



**Colorado  
Legislative  
Council  
Staff**

**Initiative # 167**

**FISCAL IMPACT  
STATEMENT**

**Date:** August 20, 2018

**Fiscal Analyst:** Larson Silbaugh (303-866-4720)

**BALLOT TITLE:** AUTHORIZE BONDS FOR TRANSPORTATION PROJECTS

<b>Fiscal Impact Summary</b>	<b>FY 2018-2019</b> <i>current year</i>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>
<b>State Revenue</b>	<b>\$3.5 billion</b>	<b>(\$0.5 billion)</b>	<b>(\$0.5 billion)</b>	<b>(\$0.5 billion)</b>
Cash Funds	\$3.5 billion	(\$0.5 billion)	(\$0.5 billion)	(\$0.5 billion)
<b>State Transfers</b>	-	-	-	-
General Fund	-	\$50.0 million	\$50.0 million	\$50.0 million
Cash Funds	-	(\$50.0 million)	(\$50.0 million)	(\$50.0 million)
<b>State Expenditures</b>	Increase. See State Expenditures section.			
General Fund				
Cash Funds				

**Summary of Measure**

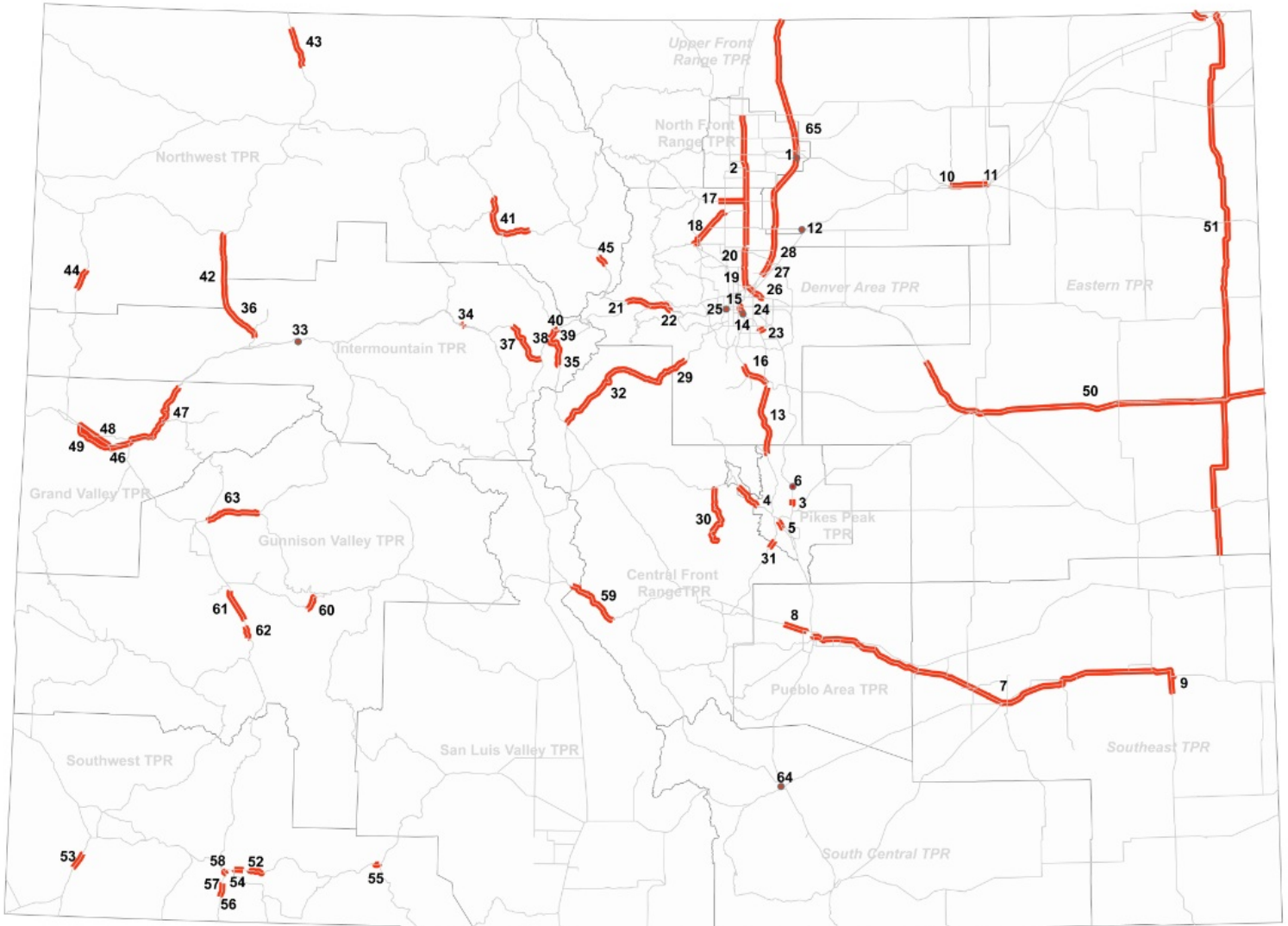
The measure requires the executive director of the Colorado Department of Transportation (CDOT) to issue Transportation Revenue Anticipation Notes (TRANS) no later than July 1, 2019, in a maximum amount of \$3.5 billion with a maximum repayment cost of \$5.2 billion over 20 years. Revenue from the bond issuance is exempt from TABOR as a voter-approved revenue change.

Voter-approved proceeds from TRANS 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. The 66 highway projects included in the measure are plotted by location in Figure 1 and listed in Table 1.

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.

# Initiative # 167

**Figure 1**  
**Map of Highway Construction Projects Included in Initiative #167**  
(Projects and costs are listed in Table 1; "TPR" indicates Transportation Planning Region)



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*
<b>(a) In the North Front Range Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$766,000,000</b>
<b>(b) In the Pikes Peak Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$578,350,000</b>
<b>(c) In the Pueblo Area Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$95,895,000</b>
<b>(d) In the Southeast Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$211,071,000</b>
<b>(e) In the Upper Front Range Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$120,200,000</b>
<b>(f) In the Greater Denver Area Transportation Planning Region:</b>			
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
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>	-

**Table 1**  
**Descriptions and Costs of Projects Included in Initiative #167 (Cont.)**

<b>Map Label</b>	<b>CDOT Project ID</b>	<b>Project Description from Measure</b>	<b>Funding Need*</b>
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, Tolled Express Lane improvements, expand Tolled 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
<b>Subtotal</b>			<b>\$2,273,798,000</b>
<b>(g) In the Central Front Range Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$55,100,000</b>

**Table 1**  
**Descriptions and Costs of Projects Included in Initiative #167 (Cont.)**

Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
<b>(h) In the Intermountain Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$408,858,000</b>
<b>(i) In the Northwest Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$130,367,000</b>
<b>(j) In the Grand Valley Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$144,206,000</b>

**Table 1**  
**Descriptions and Costs of Projects Included in Initiative #167 (Cont.)**

Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
<b>(k) In the Eastern Transportation Planning Region:</b>			
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
<b>Subtotal</b>			<b>\$245,000,000</b>
<b>(l) Southwest Transportation Planning Region:</b>			
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).	-
<b>Subtotal</b>			<b>\$269,630,000</b>
<b>(m) In the San Luis Valley Transportation Planning Region:</b>			
59	158	US 50 safety and mobility improvements between Salida and Coaldale, addition of passing lanes and vehicle turnouts.	\$8,432,000
<b>Subtotal</b>			<b>\$8,432,000</b>
<b>(n) Gunnison Valley Transportation Planning Region</b>			
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
<b>Subtotal</b>			<b>\$115,427,000</b>

**Table 1**  
**Descriptions and Costs of Projects Included in Initiative #167 (Cont.)**

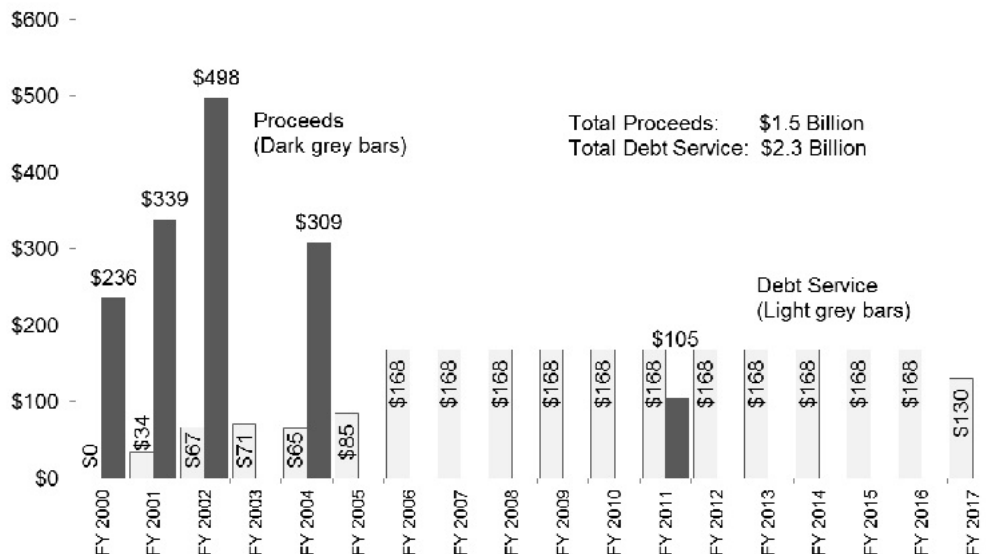
Map Label	CDOT Project ID	Project Description from Measure	Funding Need*
<b>(o) In the South Central Transportation Planning Region:</b>			
64	123	I-25, State Highway 10/State Highway 160, interchange reconstruction at Walsenburg.	\$50,000,000
<b>Subtotal</b>			<b>\$50,000,000</b>
65	60	(p) US 85 corridor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

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

## Background

**Transportation Revenue Anticipation Notes.** 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 revenue 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 borrowed 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 payment occurred in December 2016.

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



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

**Transportation funding commitments conditional on the outcome of Initiative #167.** Under current law, two sources of transportation funding will be cancelled if Initiative #167 is approved by voters. These sources, authorized in Senate Bill 17-267 and Senate Bill 18-001, are described below.

Senate Bill 17-267 certificates of participation. In 2017, the state committed to sell state buildings worth \$500 million each year between FY 2018-19 and FY 2021-22, generating a total of \$2.0 billion in state revenue. Most of this revenue, including all revenue generated in FY 2019-20 through FY 2021-22, is available for state transportation projects. Under the 2017 law, the state leases sold buildings back from purchasers over 20 years and resumes ownership of the buildings at the completion of this term. Total lease payments are capped at \$150 million annually.

If the measure passes, the final three years of sales will be cancelled, reducing state revenue for transportation by a total of \$1.5 billion between FY 2019-20 and FY 2021-22. Lease payments on these buildings will not be made, reducing state expenditures for lease payments by \$112.5 million annually.

Senate Bill 18-001 transfers. In 2018, the state authorized transfers of \$50 million per year from the General Fund to the State Highway Fund between FY 2019-20 and FY 2038-39. These transfers will be cancelled if the measure passes, reducing funding for transportation by a total of \$1.0 billion over 20 years and making this amount available in the General Fund for other uses at the discretion of the General Assembly.

## State Revenue

The measure is expected to increase state revenue by a net of \$2.0 billion over multiple years. In FY 2018-19, revenue to the State Highway Fund in CDOT will increase by \$3.5 billion as a result of the bond issuance. Revenue to the State Highway Fund will be reduced by \$500 million in each of FY 2019-20, FY 2020-21, and FY 2021-22. These impacts are shown in Table 2. State revenue from the bond issuance is exempt from TABOR as a voter-approved revenue change.

**Table 2**  
**Net New State Revenue if Initiative #167 is Approved by Voters**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Initiative #167 Bonds	\$3.5 billion	-	-	-	<b>\$3.5 billion</b>
SB 17-267 COPs		(\$0.5 billion)	(\$0.5 billion)	(\$0.5 billion)	<b>(\$1.5 billion)</b>
<b>Total</b>	<b>\$3.5 billion</b>	<b>(\$0.5 billion)</b>	<b>(\$0.5 billion)</b>	<b>(\$0.5 billion)</b>	<b>\$2.0 billion</b>

## State Transfers

If the measure passes, annual \$50 million transfers from the General Fund to the State Highway Fund between FY 2019-20 and FY 2038-39 will be canceled as shown in Table 3.



**Table 3**  
**Change in SB 18-001 Transfers if Initiative #167 is Approved by Voters**

	FY 2018-19	FY 2019-20	FY 2038-39	20-Year Total
State Highway Fund	(\$50 million)	(\$50 million)	(\$50 million)	<b>(\$1.0 billion)</b>
General Fund	\$50 million	\$50 million	\$50 million	<b>\$1.0 billion</b>
<b>Total</b>	-	-	-	-

## State Expenditures

The measure will increase state expenditures between FY 2019-20 and FY 2038-39 as described in the following paragraphs.

**Project costs.** CDOT will use TRANs to fund some of the projects identified in Initiative #167. The measure requires the issuance of TRANs in an amount of up to \$3.5 billion. For the projects listed in the measure, CDOT's current 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.

**Lease payments for Senate Bill 17-267.** The sale and lease-back of \$1.5 billion in state buildings will be cancelled, eliminating the lease payments associated with those buildings. Eliminating the lease payments will reduce state commitments by \$2.25 billion over a 20-year period. On average, lease payments will fall by \$112.5 million per year, though this savings is expected to ramp up by \$37.5 million annually as each building sale is cancelled. Table 4 shows the net impact for repayment of the bonds in Initiative #167 and the elimination of lease payments.

**Table 4**  
**Change in State Funding Commitments if Initiative #167 is Approved by Voters**

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2038-39	20-Year Total
Initiative #167 Bonds	\$260.0 million	\$260.0 million	\$260.0 million	\$260.0 million	<b>\$5.20 billion</b>
SB 17-267 Leases	-	(\$37.5 million)	(\$75.0 million)	(\$112.5 million)	<b>(\$2.25 billion)</b>
<b>Total</b>	<b>\$260.0million</b>	<b>\$222.5 million</b>	<b>\$185.0 million</b>	<b>\$147.5 million</b>	<b>\$2.95 billion</b>

## Effective Date

If approved by voters, Initiative #167 takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of votes is completed. TRANs must be issued by July 1, 2019.

## State and Local Government Contacts

Counties  
Revenue

Information Technology  
Secretary of State

Municipalities  
Transportation