



Colorado's transportation solution and the role of bonding

Coloradans overwhelmingly agree that our transportation system is failing Colorado's economy, negatively impacting quality of life, threatening our economic competitiveness and creating a public safety issue. It is crucial that we hear these concerns and address our infrastructure spending in a serious way – this year.

Bonding is integral to the transportation solution

With Colorado so far behind, it is imperative that we spur road building throughout the state as quickly as possible. Only bonding accomplishes that imperative. Bonding is not a funding solution but the finance mechanism and proven route to leverage any new and existing funds to secure, in Colorado's case, \$3.5 billion to accelerate the completion of transportation projects throughout the state. Bonding is an integral part of the transportation solution.

Among the benefits of bonding are:

- **Play catch up on our needs and growth.** Bonding delivers an infusion of cash with which Colorado can use to catch up and accelerate desperately needed projects in order to keep up with our rapidly expanding population. With the Denver Metro area alone gaining 100,000 people in 2015, this rapid growth puts an immediate strain on our infrastructure.
- **Immediate and simultaneous construction of projects.** Bonding will give the state \$3.5 billion, upfront, to spend on infrastructure of all types and sizes. CDOT has already identified a list of over 60 projects that touch every region of our state. Bonding will allow these projects to begin immediately and simultaneously — positively impacting local communities across the state – with no more waiting in line for funds to become available.
- **Only way to fund large scale projects.** Bonding gives Colorado the cash necessary to fund large scale, economically significant projects. Without an influx of cash, CDOT estimates that many of the major projects in the state will languish and can not be addressed until 2075 or later. TREX, the large scale project funded through the 1999 TRANS, originally had a 30-year build out timeframe. Bonding completed the entire project in 5 years. Large scale projects to be completed with proceeds from the Fix Colorado Road bonding program are:
 - West I-70 from Golden to Vail
 - North I-25 from Fort Collins to Thornton
 - South I-25 from Castle Rock to Monument
- **It is the least expensive way to fund construction.** Construction inflation (7-8%) greatly outpaces state exempt interest rates (3-4%). That means, the longer we wait if we continue to “pay as we go” rather than bond to fund our needed projects, the more these projects are going to cost. Bonding provides Colorado the way forward to take advantage of current low interest rates and stay ahead of construction inflation.
- **Assures Colorado's continued competitiveness.** Colorado's economic competitors have been investing significantly in their infrastructure for years. Colorado is woefully behind and our economy will soon feel the effects as company relocation and expansion decisions factor our neglected system. Bonding provides the infusion of dollars necessary to stay economically competitive.

Conclusion:

With interest rates likely to rise in the near term, and construction inflation growing, the best deal for Colorado to maximize our return on our transportation revenue – and tackle more and major projects – is to bond now.

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