



**Colorado
Legislative
Council
Staff**

Initiative # 167

**INITIAL FISCAL
IMPACT STATEMENT**

Date: April 3, 2018

Fiscal Analyst: Erin Reynolds (303-866-4146)

LCS TITLE: AUTHORIZE BONDS FOR TRANSPORTATION PROJECTS

Fiscal Impact Summary	FY 2019-2020	FY 2020-2021
State Revenue Cash Funds	Increase. See State Revenue section.	
State Expenditures General Fund Cash Funds Federal Funds	Increase. See State Expenditures section.	

Note: This *initial* fiscal impact estimate has been prepared for the Title Board. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the Blue Book Voter Guide if new information becomes available.

Summary of Measure

The measure requires the executive director of the Colorado Department of Transportation (CDOT) to issue Transportation Revenue Anticipation Notes (TRANs) no later than July 1, 2019, in a maximum amount of \$3.5 billion with a maximum repayment cost of \$5.2 billion over 20 years.

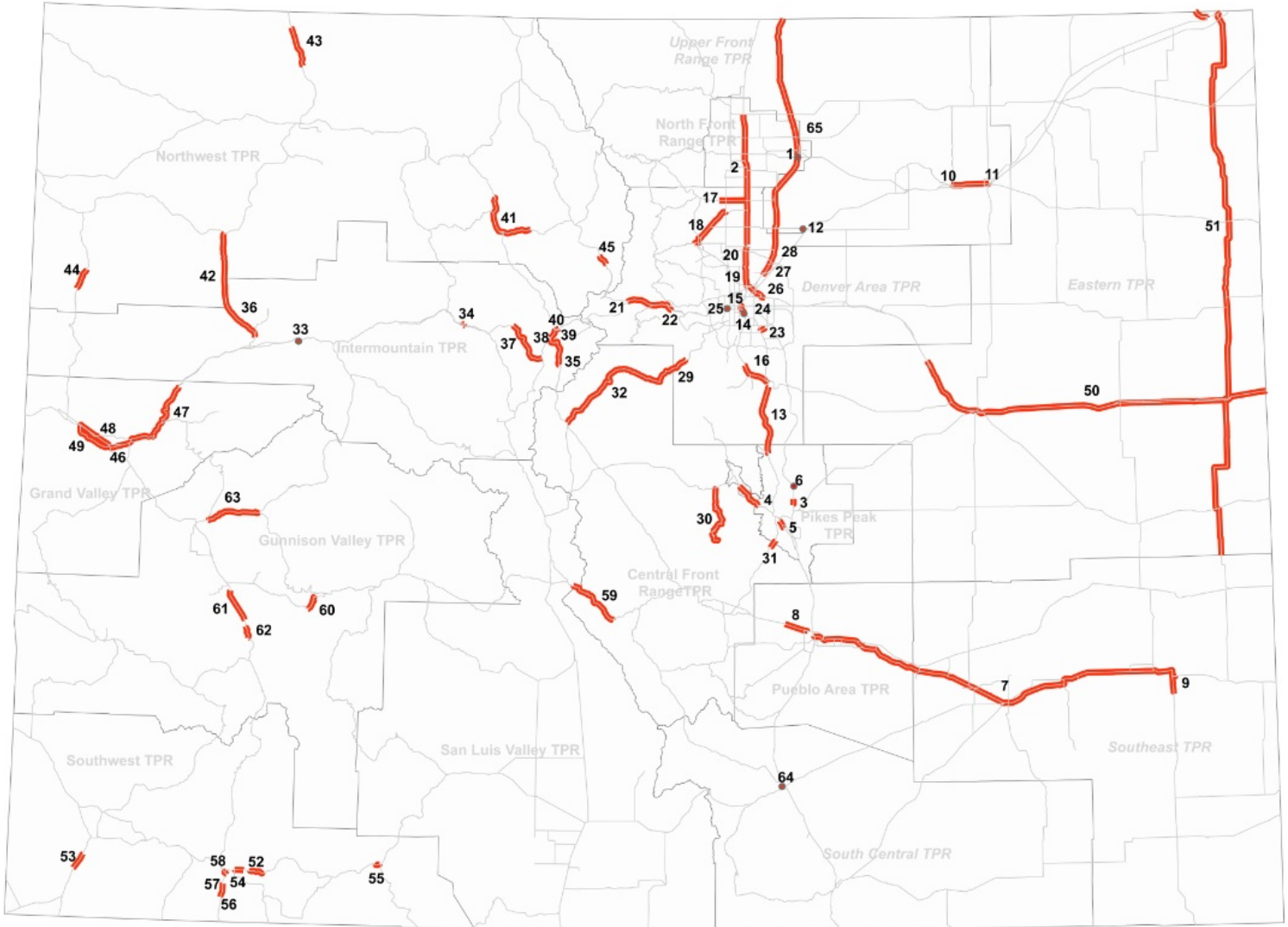
Voter-approved proceeds from TRANs are TABOR-exempt and must be used exclusively for road and bridge expansion, construction, maintenance, and repair on the 66 projects identified in the measure, which include projects in each of the state's 15 transportation planning regions. Transit projects are excluded from the list.

The measure requires the principal and interest on the borrowed money to be paid without raising taxes or fees. The state must reserve the right to repay the TRANs ahead of schedule without penalty.

The 66 highway projects included in the measure are shown in Figure 1 and listed in Table 1.

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Figure 1
Map of Highway Construction Projects Included in Initiative #167
(Project descriptions and costs are listed in Table 1)



Prepared by: Colorado Legislative Council
Data provided by: Colorado Department of Transportation

Table 1
Descriptions and Costs of Projects Included in Initiative #167

Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
(a) In the North Front Range Transportation Planning Region:			
1	58	(I) US 34/US 85 Interchange Reconfiguration, improvements to the safety and capacity of the interchange and corridor improvements based off Hwy 85 planning and environmental linkages.	\$113,000,000
2	52	(II) I-25 North, State Highway 7 to State Highway 14, add a lane in each direction, interchange reconstruction, mainline reconstruction, safety and Intelligent Transportation Safety improvements.	\$653,000,000
Subtotal			\$766,000,000
(b) In the Pikes Peak Transportation Planning Region:			
3	116	(I) State Highway 21, Constitution to North Carefree, construction of interim continuous flow intersection.	\$143,650,000
4	20	(II) US 24 West, I-25 to Woodland Park, drainage and intersection improvements on US 24 from I-25 to Woodland Park.	\$25,000,000
5	19	(III) I-25 South, Widening S. Academy to Circle/Lake (I-25 EA through Colorado Springs), widening of roadway to six lanes.	\$369,804,000
6	28	(IV) State Highway 21, Research Parkway Interchange (phase of the State Highway 21 Woodmen to State Highway 83 EA), construction of new grade-separated interchange at State Highway 21 and Research Parkway.	\$39,896,000
Subtotal			\$578,350,000
(c) In the Pueblo Area Transportation Planning Region:			
7	24	(I) US 50B, widen to four lanes, shoulders, passing lanes and other safety improvements to the Kansas border.	\$50,000,000
8	23	(II) US 50, West of Pueblo, widen the divided highway from two lanes to three lanes.	\$45,895,000
Subtotal			\$95,895,000
(d) In the Southeast Transportation Planning Region:			
9	25	US 287 Lamar Reliever Route, construction of reliever route, realignment of US 50 to future US 50/US 287 interchange.	\$211,071,000
Subtotal			\$211,071,000
(e) In the Upper Front Range Transportation Planning Region:			
10	54	(I) I-76, Fort Morgan to Brush, Phase 4 reconstruction of roadway and interchanges between Ft. Morgan and Brush.	\$41,200,000
11	114	(II) I-76, Fort Morgan to Brush, Phase 5 reconstruction of roadway and interchanges between Ft. Morgan and Brush.	\$65,000,000
12	69	(III) State Highway 52 Interchange in Hudson, reconstruction of interchange.	\$14,000,000
Subtotal			\$120,200,000
(f) In the Greater Denver Area Transportation Planning Region:			
13	1	(I) I-25 South, Monument to Castle Rock, expand capacity monument to Castle Rock as outlined in planning and environmental linkages study.	\$350,000,000

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Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
14	2	(II) I-25 Central, Santa Fe to Alameda, Valley Highway Phase 2.0 improvements, complete Alameda interchange including reconstruction of Lipan, reconstruction of Alameda Bridge over the South Platte and finalize ramp configuration. <i>Note: This project has been funded.</i>	-
15	3	(III) I-25, Valley Highway Phase 3.0, Santa Fe to Bronco Arch, replacement of bridges and interchanges and roadway widening, congestion relief, safety, and mobility improvements.	\$57,140,000
16	14	(IV) US 85, widening from C-470 to I-25 in Castle Rock (Louviere to Meadows), reconstruction of two lane roadway to four lanes with a divided median, acceleration/deceleration lanes and foot trail.	\$49,500,000
17	70	(V) State Highway 66 Corridor Improvements West, widening, safety, and intersection improvements.	\$1,500,000
18	74	(VI) State Highway 119, expand capacity.	\$160,000,000
19	4	(VII) I-25 North, US 36 to 120th, improvements on I-25 between US 36 and 120th. Potential improvements include auxiliary lanes, additional lane between 84th Ave. and Thornton parkway and reconstruction of 88th Ave. bridge.	\$85,285,000
20	5	(VIII) I-25 North, US 36 to State Highway 7, Tolle Express Lane improvements, expand Tolle Express Lanes from current planned end at E-470 to State Highway 7. Combine with local funds to rebuild I-25/State Highway 7 interchange.	\$101,750,000
21	6	(IX) I-70 West, westbound peak period shoulder lane, mirror eastbound peak period shoulder lane from Twin Tunnels (Exit 241) to Empire Junction.	\$80,000,000
22	7	(X) I-70 West, Floyd Hill, reconstruct westbound bridge at Kermit's and construct third lane down Floyd Hill to bridge. Construction of third lane to twin tunnels, either peak period shoulder lanes or permanent.	\$550,000,000
23	10	(XI) I-225, I-25 to Yosemite, complete National Environmental Policy Act design, removing bottleneck at Yosemite, ramps, lanes, interchanges and bridge replacement at Ulster.	\$61,394,000
24	11	(XII) I-270, widening from I-76 to I-70, reconstruction to improve capacity, safety, and economic competitiveness. Capacity improvements, replacement of bridges, and reconstruct concrete pavement.	\$398,774,000
25	13	(XIII) US 6, Wadsworth Interchange, reconstruct interchange to improve safety and relieve congestion.	\$68,151,000
26	15	(XIV) I-270/US 85, I-270 to 62nd Ave. interchange, reconstruct interchange at I-270 intersection at 60th Ave. to improve safety and capacity.	\$61,184,000
27	121	(XV) 104th grade separation, construction of grade separated interchange at 10th and 104th/US 85 and railroad crossing grade separation.	\$102,310,000
28	122	(XVI) 120th grade separation, construction of a grade separated interchange at 120th and US 85/railroad crossing grade separation 120th.	\$76,234,000
29	16	(XVII) US 285, Richmond Hill to Shaffer's Crossing, widen roadway to four lanes with median and construction of grade separated interchange at King's Valley.	\$70,576,000
Subtotal			\$2,273,798,000
(g) In the Central Front Range Transportation Planning Region:			
30	29	(I) State Highway 67, Divide to Victor, shoulder widening and safety improvements.	\$25,000,000
31	100	(II) State Highway 115, replace and widen Rock Creek Bridge.	\$15,100,000
32	99	(III) US 285, Fairplay to Richmond Hill, addition of passing lanes and shoulder improvements.	\$15,000,000
Subtotal			\$55,100,000

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Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
(h) In the Intermountain Transportation Planning Region:			
33	132	(I) I-70, Garfield County/New Castle Interchange upgrade.	\$15,072,000
34	33	(II) I-70 West, G Spur Road (Edwards Interchange); Phase 2 of Edwards interchange; interchange and intersection improvements.	\$23,000,000
35	44	(III) State Highway 9, Frisco North, completion of corridor including minimal widening, water quality and drainage improvements, and two interchange improvements.	\$13,817,000
36	45	(IV) State Highway 13, Rifle North, construction upgrades.	\$60,000,000
37	35	(V) I-70 West, Vail Pass auxiliary lanes and wildlife overpass, complete National Environmental Policy Act design and preliminary engineering for recommended third lane (both directions) to increase safety and mobility. Install permanent water quality features, and widen roadway.	\$225,000,000
38	36	(VI) I-70 West, Exit 203 interchange improvements.	\$30,344,000
39	37	(VII) I-70 West, Frisco to Silverthorne Auxiliary Lane, improvements and upgrades.	\$16,924,000
40	38	(VIII) I-70 West, Silverthorne Interchange, reconstruction of Exit 205 interchange and related improvements for four ramps.	\$24,701,000
Subtotal			\$408,858,000
(i) In the Northwest Transportation Planning Region:			
41	134	(I) US 40, Kremmling East and West, phased addition of shoulders and passing lanes on 14 miles.	\$21,002,000
42	46	(II) State Highway 13, Rio Blanco South to County Line, phased addition of shoulders and passing lanes.	\$24,680,000
43	47	(III) State Highway 13, Wyoming South, reconstruction of truck route and related improvements.	\$48,304,000
44	50	(IV) State Highway 139, Little Horse South, safety improvements including reconstruction of the surface and addition of 4-8' paved shoulders.	\$22,789,000
45	41	(V) US 40, Fraser to Winter Park, capacity improvements (four lane facility).	\$13,592,000
Subtotal			\$130,367,000
(j) In the Grand Valley Transportation Planning Region:			
46	30	(I) I-70, Business Loop, I-70 B widening; complete reconstruction and widening to meet current geometric design standards and improve safety, drainage and accesses along the corridor; add lanes in each direction to make a three-lane roadway section and reconstruct frontage roads 5th Street to Exit 26 corridor, new capacity.	\$32,549,000
47	31	(II) I-70, Palisade to Debeque, reconstruction with realignment of curves and other safety improvements.	\$71,014,000
48	39	(III) US 6 improvements Mesa County, completion of intersection studies and preliminary engineering for safety and mobility throughout the corridor; intersection, shoulders, and other safety and mobility improvements at specified locations throughout the corridor.	\$23,651,000
49	51	(IV) State Highway 340, safety and capacity improvements including intersection improvements.	\$16,992,000
Subtotal			\$144,206,000

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Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
(k) In the Eastern Transportation Planning Region:			
50	53	(I) I-70 East, replacement of Alkali-Silica Reactivity pavement and associated safety improvements.	\$205,000,000
51	66	(II) US 385 Safety Improvements, intersection, shoulders, and other safety improvements at specified locations.	\$40,000,000
Subtotal			\$245,000,000
(l) Southwest Transportation Planning Region:			
52	83	(I) US 160 Mobility Improvements, corridor improvements, passing lanes, and shoulder widening at select locations.	\$36,000,000
53	81	(II) US 160 Towaoc, addition of passing lanes and vehicle turnouts.	\$11,220,000
54	138	(III) US 160 Elmore's East, completion of specified improvements.	\$34,528,000
55	84	(IV) US 160 Pagosa, reconstruction to correct wheel rutting and addition of pedestrian facilities for safety.	\$23,670,000
56	90	(V) US 550 South, Sunnyside, major reconstruction requiring widening to a four-lane roadway, including earthwork, drainage, irrigation, utilities, paving, pedestrian bridge, sound wall, animal crossings.	\$32,620,000
57	91	(VI) US 550 Corridor South, gap reconstruction to four lanes, including drainage, utilities, animal crossings, and intersection improvements.	\$31,992,000
58 (a)	92	(VII) US 550/US 160 Connection, complete the connection of US 550 to US 160 at the Grandview interchange (Phase 2).	\$99,600,000
58 (b)	92	(VIII) US 550/US 160 Connection, finalize pre-construction, purchase required rights-of-way, complete final design and prepare advertisement (Phase 1).	-
Subtotal			\$269,630,000
(m) In the San Luis Valley Transportation Planning Region:			
59	158	US 50 safety and mobility improvements between Salida and Coaldale, addition of passing lanes and vehicle turnouts.	\$8,432,000
Subtotal			\$8,432,000
(n) Gunnison Valley Transportation Planning Region			
60	43	US 50 Little Blue Canyon, reconstruction and widening of existing roadway template to meet current geometric design standards and improve roadside safety, drainage and access along the corridor; addition of passing lanes and mitigation of geohazard landslide within the project limits; phased implementation.	\$29,500,000
61	137	US 550 Safety Improvements, specified study to review intersection improvements. US 550 Region 3 only.	\$22,475,000
62	94	US 550 Uncompahgre River and Colona, addition of shoulders between Uncompahgre River and Colona (Billy Creek); construction of deer fencing and animal underpasses.	\$30,537,000
63	49	State Highway 92, safety improvements including reconstruction of the surface, addition of 4-8' paved shoulders across Rogers Mesa, and other safety improvements including access and intersection improvements.	\$32,915,000
Subtotal			\$115,427,000

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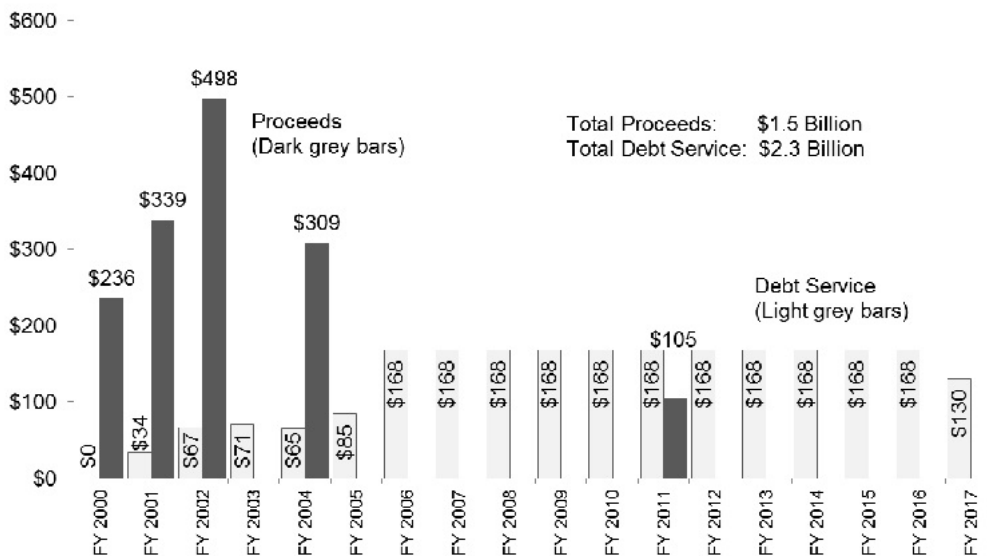
Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
(o) In the South Central Transportation Planning Region:			
64	123	I-25, State Highway 10/State Highway 160, interchange reconstruction at Walsenburg.	\$50,000,000
Subtotal			\$50,000,000
65	60	(p) US 85 corridor improvements, safety, intersection and interchange improvements.	\$101,840,000
Subtotal			\$101,840,000
Grand Total			\$5,574,174,000

* Total funding need does not include anticipated matching funds, subsequent project phases, or tolling revenue.

Background

Transportation Revenue Anticipation Notes, 1999. In 1999, Colorado voters authorized CDOT to borrow up to \$1.7 billion by selling TRANs, with a maximum repayment cost of \$2.3 billion. Debt service on TRANs was paid with money from the federal government and state matching funds. TRANs proceeds were exempt from the TABOR limit and were required to be used for a list of 28 prioritized statewide projects. The use of TRANs allowed CDOT to accelerate construction on these projects, including the widening of I-25 in Denver (T-REX). As shown in Figure 2, CDOT issued a total of \$1.5 billion in installments from 2000 through 2011, with a total repayment cost of \$2.3 billion. The final TRANs debt service occurred in December 2016.

Figure 2
1999 TRANs Proceeds and Debt Service
(Dollars in Millions)



Source: Colorado Department of Transportation. Not adjusted for inflation.

State Revenue

Beginning in FY 2019-20, revenue to the State Highway Fund in CDOT will increase by up to \$3.5 billion over a multi-year period. The timing of the revenue increase is uncertain. Voter-approval of the TRANs make this revenue stream exempt from the TABOR limit.

State Expenditures

The measure will have the following impacts on state expenditures from FY 2019-20 to FY 2038-2039.

Project costs. CDOT will use TRANs to fund some of the projects outlined in the bill. The measure allows TRANs in an amount of up to \$3.5 billion. For the projects listed in the measure, CDOT's current Tier 1 funding need is \$5.6 billion — this amount is subject to change due to inflation, project delays, and the availability of federal and local match funding. Project selection and order will be determined by CDOT and the Transportation Commission.

Bond repayments. CDOT and the Colorado General Assembly will be obligated to spend future revenue on TRANs principal and interest payments. Under the measure, the total TRANs repayment costs may not exceed \$5.2 billion and must be repaid within 20 years. Assuming the repayment schedule is for the full \$5.2 billion over 20 years, the average annual repayment cost will be \$260 million. Actual repayment amounts will vary depending on the actual TRANs amount and the terms of the TRANs, including the timing of when TRANs bonds are issued and the interest rate. The expenditure increase will require a decrease in spending on other programs, to be determined by CDOT and the state legislature.

Economic Impacts

The issuance of TRANs will dedicate up to \$3.5 billion toward accelerating the construction of selected highway projects throughout the state. Where roads and bridges are improved, overall accessibility to goods, services, and workplaces will increase, and transportation costs related to travel time and vehicle operation will decrease, among other benefits to those areas. Replacing older infrastructure also stimulates road construction-related industries in the state. The cost of the TRANs repayment will constrain other aspects of the state budget and reduce government spending on other services by approximately \$260 million on average per year over the next 20 years. Depending on which government services are affected, Coloradans will have reduced access to those services until 2039.

Effective Date

If approved by voters, the ballot initiative takes effect upon proclamation of the Governor within 30 days of the official canvas of votes at the 2018 general election. TRANs must be issued by July 1, 2019.

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State and Local Government Contacts

Counties
Revenue

Information Technology
Secretary of State

Municipalities
Transportation

Abstract of Initiative 167: Fix Our Damn Roads

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of April 2018, identifies the following impacts:

The abstract includes estimates of the fiscal impact of the initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

State expenditures. If the Colorado Department of Transportation (CDOT) issues Transportation Revenue Anticipation Notes (TRANs) for the full \$3.5 billion, the measure will increase state expenditures by up to \$5.2 billion from FY 2019-20 through FY 2038-2039. Expenditures will be dedicated to both project costs and TRANs principal and interest payments.

State revenue. Beginning in FY 2019-20, state revenue to the State Highway Fund in CDOT will increase by up to \$3.5 billion over a multi-year period.

State fiscal liabilities. The state and its agency, CDOT, will be required to make TRANs principal and interest payments averaging up to \$260 million per year from future revenues without raising taxes or fees.

Economic impacts. Where roads and bridges are improved, the measure will increase overall accessibility to goods, services, and workplaces, and reduce transportation costs related to travel time and vehicle operation. Replacing older infrastructure also stimulates road construction-related industries in the state. The cost of the TRANs repayment will constrain other aspects of the state budget and reduce government spending on other services through 2039.