

# Colorado P3 Market Snapshot

Colorado has adopted P3 legislation which authorizes the Colorado Department of Transportation (CDOT) to pursue alternative means of financing for surface transportation infrastructure projects. In 2009, Colorado Governor John Hickenlooper created the HPTE (High Performance Transportation Enterprise) to facilitate P3s at the state level and to provide guidance to local and regional entities. While Colorado P3 legislation has been in place for many years, it is only recently that the P3 model has been implemented in the state through the US 36 highway express lanes, which connect the 30 mile stretch between Denver and Boulder. The Plenary Group was awarded Colorado's first P3 project in Feb. 2014 and the project consists of a 50 year DBFOM toll concession in partnership with the Colo. Dept. of Transportation (CDOT) and valued at US\$120m. The US 36 concession agreement could serve as a model for other major highway ventures in Colorado, including expansion and improvement projects being considered for C-470; I-25 north of the Denver metro area; and Interstate 70 in both the mountain corridor and central Denver.

Colorado will continue to pursue P3 projects in the future since federal and state fuel taxes are insufficient to meet the growing demands placed upon an aging infrastructure and an ever-expanding population of new residents migrating to the Front Range communities of Colorado. Furthermore, traditional funding is not available at this time to CDOT and over 80% of CDOT's

budget is dedicated to the maintenance of the current transportation network with the remaining 20% of the budget going towards debt servicing. With no additional federal funds being sent to assist Colorado in meeting its infrastructure needs, it looks like future construction projects will need more P3s in order to keep pace with the growing demands being placed upon Colorado's transportation system.

## Eagle P3 Project

The US\$2.2 billion dollar Eagle P3 project is currently the largest P3 infrastructure project in the U.S. In August 2011, the Eagle P3 project received a US\$1.03 billion Full Funding Grant Agreement (FFGA) from the Federal Transit Administration and as of today it represents the largest grant awarded for an infrastructure project under the Obama administration. Eagle P3 is the first full DBFOM transit public-private partnership in the United States. Eagle P3 is being managed by the Denver Transit Partners (DTP), a consortium led by Fluor Corporation and Macquarie Group, with Uberior Infrastructure Investments and Balfour Beatty as the other major partners. The project is expected to be completed in 2016 and the 23-mile electric commuter rail line will connect Denver's Union Station with Denver International Airport in less than 35 minutes.

## I-70 East P3 Project

The current phase one project for I-70 East includes adding an Express Lane in each direction on I-70 from I-25 to I-225, removing the 50-year-old viaduct between Brighton Boulevard and Colorado Boulevard and lowering the interstate along this stretch, and constructing a 4-acre cover over a portion of the lowered



interstate. The Final Environmental Impact Statement is due to be released early next year. Construction is scheduled to begin in 2017. In response to a March release of the I-70 East Project's Request for Qualifications, five Statements of Qualifications (SOQ) from combined teams of construction and engineering firms, operators and equity investors were submitted in June 2015. The teams were evaluated on their organizational structure, experience on like projects, approach to the Project and financial capacity. The four selected teams for final consideration are 5280 Connectors, Kiewit/Meridiam Partners, I-70 Mile High Partners and Front Range Mobility Group.