



# COLORADO HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

FISCAL YEAR 2010 ANNUAL REPORT  
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## 1.0 Overview

The Funding Enhancement for Surface Transportation and Economic Recovery Act (S.B. 09-108), otherwise known as FASTER, created the High Performance Transportation Enterprise (HPTE) as a division of the Colorado Department of Transportation (CDOT). The new enterprise replaced the Colorado Tolling Enterprise (CTE) that had been established in 2002.

FASTER gave the HPTE a new mission and expanded powers. In particular, the HPTE has the responsibility to seek out, in partnership with local agencies, communities, and private industry, opportunities for innovative and efficient means of financing and delivering important surface transportation infrastructure projects in the State. It has the power, among others, to impose tolls and other user fees, to issue revenue bonds secured by those fees, and to enter into contracts with public and private entities to facilitate public-private partnerships (P3's). Further, the new law changed the composition of the HPTE Board of Directors to include a mix of Transportation Commissioners and external stakeholders in order to make it more independent of CDOT and enable it to pursue P3's and other creative financing mechanisms more actively. The HPTE is an "enterprise" for purposes of section 20 of article X of the State constitution so long as it retains the authority to issue revenue bonds and receives less than ten percent of its total revenues in grants from the State and local governments.

FASTER requires that the HPTE issue a report of its activities for the previous year to the legislature by February 15, 2011. This report fulfills that requirement and can be found on CDOT's website at [www.coloradodot.info](http://www.coloradodot.info).

## 2.0 Organization and Summary of Activities

### 2.1 HPTE Board

The HPTE Board consists of three members of the Transportation Commission and four external members who are appointed by the Governor from each of the following geographic areas: The Denver Metropolitan area, the North Front Range Metropolitan Planning Organization (MPO) area, the Pikes Peak Council of Governments MPO area, and the I-70 Mountain Corridor area.

The HPTE Board members are as follows:

**Table 1. HPTE Board Members**

HPTE Board Members	
Name	Area Representing
Trey Rogers	Transportation Commissioner, District 1
Heather Barry	Transportation Commissioner, District 4
Doug Aden	Transportation Commissioner, District 7



Charlotte Robinson	Denver Metropolitan area
Stan Matsunaka	North Front Range MPO area
Dan Cleveland	Pikes Peak MPO area
Tim Gagen	I-70 Mountain Corridor area

## 2.2 Staff

The HPTE staff includes one full time employee and another half time employee. Michael L. Cheroutes was selected as the Director of the HPTE in August, 2010. Marina Krasny, a CDOT accountant, provides half-time services, with responsibilities, among others, for all accounting and budget functions as well as tracking contracts with vendors and consultants. Additional support is provided by other CDOT employees, with time billed to the HPTE cost center, and by outside consultants as necessary to the HPTE mission. All expenditures are tracked independently from CDOT expenses to maintain a clear separation of the two organizations. An Independent Auditor's Report on applying agreed-upon procedures is conducted annually by CDOT's Division of Audit.

## 2.3 Meetings and Special Events

During 2010, the HPTE Board of Directors met twelve times in regular session, two times in special session, conducted one workshop, and sponsored a P3 Symposium for Denver area local governments and stakeholders. This P3 Symposium is discussed below.

**Table 2. 2010 HPTE Meeting Dates**

2010 HPTE Meeting Dates	
Meeting Date	Type of Meeting
January 19, 2010	Regular Meeting
February 3, 2010	Regular Meeting
February 26, 2010	Special Meeting
March 16, 2010	Regular Meeting
April 13, 2010	Regular Meeting
May 5, 2010	Special Meeting
May 18, 2010	Regular Meeting
June 15, 2010	Workshop

June 15, 2010	Regular Meeting
July 23, 2010	Regular Meeting
August 20, 2010	Regular Meeting
September 17, 2010	Regular Meeting
October 22, 2010	Regular Meeting
November 19, 2010	Regular Meeting
December 17, 2010	Regular Meeting

## 2.4 Summary of Key Activities

The key activities of the HPTE during 2010 include the following:

- A professional study team engaged by the Board in March, 2010, initiated a strategic planning process, culminating in a Summary Report dated July, 2010 (the “Strategic Planning Report”). The team conducted considerable stakeholder and other outreach, researched the experience of national and international P3 organizations, prepared a white paper discussing potential funding and financing revenues sources for HPTE eligible projects, inventoried potential projects and existing CTE contracts and other documents, and identified initial strategic planning elements, including the development of a mission statement, setting short and mid-term goals, developing procedures to determine eligible projects and the adoption of a 2010 Action Plan.
- Following a public strategic planning workshop with the Transportation Commission, CDOT leadership staff, and key stakeholders, the Board endorsed the Strategic Planning Report in July, 2010.
- In late summer, 2010, the Board and the Executive Director of CDOT conducted an open-posting competition for the position of Director of the HPTE. The new Director of the HPTE, its first, was selected as a CDOT executive manager and, since September, 2010, has been acting in a full time capacity for the HPTE. The selection of an HPTE Director was a priority of the 2010 Action Plan.
- The Board (in partnership with the Colorado Municipal League and Colorado Counties association) organized and hosted an extended P3 Symposium for local government officials and stakeholders in November, 2010. The session, conducted by representatives of the private sector with specialized public-private partnership experience, covered a number of substantive issues relating to this financing approach and highlighted both risks and rewards for local governments. The Symposium met another priority outreach goal of the 2010 Action Plan. It also provided an opportunity for those in attendance to learn more about P3s and the various alternatives for financing and delivering projects. The preparation of a comprehensive communication plan, and supporting website work, is also nearing completion, both items included in the 2010 Action Plan.

- The most work-intensive and arguably significant activity of the HPTE during 2010 has been its leadership in developing financing for the U.S. 36 managed lane project. (More details of the project are included below.) Based on indicative toll feasibility and other studies, and in partnership with a coalition of US36 stakeholders CDOT, RTD, and DRCOG, the HPTE Board has committed substantial time and financial support to the project--again, a priority goal of the 2010 Action Plan.
- The HPTE also began exploring financing alternatives for several other strategic projects, including the Reversible Lanes project, also referred to as a zipper lane for the I-70 West Mountain Corridor, as directed by the Legislature.

### 3.0 Financial Status

The principal revenues of the HPTE are currently derived from the I-25 Express Lanes. (Other nominal revenues come from interest earnings on the loan extended by the Transportation Commission to the CTE for its initial startup costs. These loan proceeds continue to be drawn upon for general operations of the HPTE that do not involve the operations of the I-25 Express Lanes.) Revenues and expenditures relating to the I-25 Express Lanes are accounted for separately under an intergovernmental agreement with the Regional Transportation District (RTD), the transit sponsor of those lanes. The IGA now requires in effect that revenues generated from the I-25 Express Lanes cannot be used for purposes other than the operation and maintenance of the I-25 Express Lanes (but discussions are underway with RTD that may permit a relaxation of that limitation).

Revenues and expenses of the HPTE are accounted for on a fiscal year basis and are presented below on that basis.

#### 3.1 Revenues

For FY 2010, total HPTE revenues collected were \$2.53 million.

#### 3.2 Expenses

Total HPTE expenditures for FY 2010 were approximately \$1.73 million. They are broken down as follows.

**Table 3. I-25 Express Lanes Expenses FY 2010**

I-25 Express Lanes Expenses FY 2010	Expenditures
Operation Support - Back Office, Maintenance Tech (provided by E-470 Public Highway Authority pursuant to an agreement with the HPTE)	\$ 410,076
Research, Advertising, and Reproduction Costs	\$ 475
CSP - Enforcement	\$ 66,178
Contracted Maintenance	\$ 468,382
CDOT/HPTE Staff Costs	\$ 68,905
CDOT Region 6 Maintenance Costs	\$ 218,802
Transfer to Transportation Commission – repayment	\$ 301,822

(repayment of original loan from Commission to CTE)	
Total Expenditures	<b>\$1,534,640</b>

**Table 4. Administrative HPTE Expenses FY 2010**

Administrative HPTE Expenses FY 2010	Expenditures
Consultants	\$ 104,748
Research, Advertising, and Reproduction Costs	\$ 0
Public Relations	\$ 0
IBTTA Membership, Meetings, Travel, and Misc.	\$ 2,835
CDOT/HPTE Staff Costs	\$ 84,223
<b>Total Expenditures</b>	<b>\$ 191,806</b>

## 4.0 Status of Transportation Infrastructure Projects

### 4.1 Completed Projects

In June, 2006, Colorado opened in the I-25 HOV/tolled Express Lanes in Denver, marking the first time solo drivers could legally access existing HOV lanes by paying a toll. The I-25 Express Lanes, also known as high occupancy toll (HOT) lanes, extend along a seven-mile section of Interstate 25 between downtown Denver and U.S. highway 36. Carpools, buses, hybrid vehicles with permits, and motorcycles continue to use the lanes toll-free. These lanes have proven to be overwhelmingly successful and currently carry more than 30 percent of the person trips of the entire corridor in the peak hour.

### 4.2 Active Projects

In February, 2010, CDOT and the HPTE received a \$10 million "TIGER" challenge grant from the U.S. Department of Transportation. The primary purpose of the grant was to facilitate the development of a TIFIA-based financing plan to accelerate the reconstruction of the U.S. 36 corridor between Denver and Boulder. The reconstruction is envisioned to add a bus rapid transit/high occupancy vehicle/managed lane in both directions along the U.S. 36 corridor. Working in cooperation with its state and local government partners, the HPTE has developed and is in the process of implementing a financing plan that will enable work to begin on the project.

### 4.3 Potential Projects

CDOT has continued work on a number of environmental studies that include toll lanes or toll roads as alternatives to be considered as well as public private partnership strategies as a potential way to fund them. These include (in no particular order):

- I-70 West
- C-470
- I-70 East
- I-25 North

## **5.0 Recommended Statutory Changes**

While the HPTE is not recommending any immediate statutory changes, the Board and staff continue to consider additional ways to pursue its mission and operate more like a business enterprise, including options to allow for more flexible contracting authority when committing its own revenues.