

Resolution #TC-15-3-1**Approved by the Commission on March 19, 2015**

BE IT HEREBY RESOLVED THAT, the Transportation Commission's Regular Meeting Minutes for February 19, 2015, are approved as published in the official agenda of the March 18 & 19, 2015, meeting.

**Transportation Commission of Colorado
Regular Meeting Minutes
February 19, 2015**

Chairman Ed Peterson convened the meeting at 9:05a.m. in the auditorium of the headquarters building in Denver, Colorado.

PRESENT WERE: Ed Peterson, Chairman, District 2
Kathy Connell, Vice Chairman, District 6
Shannon Gifford, District 1
Gary Reiff, District 3
Heather Barry, District 4
Kathy Gilliland, District 5
Sidny Zink, District 8
Les Gruen, District 9
Bill Thiebaut, District 10
Steven Hofmeister, District 11

EXCUSED: Doug Aden, District 7

ALSO PRESENT: Shailen Bhatt, Executive Director
Scot Cuthbertson, Deputy Executive Director
Debra Perkins-Smith, Director of Division of Transportation
Josh Laipply, Chief Engineer
Heidi Humphreys, Director of Admin & Human Resources
Barb Gold, Audit Director
Amy Ford, Communications Director
Scott McDaniel, Staff Services Director
Scott Richrath, CFO
Herman Stockinger, Government Relations Director
Mike Cheroutes, Director of HPTE
Kyle Lester, Director, Division of Highway Maintenance
Ryan Rice, Director of the Operations Division
Darrell Lingk, Transportation Safety Director
Tony DeVito, Region 1 Transportation Director
Karen Rowe, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Myron Hora, Region 4 Representative
Kerrie Neet, Region 5 Representative
Kathy Young, Chief Transportation Counsel

John Cater, FHWA

AND: Other staff members, organization representatives,
the public and the news media

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

Audience Participation

Commissioner Peterson stated that there was no one in the audience who wanted to address the Commission.

Addition of Item to the Agenda

Chairman Peterson stated that he would like to add an additional item to the agenda. That item will be the C-470 Resolution to be inserted between Item 13 and Item 14. He asked for consensus from the Commission and received that consensus.

Individual Commissioner Comments

Commissioner Barry thanked Westminster for hosting Bagels with Barry this month. She stated that it is always nice to have it in her own city. There was also a US 36 Road Trip, led by some of the CDOT. There were representatives from Boulder, Broomfield, Lafayette, and other colleagues from that corridor. It was great to see the progress that has been made. It is very exciting to see all of the growth and all the development along the corridor. She thanked the new Executive Director for joining them in Westminster last week.

Commissioner Gilliland welcomed the new Executive Director. She thanked him for coming to Weld County a few weeks before to introduce himself. She stated that it goes so far in getting everyone to recognize him and learning a little about him. She stated that she appreciated his efforts in stretching out and doing that early on. She stated that she hoped to see him out and about frequently. She also mentioned that she and Don Hunt met with twelve business leaders in Northern Colorado a few weeks ago and discussed the need for transportation funding and the issues surrounding that. They talked about the business community's participation in helping solutions long term for transportation. That meeting went really well. She stated that she also attended several meetings over the last month concerning P3s. One was with the Denver Metro Chamber of Commerce. Mike Cheroutes was there to speak. It is interesting hearing the perspective, the support for P3s and the need to use that as a tool. It is not appropriate for every issue or every project, but it is certainly nice to know that given some of the concerns over US 36 in the past that people are recognizing that it is something that needs to be looked at to get major funding in Colorado.

Commissioner Gifford welcomed the new Executive Director.

Commissioner Thiebaut recognized that over the last several weeks that there has been a lot of change in personnel. People are coming and going. For those that are going, he wanted to make sure that they knew that the Commission wishes them well in their new endeavors. For those that are coming, the Commission looks forward to working with each of them. He welcomed the new Executive Director. He stated that he was very impressed with the vision that the new Executive Director has for the state transportation system, a multimodal system. He encouraged all the employees to work with the new Executive Director and to buy into the program. In that regard, everyone will move forward and make Colorado's transportation system the best in the county.

Commissioner Zink mentioned that they had a terrific turnout in Durango for the whirlwind tour of the new Executive Director. It was very nice to have a number of people there. There was a good showing, including representatives from both of the Native American tribes as well as several counties and cities. It was an important time.

Commissioner Reiff stated that in the past month he has had breakfast meetings with both Mayor Cathy Noon of Centennial and Mayor Steve Hogan of Aurora. Both have been historically and remain today strong supporters of transportation and the Commission. They have a lot going on in their areas, and CDOT is going a lot with them. Secondly, he stated that he would be remiss if he did not recognize Scott Richrath. The Commission wished him the best of luck and stated that they are very grateful to him and indebted to him for all he has done for CDOT over his years of service. Without Scott, Asset Management may still be fleeting, and the transparency that Scott brought to the budget and finance office has been rewarding for everyone. He wished Scott the best of luck in his future endeavors. He joined the other Commissioners in saying that they are very excited about the vision and direction of the new Executive Director and that they look forward to working with him.

Commissioner Connell stated that Commissioner Zink was voted to be Citizen of the Year in Durango, and a former member of the Commission Steve Parker was runner up. So there are high quality people who are and have been on the Transportation Commission. She congratulated Commissioner Zink on that prestigious award. She also welcomed the new director and stated anyone who would get on I-70 on President's Day weekend and Valentine's Day was well off for CDOT. She stated she was looking forward to working with him. In the last month, she met with Clear Creek County Commissioners in the area on some of the issues that they continue to have with all the work that is going on around Clear Creek. She stated that she is looking forward to going to Washington DC with the Chairman and the new Executive Director.

Chairman Peterson stated that he too wanted to welcome the new Executive Director on board. He stated that he had had the privilege to meet with him on several occasions. The new director is incredibly insightful, very directed and an excellent choice to lead this organization for the several years. They had a great dinner honoring the most recent past Executive Director Don Hunt. He will be moving on to continue his dedication to transportation in Colorado through several venues as well as back into the private sector. He wished Don and his family all best and stated it

was a privilege and an honor to serve with him for four years. He thanked Scott Richrath for the service he provided to the Commission and to the state of Colorado as the Chief Financial Officer. The transparency and the work that Scott did was appreciated not only by the Commission but also by everyone who uses the transportation system. Financing is an integral part of that system, and Scott has been wonderfully open and very accessible.

Executive Director's Report

Executive Director Shailen Bhatt thanked everyone for their kind words and stated he looked forward to working with all of them as well. He stated that he landed on Wednesday afternoon and at 6:45am on Thursday morning began a tour around Colorado. They went to Westminster, Loveland, Greeley, Denver, Pueblo, Colorado Springs, Alamosa Springs, Durango. He stated that he drove over Red Mountain Pass. They went to Grand Junction, through several tunnels, Frisco, Idaho Springs to meet with some of the people who had concerns there. They then made their way back to Denver. It was 62° and warm. There was no snow, and it was 70 miles per hour all the way into Denver. He stated the one thing that he heard all around Colorado was and around the country is that transportation is an incredibly important part of their lives. It is incredibly important with economic development, quality of life, and livability. It plays such a huge role, and he thanked the Commission for doing a tough job, having to represent various parts of the state and bring all these issues together. The amount of work and effort that they put in is incredible. He stated that he looked forward to working with all of them. He also thanked John Cater from the Federal Highway Administration because he was along for the entire tour.

He is excited about leading this organization. Several people have asked him what his vision is, and it is a little early to be rolling out specific plans. But he wants to make this the best DOT in the country. In some ways CDOT already is, and that should be discussed more. In other places it needs to be driven forward. He is excited about delivering some of the incredibly large projects over the next few years and driving in the changes that Don Hunt began, as well as moving CDOT into the 21st century.

Chief Engineer's Report

Josh Laipply stated that the Colorado Construction Index came out in February 2015. Over last quarter, there has been a 10% increase in the number of bidders. Some of the labor market is beginning to come back and that is a really good thing. There was a discussion of asphalt prices at the last Commission meeting. Asphalt prices in the last quarter are up 10%. Even though fuel prices are down, asphalt prices are still holding up. Concrete and earthwork came down; earthwork was mostly because of fuel prices and labor.

He stated that he wanted to welcome Shailen Bhatt as well. They went on the tour of Colorado last week. He stated that he was only on the tour for one day, but the road trip was a great thing. Everywhere they went Shailen was well-received. There was great feedback on the RTDs, the Commissioners and all the constituents. It turned out to be a huge success.

One of the things that the new Executive Director mentioned is that one of his goals is to be the best DOT. Staff is behind that and looks forward to working with him. They support him on that mission 100%.

HPTE Director's Report

Mike Cheroutes stated that he had three items from the HPTE Board meeting the previous day that he wanted to report to the Commission. They are about 2/3 of the way through the legislative audit process that was directed by the Legislature last spring. They had in Executive Session a report from the audit team on their recommendations, specifically relating US 36. He stated that he is not able to speak publicly until that report is delivered, but the HPTE Board got a good briefing on where things stood with that activity.

The Board adopted a resolution yesterday in support of the role that the Commission will be considering for the Board in the I-70E project. They stand ready to move in whatever direction the Commission decides. He participated individually and as a director of that unit in a staff recommendation, which the Commission will hear about during this meeting. The Board is ready to move with the Commission's recommendation.

He stated that in contemplation of the opening of the Phase I segment of US 36 they have a toll adjustment process that will culminate in a public meeting on March 3, 2015, at 10am, during which the HPTE Board will consider the toll request that Plenary is making for that project when it opens around July 2016.

He also thanked Scott Richrath, stating that he was instrumental in providing a key concept for the sustainability of HPTE as an enterprise going forward. That is something they had been searching for. Scott had some great ideas. Mike thanked him for that and for all the loyal support he gave the Board. He wished Scott luck in all his new activities.

FHWA Division Administrator Report

John Cater thanked everyone for the opportunity to be on the state tour. He stated it was a great opportunity to meet people and have conversations with elected officials, public works directors and others across the state. He stated it was great to get that contact and to hear their concerns as well as some positive things about the highway program and transportation program is being delivered in Colorado. It is great for everyone to know that the CDOT staff, including RTDs and others, are doing a great job in delivering that program. They heard over and over again very positive things about how things are going. It is great to hear that and a challenge to keep that momentum going and to build on that, delivering the major projects that are coming up.

CDOT received the History Colorado Stephen H. Hart Award for Historic Preservation a few weeks ago. This is the biggest award they have. CDOT was nominated by the State Historic Preservation Office. They were nominated for a new process for

“developing and applying a collective approach for mitigating adverse effects to historic properties.” That means that CDOT came up with a way to mitigate for impacts and did it in a very collaborative way, and they were singled out for “meaningful mitigation for adverse historic effects.” He stated that some examples of that are videos that were developed. One in Clear Creek County was called “Force of Nature: Passage and Preservation from Georgetown to Silver Plume.” Another was called “Moving Mountains: Colorado’s First Interstate Tunnels.” Those are great examples of telling the story of transportation, both where we were and where we are, and the ability to give those to the public. Those are presented at the Georgetown Visitor’s Center so the public can see it. It personalizes it and helps people understand transportation. This is an area in which CDOT could have taken the simple path and not done something so extensive, but this a great example of something that brought it home to people and helped them touch and feel it a little more. They have done several things in the Metro Area like reports on Denver’s brick sewers, metropolitan Denver subdivisions, historic ditches and other things CDOT impacts all the time but doing it in a programmatic way. Now they have something that is there and has simplified the process for everyone. It has been noted by the historic people, and it is great for CDOT to be recognized that way. He congratulated all the winners of the award.

He stated that he had some good news. The day before CDOT received a \$56 million allocation of ER funds, which is the latest allocation of that. Colorado received a larger portion of the \$500 million than any other state in the country. That will allow the projects in Region 4 to keep going.

He stated that they are working through the process for the Stewardship and Oversight Agreement. That is a document between CDOT and the FHWA that lays out a framework for roles and responsibilities of how they oversee federal aid projects. That is done annually, and it is a process that ensures both agencies are on the same page as far as who is doing what and allows course corrections up front rather than allowing things to fester and have a major issue happen. They are held up as one of the examples across the country for their process. They have had a few more bumps this year, as there is more of a standardized process nationally. There is a more standardized framework. They are having to mold what they normally do here in order to fit that national framework. They are working through that, and it is a big deal for FHWA and a big deal for many of the people in the field as well. They are almost done with that, and he thanked everyone involved for the work they have done on that.

Finally, he expressed his regrets that Scott Richrath is leaving. He stated that they had had a great working relationship. He appreciated Scott’s efforts. He wished Scott the best in his future endeavors.

Act on Consent Agenda

Chairman Peterson entertained a motion to approve the Consent Agenda. Commissioner Gruen moved to approve the Consent Agenda, and Commissioner Connell seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-15-2-1

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes for January 22, 2015, are approved as published in the official agenda of the February 18 & 19, 2015, meeting.

Resolution #TC-15-2-2

Resolution #T-15-2-2

Award of FY 2016-17 FASTER Transit Funds

Approved by the Transportation Commission on February 19, 2015

WHEREAS, pursuant to 43-4-811 (2) the Department will receive, from the State share of the FASTER program, \$10 million for state fiscal year 2016 and for each succeeding state fiscal year, to be used by the Department, pursuant to 19.43-4-206, "for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, that enhance the safety of state highways for transit users," herein referred to as the FASTER Transit Statewide funds; and

WHEREAS, pursuant to 43-4-811 (c)(2) the Department will receive, from the Local share of the FASTER program, \$5 million dollars for state fiscal year 2016 and for each succeeding state fiscal year, to be used by the Department "to provide grants to local governments for local transit projects," herein referred to as the FASTER Transit Local funds; and

WHEREAS, unprogrammed funds from prior fiscal years are available and are being made available for redistribution in fiscal year 2016; and

WHEREAS, a portion of the FASTER Transit Statewide funds, not to exceed \$1.0 million, will be used for administrative expenses associated with the Division of Transit and Rail for FY 2016; and

WHEREAS, the Transportation Commission, in Resolution No. 1906, dated September 16, 2010, established written guidelines to be followed in offering, distributing and awarding the FASTER Transit funds, and those guidelines were later revised to make them more consistent with guidelines established for Federal capital improvement grant programs in order to establish a more uniform capital improvement program; and

WHEREAS, Division of Transit and Rail staff distributed these guidelines throughout the state and issued a consolidated call for capital projects for both FASTER Transit funds as well as Federal Transit Administration funds; and

WHEREAS, the Division of Transit and Rail received applications from local agencies requesting funds, evaluated and scored the applications based on the guidelines and has developed a list of projects recommended for funding for fiscal year 2016, attached hereto as Tables A through D; and

WHEREAS, the Division of Transit and Rail is recommending, for planning purposes, the preliminary award of funding for fiscal year 2017, pending later written confirmation that each such project remains eligible and ready for implementation, and a determination that each such project maintains an evaluation score adequate to warrant funding relative to all applications received, attached hereto as Tables E through H; and

WHEREAS, the Transportation Commission, by means of Resolution 3133, dated January, 16, 2014, resolved that \$3.0 million per year be allocated, beginning in FY 2015, from FASTER Transit Statewide program funds to be used for the operation, maintenance and capital needs associated with the interregional express bus program; and

WHEREAS, the Division of Transit and Rail, with Transportation Commission concurrence, has established, beginning in FY 2016, new funding categories within FASTER, along with a maximum allocation amount for each such category; and

WHEREAS, the new funding categories include up to \$1 million allocated for the operating expenses of regional bus services, and \$3.9 million allocated for urbanized areas over 200,000 population, under which \$3 million is suballocated to the Regional Transportation District, \$700 thousand to the City of Colorado Springs/Mountain Metropolitan Transit and \$200 thousand to the City of Fort Collins/Transfort; and

WHEREAS, Division of Transit and Rail staff have established certain conditions to be met by all local agencies receiving FASTER funds, as well as any specific conditions to be met by specified local agencies, in order to ensure prompt and appropriate project implementation within FASTER and standard grant guidelines, attached hereto as Table I;

WHEREAS, Division of Transit and Rail staff have developed a list of projects which were awarded no funding or less funding than requested, and provided a rationale for its determinations relative to those projects, attached hereto as Table J; and

NOW THEREFORE BE IT RESOLVED, the Commission directs staff to:

- 1) award \$6,076,965 in FASTER Statewide Transit funds for Fiscal Year 2016 and \$4,114,930 in FASTER Local Transit funds for Fiscal Year 2016 to the projects set forth in Tables A through D, dated February 6, 2015;
- 2) announce the tentative award of FASTER funds for fiscal year 2017 to the projects set forth in Tables E through H, dated February 6, 2015, with the provision that in order to be awarded funding in fiscal year 2017 each project must remain eligible and ready for implementation, and maintain an evaluation score adequate to warrant funding relative to all applications received;
- 3) provide to all local agencies that have been awarded funds for fiscal year 2016 the appropriate conditions that will be applied to their projects, as set forth in Table I, dated February 6, 2015.
- 4) provide to all applicants a listing of projects which were awarded no funding or less funding than requested, along with a rationale for the department's recommendations relative to those projects, as set forth in Table J, dated February 6, 2015.

Herman F. Stockinger III
 Herman Stockinger, Secretary
 Transportation Commission of Colorado

3-4-15
 Date

Resolution #TC-15-2-3

Resolution #TC-15-2-3

Addition to Fiscal Year 2015 over \$50,000 project list approval

Approved by the Transportation Commission on: February 19, 2015

WHEREAS, under Senate Bill 98-148, public projects supervised by the Colorado Department of Transportation (CDOT) are exempt from the requirements of the "Construction Bidding for Public Projects Act;" and

WHEREAS, Section 24-92-109, Colorado Revised Statutes, as amended, requires CDOT to prepare cost estimates for projects to be undertaken by CDOT maintenance crews that exceed \$50 thousand, but are less than or equal to \$150 thousand for submission to the Transportation Commission for review and approval; and

WHEREAS, CDOT staff have prepared a cost estimate for this project to be done in Fiscal Year 2015 as detailed in the memorandum entitled; Addition to FY 15 over \$50,000.00 project list dated November 13, 2014; and

WHEREAS, the funding for this project is contained in the Fiscal Year 2015 Budget.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission has reviewed the cost estimate, as contained in the official agenda, and approves CDOT Maintenance Forces undertaking the project therein.

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Region 2 - Pueblo				
Highway	Begin MP	End MP	Type	Estimate
US24	286.2	286.2	Place culvert pipe	\$80,122.60
Total - Pueblo				\$ 80,122.60
Statewide Total				\$ 80,122.60

Sufficient funds exist within the appropriate MPA's to pursue this project. The project is in accordance with the directive and all other requirements.

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

3-4-15
Date

Discuss and Act on the 8th Supplement to the FY2015 Budget

Maria Sobota stated that Commissioners should refer to the updated copy of the Budget Supplement. It is a relatively short budget supplement. It includes two items

for request for funding from the Contingency reserve, two requests to shift funds from Personal Services to Operating Costs, and the walk on that was discussed yesterday.

The first two items are from the Commission Contingency Reserve. The first is a Region 5 request for \$402,000 to purchase right of way from the Iowa Pacific Holdings and San Luis and Rio Grande Railroad that is currently encroached by US 285. The second should be somewhat familiar. This is typically the time of year that staff requests additional funding for Snow and Ice from the Snow and Ice Contingency. This is based on a statistical analysis of how much of the year of snow and ice is expected vs how far the state is into the season. Currently, the request from maintenance organization is \$3.0 million with some change.

The next requests are the requests for cost center shifts. In PD 703 Commission asked staff to come back when there was a shift of funds requested from Personal Services to Operating Costs over \$1 million. This month both the TSM&O and the Division of Transit and Rail requested the budget office to make shifts. In the case of TSM&O, the funds will be used for the design and integration of Phase II of the Situational Awareness Software Building on the work completed in Phase I. This will be used to accelerate the development of critical additions and enhancements of what has already been delivered in Phase I, which was approximately \$3 million. This amount is on top of that. They have asked to move \$1 million of Personal Service to Operating to cover that. For the Division of Transit and Rail as they unfolded the business process for Bustang, they realized that there were some other items that needed to be addressed, like Information Technology needs, some administrative support, and some project management support. They are able to fund that due to the slight delay in the launch of Bustang. They have asked to move \$1.5 million from Personal Services to Operating.

Commissioner Reiff stated that he had a question about the DTR request. He asked if this is a new cost or if it was one that was included in the original budget. Maria stated that it is not an additional cost but that they are dollars that will be used for a different purpose. Commissioner Reiff asked if they would be losing something by not using them for the originally scheduled purpose that the Commission will be asked to make up at a later date. Maria stated that was not the case.

Maria stated that on the last page of items that the Commission will be asked to approve is the RAMP Public-Private Partnership. The Commission is being asked to move the C-470 Managed Toll Express Lanes from red on the RAMP list to green. The Commission will see that reflected in the report next month if they choose to approve it today.

She stated that she also wanted to draw attention to two informational items. There were two items that were brought to the budget office to be funded through the Transition Fund. The Commission approved \$10 million to be used for program funding in the event that due to a program change or a formula change the funding would no longer be available. These two items are the US 85/SH 86 Factory Shops to Allen Way request \$142,000 and a small request of \$1000 from Region 3 for the SH 82 pedestrian underpass. If you approve the use of the Transition Fund for these projects, there will still be \$6.6 million remaining in that fund.

Commissioner Gilliland stated that she had no problems with the Informational Items but was a little surprised that the Commission was asked to approve something for \$1000 because the amount is so small. Maria Sobota stated that they discussed whether or not it should be included, but they chose to err on the side of full disclosure because it is part of the Transition Fund, under which all items are to be brought to the Commission for review.

Commissioner Thiebaut stated that in reference to the walk on request, the budget supplement pre-supposes that the Commission will pass the resolution. He asked Maria if that was correct. Maria stated that was correct and that the order could be switched if they needed to be. Commissioner Thiebaut stated that was unnecessary but wanted to ensure that the two were tied together. Maria stated that they were. Chairman Peterson stated that if the Commission chooses not to pass the resolution that the Budget Supplement will be modified to reflect that.

Chairman Peterson entertained a motion to approve the 8th Budget Supplement for the FY2015 Budget. Commissioner Connell moved for approval of the resolution, and Commissioner Gilliland seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-15-2-4

BE IT SO RESOLVED, That the Eighth Supplement to the Fiscal Year 2014-2015 Budget as amended be approved by the Commission.

Discuss and Act on the Resolution for the I-70E Project

Scott Richrath thanked everyone for their warm comments and stated that he would begin the presentation but ask Brett Johnson to contribute as well. He stated that on February 5, 2015, the Commission had a great meeting, received some great public comment and laid out next steps. He thanked Chairman Peterson for focusing the discussion on the two delivery methods that staff presented to the Commission. Today, staff comes to the Commission from a panel of six with a unanimous recommendation on that delivery method. Brett Johnson would walk the Commission through that, but Scott wanted to point out a few key items first. Assuming that the Commission chooses to move forward with either decision on delivery method, the plan is for a March 15, 2015, Industry Forum with the industry on the delivery of the I-70E project to DIA. Secondly, something that has been lost a little bit in the larger discussion: US 36 was largely about adding capacity, adding toll revenue and transferring toll revenue risk and other risk to the private sector. Looking at the revenue study for the I-70E project, the additional capacity will not provide toll revenue nearly as proportionally significant as it will on US 36. In fact, it will struggle to even cover the maintenance and operations costs of the new project. So toll revenue risk is not one of the risks. In discussing all of the other risks with a focus on delivery risk and focus on financing risk and project cost escalation risk, staff may not have given enough attention to that. Toll revenue risk is not one of the risks that the Commission has to make a decision on with these two delivery methods today.

Brett Johnson, Director of OMPD, mentioned that staff wants to yield to the Commission as much as possible in that decision. This decision is the product of a lot of discussion about analytics, public outreach and is only one of many decisions along the way of this project. Ultimately, staff came before the Commission in a public hearing audience two weeks before to discuss the Value-for-Money and where staff saw the differences. Staff concluded that the Design-Build Model was not affordable. Staff also concluded that the Design-Build-Operate-Maintain (DBOM) and the Design-Build-Operate-Finance-Maintain (DBFOM) models were affordable. The differences that they laid out are associated with risk. The staff recommendation is representative of the fact that they feel there are key risk transfers in the question that felt were important to look at on the DBFOM side. One is simply project schedule, keeping this on track. DBOM is less defined in the market, and they knew a little more what they would be getting from DBFOM. Looking at the risk transfers in general, the predictability of a future availability payment that they know with a much higher degree of certainty what the future costs are, they believed was important for this project. As Scott Richrath mentioned, they are not talking about toll risks, but they are talking about shifting risks of future operations and maintenance of a very large project, one that is more substantial than CDOT has taken on, to the private sector for the length and term of maintaining the asset, which was important in this case.

Chairman Peterson stated that on Page 4 of Tab 09 that in the bottom paragraph beginning with "WHEREAS," there is a misprint. It says "risk to the public sector" and should read "risk to the private sector." He asked everyone to make that change and opened the floor for questions or comments from the Commission.

Commissioner Reiff stated that this has been a very difficult decision. He has spent a lot of time with staff, including former Executive Director Don Hunt. It was also a difficult decision for him. The fact that they are not doing a toll risk transfer makes this a more complex decision between DBOM and DBFOM. If there was a toll risk transfer, it would actually become a clearer decision. He stated that he has been back and forth on the issue. The report that the Commission received initially had some gaps in it. He stated that CDOT staff over the last month to six weeks has done an excellent and substantial job analyzing those gaps, and bringing forward the fact that DBOM is closer to DBFOM than the original report showed. He stated it added a tremendous degree of transparency to the analysis and that is why it is such a difficult decision. Having said that, he stated that he ends up coming out where staff did. He knows that former Executive Director Hunt was in the same place before his departure, which is that the DBFOM model is the preferred model for a variety of reasons. First of all, he does not believe that Colorado could get today the types of completion guarantees that Texas got. He spent a lot of time talking to staff, and the fact that there was multinational contractor in Texas that was willing to give a full balance sheet guarantee in a DBOM scenario strikes him as so far out of market as to not be possible again. He stated that he was persuaded to that, even though he questioned it at some length. Secondly, he also questioned quite hard the competitive set that CDOT would get in this, whether DBOM would bring in as many potential bidders as DBFOM. Again, it became more and more clear that there would be a larger competitive set of bidders with the finance option in it. This means that CDOT should get a better price with DBFOM. They will know when they go out with an RFQ,

and they will know when the results come in. But more bidders in an international, large project should help the state have a better price and a better delivery method. Thirdly, they are taking toll risk transfer either way; so the question is what CDOT gets back at the end of the day. He asked how to ensure that the asset they have stays maintained and developed the best way possible. Once lenders, private sector lenders and equity are added into the mix, there are additional layers of strength and credit behind it. CDOT will have its contract either way, which will be a strong contract. There will also be lenders who have risk of money and equity sources who have risk of money; so there will be a lot of other players in the mix that will want to make sure the project is done and done right. In looking at it, he came to the conclusion along with staff that there is a larger transfer to the private sector of the risk of the operation and maintaining of this project and making sure that it stays at the level the Commission wants. In addition, when he looks at it from a statewide perspective, it is important that Commission protects the resources available to the rest of the state, even though this project is important to both the Denver Metro Area and the state as a whole. By shifting and fixing the cost to the private sector today, the Commission will have a much greater clarity about what is available to the rest of the state. There will be better clarity in the Bridge Enterprise funds, the possibility of additional SB 228 money, and how those funds can be best used. If the Commission does not fix those costs today as tightly, they run the risk of pushing down Commissioners who follow in the years to come, basically having to take from the rest of the state to fund this project. That is a risk he is not willing to take. He believes that the statewide system is too important. He stated that there is a premium being built in because it is necessary to pay equity to do DBFOM. However, this is not too expensive because he wants to have the finality of understanding what the Commission is buying so they are able to plan for the rest of the state. He then comes to the same conclusion that staff did, albeit a close decision and not an obvious one, the DBFOM option is the better decision for Colorado at this point in its history and where it is with resources at the state level.

Commissioner Gruen thanked Commissioner Reiff for the comprehensive overview of his position. Commissioner Gruen stated that he too planned to support the staff recommendation of the DBFOM model of the project delivery method. Although his analysis is not as comprehensive or detailed, but it comes down to the last thing Commissioner Reiff mentioned. Commissioners Reiff and Gruen had a conversation after the last public meeting, and Commissioner Reiff recharacterized the DBFOM as an insurance policy. CDOT will be paying a premium for the DBFOM delivery method, but there is insurance of that certainty. For Commissioner Gruen, that increment of extra dollars are well worth investing because of that certainty. He will be supporting the DBFOM staff recommendation as the delivery method.

Commissioner Thiebaut stated that project is a statewide project and is very critical but that he is unable to support the staff recommendation. Although what has been laid out makes financial sense, he thinks about the history of Colorado. When Colorado was a territory, the three great issues that were debated were education, prisons and transportation. Those are three great issues that are still debated in this state. There is a part of him that perhaps lingers on the notion that the citizens of Colorado need to step up to the plate and help with what is a contemporary transportation crisis. What Commissioner Reiff and Gruen's statements are

persuasive, but when the Commission says it is transferring the risk, that may be nothing except illusory. There should be some way for the state government and for the citizens to keep an iron in the fire and to somehow be held on the hook. That sounds counterintuitive when talking about trying to protect the citizens from risk, but it seems like this public policy that the Commission is creating of lowering the state risk may actually be reversed in the future by a public highway or project being transferred to a private enterprise. Then the Commission will have to come in and somehow recoup the milestone payments and then also pay in addition to whatever the private sector is not delivering at the time. It may be philosophical, but he stated that the government and the citizens still have a role to play. When the Commission discusses transferring the risk, even buying an insurance policy or trying to make it so that there is not a risk, he does not think that is necessarily reality. He wanted to support the staff recommendation, but he would be more inclined to support the DBOM approach and see if there can be negotiations for the risk factor. While he hated to say those things, that is where he was at. He has struggled with the decision, and he appreciated staff's efforts to discuss it with him. But he will not be supporting the staff's recommendation.

Commissioner Connell stated that she appreciated everyone's comments and that this is a matter of there not being any perfect scenario in this situation. When she looks at the options, she looks at the advantages and the disadvantages. While she agrees with Commissioner Thiebaut about the need to engage the public, the Commission is facing a very serious, long-standing problem there. For the Commission to wait for the public to come around is really not doing the jobs assigned to the Commission. Besides protecting the rest of the state, one thing that is critical in this role is to determine how to get the most for the state's money. She stated that she was convinced by staff sharing that by going with a DBFOM there is a broader base for bidders and a better way of getting the cost down. To her, considering the limited funds, is very convincing on this matter. Again, they will get some push back because they are dealing with international companies, but that is a chance for education to ask people to get involved financially. She stated that she will be supporting the staff recommendation because she believes there are far more positives to DBFOM than there are to the other options.

Commissioner Gilliland stated that she agreed with a lot that has been said by everybody. She agrees that it would be wonderful to say that the state of Colorado and the citizens are giving the Department the money that is truly needed for transportation funding so that the state could make the decisions about how to spend and prioritize those funds. She stated that they have made attempts to do that, and other organizations have made attempts to do that. All have been unsuccessful. Her concern is that they are in the situation they are in right now and need to use all the tools that they can to make sure that they are moving forward on some of these projects. With the I-70 Viaduct, again, it has been pushed down the road to the extent that it could be. It is a point where the Commission absolutely needs to move this project forward and make something happen. She believes that the DBFOM is the way to go at this point in time with the information that is available because of the reasons that everyone has expressed. For her it is the risk transfer that the Commission gets, the long term potential of sharing with the partners. This is the best way they can utilize the funds that they do have. There is a

premium that goes along with that, but the risk long term seems to be what has made that decision the viable one. She stated that she will be supporting the staff recommendation. One of the questions that she had from someone this morning was if she was afraid that they were setting a precedent with this and that all future projects would be using this delivery method. She assured that person that each project that came before the Commission is assessed for the right delivery process and that there are many different ones going on at this point in time. That is still very viable, and each project will be looked at individually. But for this project at this time, given the situation that the Department is in, DBFOM is the best way to go. She will be supporting that.

Commissioner Gifford stated that some of the Commissioners had alluded to the fact that they have spoken globally about risk transfer but that looking at PPPs, they are looking at two different segments. A lot of the negative publicity, including a lot of the information from the series from the *Pittsburgh Post-Gazette* that was forwarded to the Commission this week, on some PPPs has focused on the short-sighted transfer of public assets to the private sector at a bargain price. One of the worst and most egregious examples of that was of course the Chicago parking meters where the public turned around and wondered what had happened. They had taken money to plug a gap and then were paying high prices for parking and were losing out. That would be the type of situation that would require the Commission to evaluate it much more closely if they were looking at a project that was being substantially supported by tolls and if they were looking at toll risk over time with a revenue delta that can be projected but never truly known. Again, this would be if they were looking at selling off a public asset at a bargain price. She stated that she wanted to emphasize that the risk that is being transferred here is not the revenue risk as much as the contingency and cost overrun exposure that in order to plan for the rest of the state, the Commission must be very mindful of. Commissioner Reiff expressed it eloquently, and she wanted to add her emphasis to that crucial point. That is the reason she will be supporting the project delivery method of DBFOM.

Commissioner Barry stated that she also supports the DBFOM method. She stated that it is a real balance that the Commission has to strike right now. None of the options are perfect scenarios. Nothing the Commission has seen in this process has been a perfect scenario. Despite that, it is very important that the Commission makes a decision. Given all of elements that have been presented to the Commission, this is the best decision in her opinion. She stated that one of the Commissioners mentioned the importance of continued work with regional partners. They know that they have a lot more work to do in this process, but that is also a big concern to her sitting as a Commissioner. That is a very high dollar amount that is sitting there that has not yet been rectified. She challenged that they can work together and get there. With respect to the citizens of the state, the corridor and the region, they are continuing to work with them and have worked them. They are not leaving that element or component behind. They will continue to engage and will continue to work. The Commission must look at the state economy when they make these decisions. It is very important that the I-70 is a statewide road. Even though they are discussing a 12-mile stretch, it is a statewide piece of infrastructure that keeps Colorado's economy moving, to a degree. She stated that with all of those elements in play, she personally believes that the Commission must support this method. The

positives are that there is a risk assurance as a part of this model. There is increased competition when CDOT gets to RFP and RFQ phases of the project. They will have the assurance to make statewide, programmatic decisions moving forward while they are working on that project. With that, she stated she is in favor. She commended everyone. This is a very difficult decision, and the staff has worked on this. As a Commission, they have grappled and are still grappling. And there are still a lot more decisions to make for this project. This is only the first, very difficult one. They are all open to continue the dialogue as they move forward.

Commissioner Zink stated that she sees this primarily as a mechanism to make this project happen as soon as possible. The Commission knows what has to happen. Knowing that there are never 100% guarantees in anything in life, it is also necessary to recognize that they have the ultimate responsibility. If somehow, the whole thing falls apart in the distant future, obviously it comes back to the Commission. The handling of the contract provisions is going to be absolutely critical. There needs to be nothing left unconsidered in that process. She stated that she is sure that will be the case. This is a mechanism to make a need project happen sooner, and she will be in favor of the DBFOM method.

Commissioner Hofmeister stated that it is a needed project that needs to go forward. He has struggled with both financing packages, and he is still unable to come up with a clearer route to go. He stated that he will support DBFOM in the vote. He stated that he still has concerns about how large this project is and how much money the Bridge Enterprise is dedicating to the project and what it is going to do to the rest of the state roads. He stated that he would like to see the communities and counties around the project step up and help out. Denver tipped their hand this week with \$850 million to rebuild the Stock Show Complex. That communicates what the rebuilding of I-70 means to the City and County of Denver. He believes that they need to step up a little bit more and help on this project for the end financing.

Commissioner Reiff stated that he wanted to echo something that Commissioner Hofmeister said. There is a gap here. The approval of the method of financing does not mean the project necessarily succeeds. There is a gap that needs to be filled, but they need to be very cautious how they fill it. It is not the Commission's intent to take it from the rest of the state to fill the gap. They urge the partners that the Department has to consider that as they move forward.

Chairman Peterson stated that the decision before the Commission today is to decide between DBOM and DBFOM. He stated that honestly he walked into the Commission room this morning split 50/50. He has struggled over this particular issue probably more than any issue that he has struggled over in his tenure as a member of the Transportation Commission. That is why it is very important that the Commission has opportunity for public input. There was a meeting earlier in February. They wanted to have that meeting in order to have an opportunity to hear from the public. This has been a very public process, and it has been a ten year process. This is not by any means the final decision point on this project. This is merely a decision point on the possible delivery method and financing options. The report that the Commission received from the consultant was in depth and very confusing, so he wanted to thank staff in particular for helping him and the rest of the Commission

work through those issues. He thanked Commissioner Reiff with his background for being a tremendous resource to the entire Commission in helping everyone understand the issues. As a result of the discussions today and the discussions earlier in the month and the continuing discussions that will be held on this project, he stated that he will be supporting staff recommendation for this project today. He asked for a roll call vote to ensure that everyone had an opportunity to voice their opinion directly.

Chairman Peterson entertained a motion to approve the resolution to accept the staff recommendation for the I-70E project delivery method. Commissioner Reiff moved to approve the resolution with two amendments, changing "public" to "private" as previously described by the Chair and selecting the "Design-Build-Finance-Operate-Maintain" delivery method. Commissioner Gifford seconded the motion. Chairman Peterson requested a roll call vote.

Commissioner Gifford: AYE
Commissioner Reiff: AYE
Commissioner Barry: AYE
Commissioner Gilliland: AYE
Commissioner Aden: EXCUSED
Commissioner Zink: AYE
Commissioner Gruen: AYE
Commissioner Thiebut: NO
Commissioner Hofmeister: AYE
Vice Chair Connell: AYE
Chairman Peterson: AYE

Chairman Peterson stated that the motion passed with one Commissioner voting No.

Scott Richrath stated that he earlier announced the wrong date for the Industry Forum. He earlier stated that it was March 15th, but the correct dates are March 11th and 12th, 2015. Mike Cheroutes corrected that, and there may be a few people in the room interested in that date; so he wanted to provide the correct information.

Resolution #TC-15-2-5

Resolution #TC-15-2-5

I-70 East Corridor Project Scope, Delivery Method, and Financing Mechanism

Approved by the Transportation Commission on February 19, 2015

WHEREAS, in 2003, the Colorado Department of Transportation (CDOT) began the I-70 East Corridor Environmental Impact Statement (I-70 East Corridor EIS) to study the future of I-70 East from I-25 to Tower Road and to meet the requirements of the National Environmental Policy Act (NEPA); and

WHEREAS, the purpose of the I-70 East Corridor EIS is to implement a transportation solution that improves safety, access, mobility and addresses congestion along this 12-mile segment of I-70 East which is one of Colorado's most heavily traveled, congested highway corridors and an essential component of the state's only east-west interstate; and

WHEREAS, during the lengthy I-70 East Corridor EIS process, both Federal Highway Administration (FHWA) and CDOT have studied and considered dozens of alternatives to solve the I-70 East Corridor problems including, but not limited to, a no-action alternative, a realignment alternative, and a revised viaduct alternative; and

WHEREAS, a Supplemental Draft I-70 East Corridor EIS was released on August 29, 2014 in which FHWA and CDOT preliminarily identified the Partial Cover Lowered Alternative with Managed Lanes Option as the Preferred Alternative for the I-70 East Corridor Project; and

WHEREAS, following the public release of a Final EIS, a Record of Decision (ROD) will be signed; and

WHEREAS, in order to complete the ROD, CDOT must have a feasible financing plan for a specific phase of the approved project and in order to develop this financing plan CDOT must engage the construction industry to assess project construction costs and consistency with available funding; and

WHEREAS, the passage of FASTER legislation in 2009 established the Colorado Bridge Enterprise (CBE) in order to accelerate the repair and reconstruction of deficient bridges further defined as structures that are "poor"; and

WHEREAS, using the criteria outlined in the FASTER legislation, 128 bridges were originally determined to be eligible for the CBE program and the elevated portion of I-70 East corridor on a bridge, known as the Viaduct, was included on that list; and

WHEREAS, the Transportation Commission is responsible, pursuant to C.R.S. 43-1-106(8), for formulating the general policy of the Colorado Department of Transportation (CDOT) and to promulgate and adopt CDOT budgets; and

WHEREAS, pursuant to Resolution #3179 approved on July 21, 2014, the Transportation Commission has directed the High Performance Transportation

Enterprise (HTPE) to pursue Public-Private Partnership (P3) opportunities in the procurement of the I-70 East Corridor Project; and

WHEREAS, the Transportation Commission further directed staff to develop a comprehensive program addressing disadvantaged and small business utilization and workforce training in administering the procurement for the I-70 East Corridor Project; and

WHEREAS, CDOT, HPTE and CBE staff and consultants have identified a total cost to deliver the first phase of the preliminarily identified Preferred Alternative for the I-70 East Corridor Project to be \$1.17 billion. Of this amount, it is anticipated that CBE will be eligible to contribute up to \$850 million; and

WHEREAS, three delivery models for the I-70 East Corridor Project have been analyzed: Design Build (DB), Design Build Operate Maintain (DBOM) and Design Build Finance Operate Maintain (DBFOM); and

WHEREAS, CDOT Senior Management and Department staff have recommended and presented to the Transportation Commission a Project governance structure in which the CBE will be the Managing Partner for the I-70 East Corridor Project and will enter into contract with private partners under a concession agreement along with HPTE (see Figure 1: I-70 East Corridor Project Governance Structure); and

WHEREAS, CDOT has engaged with the public in an extensive outreach effort, including soliciting public input on financing and delivery options and the findings of the Value for Money analysis; and

WHEREAS, CDOT Senior Management have recommended the DBFOM method of delivery because of its ability to transfer more risk to the private sector and to offer a more predictable long term cost schedule through the structure of availability payments, minimizing future contingency and cost overrun exposure to CDOT; and

WHEREAS, CDOT Senior Management and Department staff have also recommended that because of its significant contribution to this Project, the CBE and the CBE Board of Directors should have the final approval of the Project's financing mechanism.

NOW, THEREFORE, BE IT RESOLVED, the Transportation Commission approves the staff-recommended governance structure (as illustrated below in Figure 1: I-70 East Corridor Project Governance Structure) between CDOT, CBE and HPTE that was presented to the Commission in January 2015 in which CBE will be the managing partner for the I-70 East Corridor Project and CBE and HPTE will enter into an anticipated concession agreement with a private partner.

BE IT FURTHER RESOLVED, as part of the governance structure and necessary for the I-70 East Project, CDOT, CBE and HPTE will develop an Intra-Agency Agreement between the three entities that will further define responsibilities and commitments for the Project;

BE IT FURTHER RESOLVED, the Transportation Commission instructs staff to pursue delivery of the first phase of the I-70 East Corridor Project as identified by the Record of Decision.

BE IT FURTHER RESOLVED, subject to the approval of the Board of the CBE, the Transportation Commission directs staff to move forward with a Request for Qualifications for the I-70 East Corridor Project utilizing the optimal financing structure available to the Department within a Design Build Finance Operate Maintain procurement and delivery process.

Herman J. Stockinger III
 Herman Stockinger, Secretary
 Transportation Commission of Colorado

Date 3-4-15

Discuss and Act on the Resolution to Approve the Central City SIB Loan

Maria Sobota stated that the Commission is being asked to approve a \$1.5 million State Infrastructure Bank Loan for Central City. The \$1.5 million will be used to augment local funds for storm drainage, parkway repairs, retaining wall repairs and rockfall mitigation. The SIB committee has reviewed all the details as far as the financials. The loan will be in parity with other current obligations the city has outstanding and will be repaid with an annual appropriation pledge by the city in its budget. The SIB committee and staff agreed unanimously to approve this loan application primarily based on the fact that Central City has agreed to incorporate the terms that are in the memo within the loan agreement.

Chairman Peterson entertained a motion to approve the SIB loan application. Commissioner Gilliland moved to approve the resolution, and Commissioner Connell seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-15-2-6

Resolution #TC-15-2-6

Approval of the Central City SIB Loan

Approved by the Transportation Commission on February 19, 2015

WHEREAS, the Colorado State Infrastructure Bank (bank) is a transportation investment bank with the ability to make loans to public and private entities for the formation of public transportation projects within the state; and

WHEREAS, the General Assembly passed Legislation (43-1-113.5 CRS) that made certain provisions for the bank and established within the bank, a highway account, a transit account, an aviation account and a rail account; and

WHEREAS, a loan application has been submitted by the City of Central (borrower), to borrow \$1,521,639 to correct drainage issues and mitigate rockslide incidents; and

WHEREAS, the Transportation Commission has adopted rules, pursuant to 43-1-113.5 CRS, in 2 CCR 605-1 regarding the eligibility requirements, disbursement of funds, interest rates, and repayments of loans from the bank; and

WHEREAS, pursuant to 2 CCR 605-1, Rule VI, Section 4 the Review Committee has reviewed and is in support of the application; and

WHEREAS, 2 CCR 605-1, Rule VI, Section 6 (2) provides "loan agreements for construction will specify that funds will be disbursed in their entirety to a third party fiduciary or escrow agent" unless the Transportation Commission provides a specific exemption; and

WHEREAS, the borrower has expressed its intent to attain Colotnist (the agent) as the third party fiduciary, escrow, or administrative agent to confirm proper documentation from the borrower for loan draws and pay a 0.75% origination fee, with the Department's Division of Highways, directly disbursing funds to the borrower upon receipt of the agent's confirmation; and

WHEREAS, the Division of Project Support has reviewed and acknowledged the highway projects significance to transportation goals for which the Borrower requests to borrow funds; and

WHEREAS, a sufficient amount is available to loan in the highway account; and

WHEREAS, the term of the loan is ten (10) years with a 2.50% interest rate, set by the Transportation Commission semi-annually, the Borrower must maintain a minimum Current Asset Balance equal to the balance of the remaining Highway SIB loan; and, allow CDOT to have consent rights to any new parity obligations before issued by the City; and, provide CDOT the ability to retain any gaming revenues to be rebated back to the City in the event of non-appropriation: and, enable CDOT to retain the right to secure any gaming or device fee revenues if non-appropriation should occur and HUTF (\$45,600 annual average over the past five years) funds do not cover principal and interest payments; and

NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes the Department, under the guidance and direction of the Chief Financial Officer, to execute a loan agreement with the borrower in an amount of \$1,521,639 under the terms and provisions set forth in the adopted rules.

Herman F. Stockinger II
 Herman Stockinger, Secretary
 Transportation Commission of Colorado

3-4-15
 Date

Discuss and Act on the Approval of PD14

Deb Perkins-Smith stated that this item is brought forward to the Commission based on the recommendation of the Statewide Plan Committee that asked for it to be brought before the full committee for action. They are asking for two actions. The first to repeal PD 13 that is called "Colorado Department of Transportation Statewide Transportation Operating Principles." Those principles were actually incorporated into the Statewide Plan or PD 14. The second action is to approve PD 14 "Policy Guiding Statewide Plan Development." She reminded the Commission that they have spent over a year working on PD 14. They have been to many of the committees, including Statewide Plan, Transit and Intermodal, and Asset Management, in order to work through many of the pieces that are here in PD 14. In its draft form, it has been used as guidance in the development of the Statewide Plan. With its adoption, it will formalize the Department's investment strategy for the Commission in terms of all the performance measures and targets that are included based on what they are seeing coming out of MAP-21 in terms of focusing on performance measures. She respectfully asked the Commission approved the attached resolution and requested any questions.

Chairman Peterson entertained a motion to approve the Resolution to Approve PD 14. Commissioner Gilliland moved for approval of the resolution, and Commissioner Gifford seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-15-2-7**Resolution #TC-15-2-7**

Adoption of updated Policy Directive 14.0 "Policy Guiding Statewide Plan Development" and Repeal of Policy Directive 13.0 "Colorado Department of Transportation Statewide Transportation Operating Principles"

Approved by the Transportation Commission on February 19, 2015

WHEREAS, the Colorado Transportation Commission ("the Commission") has statutory authority pursuant to § 43-1-106(8)(a) C.R.S., to formulate policy concerning transportation systems in compliance with 23 U.S.C. 134, 135, and 450, PL 112-141 ("Moving Ahead for Progress in the 21st Century" or "MAP-21") and its implementing regulations; and to undertake transportation planning under § 43-1-1103, C.R.S.; and

WHEREAS, a statewide plan is considered part of the state and federally required statewide transportation planning process; and

WHEREAS, Policy Directive 14.0 is the framework for development and implementation of a multimodal, comprehensive Statewide Transportation Plan and for distribution of resources to meet or make progress toward objectives; and

WHEREAS, Policy Directive 14.0 has been updated in concert with development of a Risk-Based Management Plan that MAP-21 requires, and in recognition that management of transportation assets is a high priority;

WHEREAS, the Commission has reviewed and discussed the goals, performance measures and objectives, and aspirational objectives contained within the updated Policy Directive 14.0

WHEREAS, the goals in Policy Directive 14.0 and in the Statewide Transportation Plan are in alignment with MAP-21 goals; and

WHEREAS, the goals of safety, infrastructure condition, system performance, and maintenance guide development of the multimodal Statewide Transportation Plan; and

WHEREAS, the performance measures and objectives describe how progress toward the MAP-21 national goals will be reported after plan adoption; and

WHEREAS, it is the intent that progress will be made in attaining these objectives as part of Statewide Transportation Plan Implementation; and

WHEREAS, Policy Directive 13.0 "Colorado Department of Transportation Statewide Transportation Operating Principles" is no longer necessary because it has been incorporated into Policy Directive 14.0 goal areas and in other plans and processes of CDOT; and

NOW THEREFORE LET IT BE RESOLVED, that the Transportation Commission adopts the updated Policy Directive 14.0 "Policy Guiding Statewide Plan Development."

FURTHER, BE IT RESOLVED, that the Transportation Commission repeals Policy Directive 13.0 "Colorado Department of Transportation Statewide Transportation Operating Principles."

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission

3-4-15
Date

Discuss and Act on the Approval of FY2015 Safe Routes to School Projects

Deb Perkins-Smith stated that Safe Routes to School was a specific program under SAFETY-LU. In MAP-21 it was not included as a specific program. It was an allowable program under the Transportation Alternatives Program that was in MAP-21. Colorado's State Transportation Advisory Committee did not recommend doing a special carve out for the specific Safe Routes to School program. Subsequent to that, in the Colorado Legislature last year there was a recommendation for an approval of \$700,000 to be spent on education for the Safe Routes to School program. That was state funds from the General Fund. With that, they continued the program for another year. With that, she asked Leslie Feuerborn, who is the program director for Safe Routes to School.

Leslie Feuerborn thanked the Commission for the opportunity to make a presentation about the program. She stated that Deb explained the current background about how the projects are being funded through state funds. They received 18 applications from all five regions for the projects this year. All these projects are non-infrastructure, which they call "Education and Encouragement Grants." They are focused on children in Kindergarten through 8th grade to look at ways to encourage and engage them to walk and bike to school more frequently. They are also to get parents to understand the value of having their children walk and bike to school. All of the projects are reviewed and scored through a Safe Routes to School Advisory Committee that is made up of representatives all across the state. The individuals who are currently serving on the Advisory Committee are listed in the packet. As Deb mentioned, for the FY2015 program, the Colorado Legislature approved \$700,000 to go toward these projects. They reviewed and scored the projects and came up with a recommended list that would match the \$700,000 that is available. That is the list that is before the Commission today for approval. She stated that in the past they have done projects that are infrastructure projects, but due to the limited dollar amount that was approved, the legislation disallowed any infrastructure projects to be approved in that. They are requesting the Commission approve the recommended 13 projects for the \$700,000.

Chairman Peterson entertained a motion to approve resolution for Safe Routes to School. Commissioner Gilliland moved to approve the resolution, and Commissioner Connell seconded that motion. Upon a vote of the Commission, the resolution passed unanimously.

Resolution #TC-15-2-8**Resolution #TC-15-2-8**

Approval of the FY2015 Safe Routes to School Project List

Approved by the Transportation Commission on February 19, 2015

WHEREAS, in 2004, C.R.S. 43-1-1604 required the Transportation Commission of Colorado to establish and the Colorado Department of Transportation (CDOT) to administer a Safe Routes to School (SRTS) program to distribute federal funds to eligible projects that enable and encourage children K-8 to bicycle and walk to school; and

WHEREAS, in 2014, Colorado State Legislators passed HB14-1301 allocating \$700,000 in state general funds to SRTS for FY15; and

WHEREAS, Colorado SRTS rules changed in 2014 to allow for distribution of state funds; and

WHEREAS, CDOT supports walking and biking as modes of transportation in Colorado; and

WHEREAS, Colorado is a national leader in SRTS, funding programs that have reached more than 936 schools statewide since 2005. This is more than 100 schools per year on average and more than 375,000 total Colorado students to date (in addition to parents, teachers, drivers, and community members who are also impacted by SRTS programs); and

WHEREAS, the SRTS program has replaced vehicle trips and increased the number of children walking and biking to school by as much as 31% in some schools; and

WHEREAS, approximately 95% of schools receiving SRTS funding had significantly increased rates of children walking and biking to school; and

WHEREAS, CDOT has awarded more than \$17.4 million in FHWA funds from 2005 through 2014 for SRTS program grants; and

WHEREAS, Colorado SRTS Advisory Committee was appointed by the CDOT Executive Director as per state statute to represent educators, parents, law enforcement, pedestrians, bicyclists, and transportation advisors to review all applications and to recommend projects for funding; and

WHEREAS, the SRTS Advisory Committee selected projects in January 2015 to recommend to the Commission for approval:

NOW THEREFORE BE IT RESOLVED, the Commission approves the 13 highlighted projects recommended on the Fiscal Year 2015 Safe Routes to School Project List, dated February 19, 2015

BE IT FURTHER RESOLVED, the Commission directs staff to take appropriate steps to amend the STIP, if required, and supplement the budget to be able to proceed with contract development.

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

3-4-15
Date

Discuss and Act on the Approval of the C-470 Resolution

Chairman Peterson stated that at this point in the agenda, they would insert a resolution. This is the new item on the agenda that he mentioned at the opening of the meeting. This concerns the C-470 Phase I corridor project. There will not be a formal presentation due to the previous day's workshop. He entertained a motion to approve the resolution. Commissioner Reiff moved to approve the C-470 Resolution, and Commissioner Connell seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-15-2-9

Resolution #TC-15-2-9

C-470 Phase 1 Corridor Project, Gross Pledge of Toll Proceeds for Debt Service

WHEREAS the Transportation Commission is responsible, pursuant to Section 43-1-106(8), C.R.S., for formulating the general policy with respect to the management, construction, and maintenance of public highways of the Colorado Department of Transportation (CDOT); and

WHEREAS the General Assembly created the Colorado High Performance Transportation Enterprise (HPTE), pursuant to Section 43-4-806, C.R.S., as a government-owned business within CDOT to pursue innovative means of more efficiently financing important surface transportation projects that will improve the safety, capacity, and accessibility of the surface transportation system; and

WHEREAS such innovative means of financing projects include, but are not limited to, operating concession agreements, user fee-based project financing, and design-build contracting; and

WHEREAS CDOT, in conjunction with HPTE, has investigated various delivery methods that can be utilized in delivering an important surface transportation project; and

WHEREAS the delivery method recommended for the C-470 Project is a design/build public funding approach; and

WHEREAS based on initial Level 3 Traffic and Revenue analysis considered by CDOT and the HPTE, the utilization of a Gross Pledge of Toll Proceeds for debt service gives CDOT the best value for its money in delivering the C-470 Project in a timely and efficient manner;

NOW THEREFORE BE IT RESOLVED, the Transportation Commission hereby supports the procurement of the C-470 Project under a Gross Pledge of Toll Proceeds for debt service; and

BE IT FURTHER RESOLVED, the Transportation Commission instructs staff to provide updates including relevant changes to financial analysis through the Transportation Infrastructure Finance and Innovation Act (TIFIA) and procurement processes.

Herman Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

3-4-15
Date

Acknowledgements

Executive Director Bhatt stated that Josh Laipply would be presenting the award. During the Colorado Road Tour, he was able to meet the RTDs and see their areas as they rode around with him.

Josh Laipply stated that he wanted to walk through some of the great accomplishments that all the regions have done over the last year, going in numerical order. Region 1 made investments on the I-70 Corridor with the Twin Tunnels and the Peak Period Shoulder Lanes that were huge undertakings. All the teams stepped up and delivered on. On I-70 and 32nd Avenue when the emergency holes in a bridge began opening up, they repaired 50% of the bridge deck in six days. That is a huge accomplishment, as well as their work in Winter Operations. Region 2 opened a diverging diamond interchange at I-25 and Fillmore Street. There were the fires at US 24 in Waldo Canyon. There were multiple incidents with sediment transport and debris flows closing down the highway. There were great reaction times, and people really came together on that. There is also the Ilex and Cimarron projects that have come to fruition in the last few months. Region 3 opened their diverging diamond interchange. On State Highway 9 for \$50 million there was private partnering to fix a very dangerous road. There are many wildlife crossings, and now they are working on a lot of wildlife crossing improvements on that road. The I-70 Eagle interchange was a great CMGC project that showed a lot of success, including the I-70 Winter Operations on that. In Region 4, Johnny Olson has been at the podium many times accepting awards on behalf of his region for all the efforts with the flood recovery and all the great things they have done to partner with the locals there. He truly has their respect. The region has moved forward on I-25 managed lanes projects and put RAMP funds into place to make that a better project for the community. On the Commission road trip in July 2014, everyone got to see the State Highway 14 project up in Sterling. In Region 5, the Wolf Creek Tunnel lighting upgrades were a big undertaking. The first continuous flow interchange was opened. John Cater was there for the opening of that and previously spoke to the Commission about what a great improvement that was. That is on the forefront of design. Their emergency response on US 550 and the rock slide was incredible. There was a 15 foot slab of rock the size of a football field that fell on the road. This also was a huge undertaking. All the regions have really come together. Everyone has that same purpose of making transportation better, and that makes it hard to select because everyone does such a great job.

This year the criteria were placed very much in line with the 5+1: Improving Business Processes, Innovation in Management, System Performance, Partnering, Transparency, and Developing Staff. That seemed to be a good recurring theme, and they tried to add some quantitative detail to the process. In the particular region that won, 40% of their staff went through employee safety engagements. Safety is a big focus in the 5+1. They talk a lot about program management and tracking to do better cash management. To do that, it is necessary to input milestones in the SAP system, while the CFO may be enthusiastic about SAP there may be a lack of understanding about the potential of SAP on the project management side. To manage the projects, it is necessary to get the milestones entered. In this particular

region, 91% of the projects have their milestones entered in SAP, which makes it much easier to track progress and track cash management and to do what needs to be done to deliver. For system performance, they saw an increase in their drivability life due to investments. They have maintained their bridge structurally deficient around level, which is on par with the rest of the state. It is tough to stay on top of that one. For Partnering and Transparency, there were significant local contributions to projects. They were partnering with communities to ensure they had better transportation projects and get some other money into the projects. For Developing Staff, CDOT recently rolled out succession planning. There are key individuals that require succession planning. It is not 100% of the employees, but 4% of this region's staff already have succession plans. That is a huge undertaking and a big step in the right direction. In addition, 97% of their managers were trained in leadership training. All that said, he awarded the Director's Cup to Dave Eller in Region 3.

Dave Eller that this award is really about the people. He is honored to receive the award as the RTD of Region 3, but he is blessed to have the best people in his region. They are dedicated. They are asked to step up, to deliver and to do more, and they continue to impress him. This is for those folks who are dedicated to doing the right thing and dedicated to CDOT and public employees. He is thrilled for them and a little surprised. But he had looked at the criteria and started looking at it himself, he was very wowed that Region 3 has delivered. They have stepped up; they have spent the money and tried to meet the initiatives. He was surprised to win but not surprised because he saw the data and that the performance metrics were there. He stated that over the last year, there have been a lot of things that they have worked together to get done. There have been a lot of challenges. Without a good team and helping one another out, they wouldn't be as successful in the Department. He also stated that all the Regions are listed on there, and it is great that regions get recognized; but with all initiatives and changes in the Department, without Headquarters and the support team, Region 3 would not have this award. In all sincerity, he thanked all the directors in the room including finance, DTD, HR, Staff Services and others. They have leaned on these people a lot, especially through all the changes. It has been a great team effort. He also thanked the Commission.

Chairman Peterson congratulated Dave Eller and Region 3 and extended his congratulations to the entire state on all the great work that has been done.

Scot Cuthbertson stated that it was his sad honor today on behalf of the rest of the staff that has not had an opportunity to recognize Scott Richrath for his efforts here at CDOT. Scott first came to CDOT as a fiscal analyst. One of his more challenging early assignments was developing performance measures. When he assumed the role as the Chief Financial Officer, he took a very aggressive participation in cash management and asset management. Scott has also gained the trust of the Commission. As Scott moves on an up, CDOT thanks him for his contributions and wishes him the best.

Scott Richrath thanked everyone. When he started as CFO, one of his first assignments as member of Senior Management was from Scot Cuthbertson to read a book called *Death by Meeting*. He thought he was going to read a book about how everyone needed to have fewer meetings at CDOT. But the point he got out of it was

that there is no point in having a meeting if it is just an informational report out. There are a number of other more efficient, productive ways to accomplish that. The point of the book was that if the meeting does not engage in useful discourse, healthy confrontation and conflict to generate ideas from not only the most vocal but also the quietest in the room, the meeting was not a productive one. Over the past day, he has thought about the healthy conflict that he has engaged in with multiple people across CDOT. In almost every one of those circumstances, friendships have been built through that healthy confrontation. They have engaged in that because both parties were honestly doing what they believed was best for CDOT and for the citizens of Colorado. Never once did he have a reason to doubt someone's motives, and he hoped that no one would have doubted his own. In the few weeks that he has had the privilege of working under the new Executive Director, he can assure all of staff that there will be healthy discourse. Shailen Bhatt will be working and fighting for and on behalf of everyone to do what is best for Colorado. Scott stated that it has been a true honor. Everyone talks about CDOT as a family, and it truly is.

Chairman Peterson stated that on behalf of the Commission, he wanted to once again thank Scott Richrath for all he has done. He wished Scott all the best in the world.

Commissioner Gilliland also wanted to extend her personal thanks to Scott as well. They have all very appreciated his service, especially his humor, his professionalism, and his ability to bring something down to a level where everyone can understand it. She welcomed Maria Sobota and thanked her for stepping up to fill some big shoes. She also thanked John Cater for his participation with CDOT, especially on the state tours. She stated that is exceptional as well that he takes his time as a partner to do that.

Other Matters

Chairman Peterson stated that there were no other matters to come before the Commission.

Adjournment

Chairman Peterson announced that the meeting was adjourned at 10:45a.m.

Herman F. Stockinger II
 Herman Stockinger, Secretary
 Transportation Commission of Colorado

4-1-15
 Date

