborhood Meetings

CDOT and Elyria/Swansea
Neighborhood Plan combined meetings
Nov. 20, 2013
Sept. 18, 2013

Public Art

'duct-work 2016
September/October 2016

Ongoing Monthly Community Leader Meetings

ROW Acquisition and relocation meeting
July 31, 2013

Telephone Town Hall

Feb. 20, 2013

Telephone Town Hall

Feb. 15, 2017

Former PACT stakeholder briefing meeting
Aug. 28, 2013

Meetings with Stakeholders (Individuals and Groups)



COLORADO

HPTE

PARTNER. INNOVATE. ACCELERATE.

Questions?