



Colorado Transportation Finance Forum



Transportation Financing Opportunities  
Bonding & Leveraging New Revenue Streams

May 30, 2007

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**Overview**

- States face significant and immediate challenges with respect to transportation finance
  - Estimated \$222 billion needed annually simply to maintain our current surface transportation system\*
  - Another \$268 billion needed to advance the system to a level that enhances the nation's economic productivity\*\*
  - Annual investment in the system is about \$177 billion<sup>†</sup>
  - Average annual highway construction inflation 8%, outpacing both the CPI and PPI index each year since 2004<sup>‡</sup>
  - Borrowing rates near all-time lows
- Colorado has a projected transportation funding shortfall of \$163 billion
- If new revenue streams can be identified and implemented, Colorado could reduce its transportation funding shortfall immediately



\*Source: Transportation Infrastructure Finance and Investment Bank, 2006.

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**Leveraging new revenues provides many advantages**

- Accelerated project delivery
- Economic Benefits
- Air Quality
- Mitigate Exposure to Inflation
- Safety



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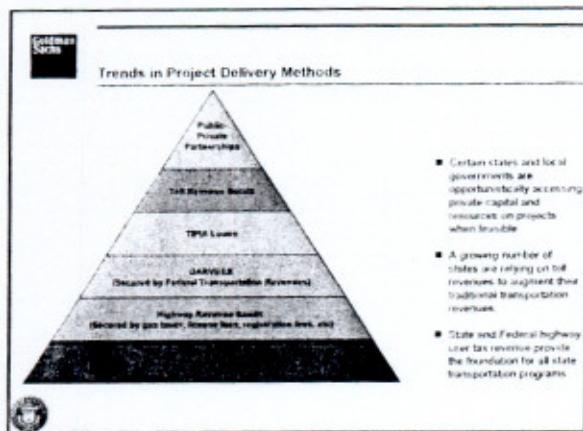
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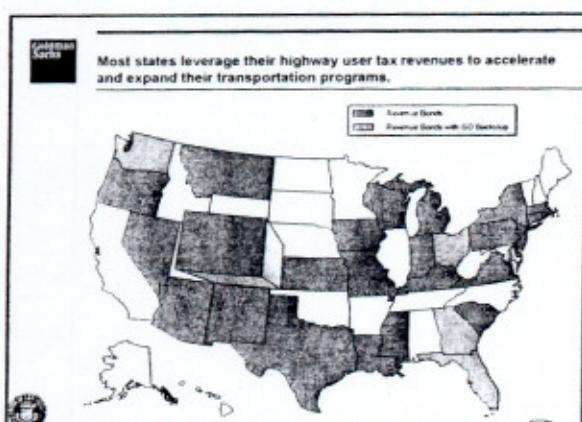
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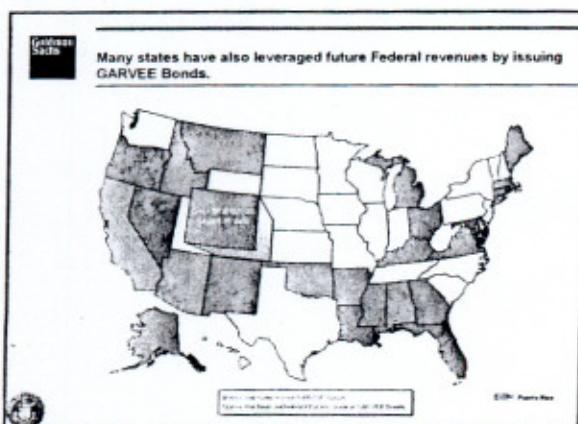
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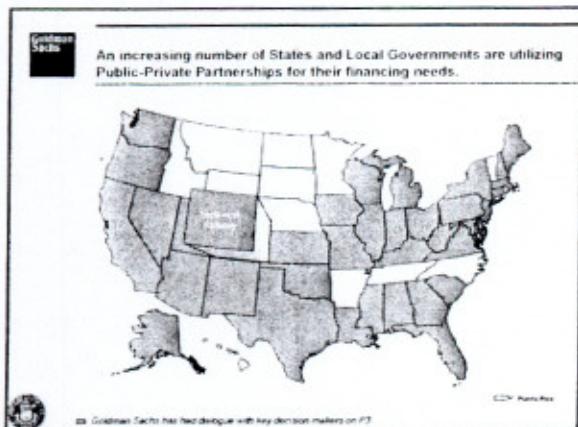
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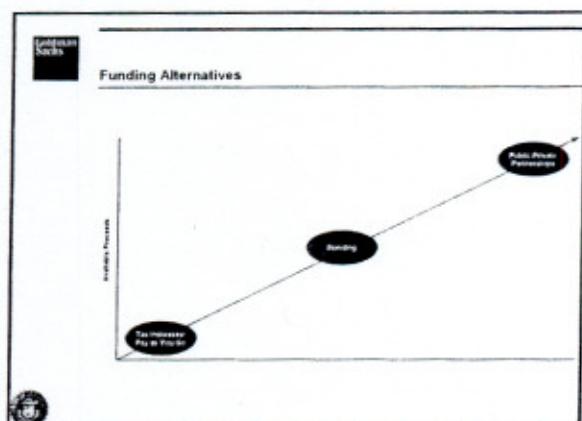
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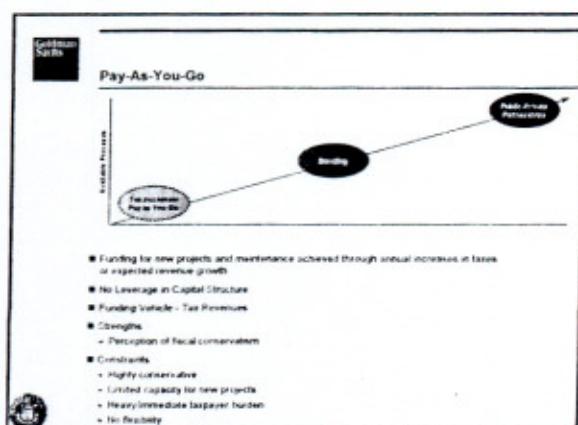
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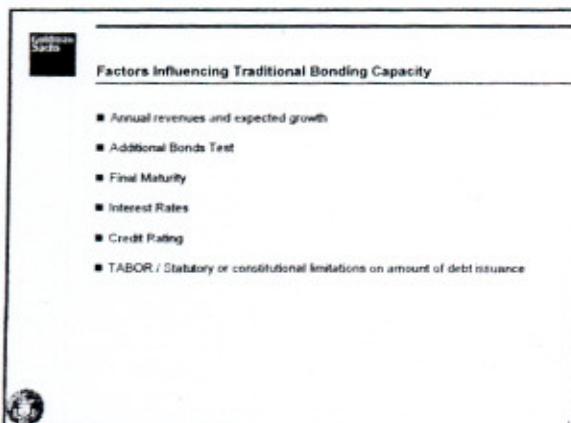
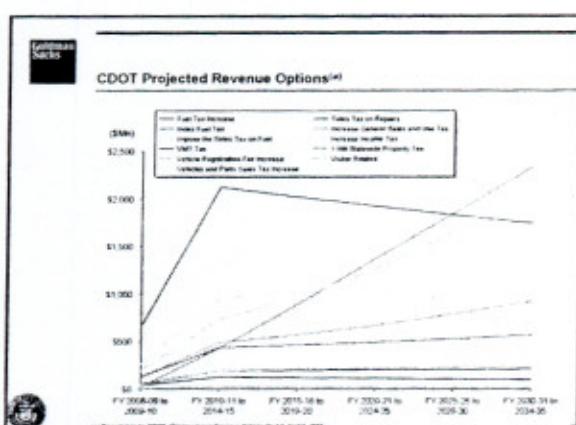
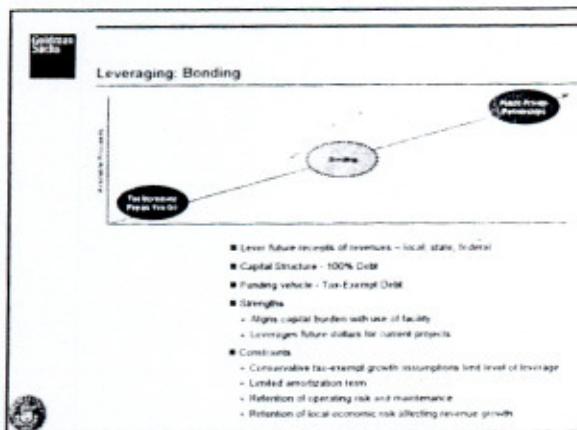
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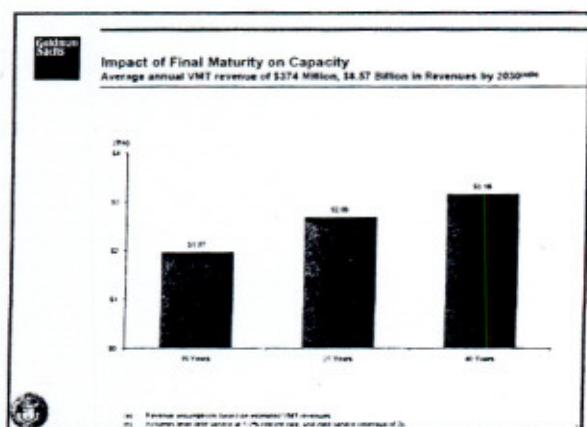
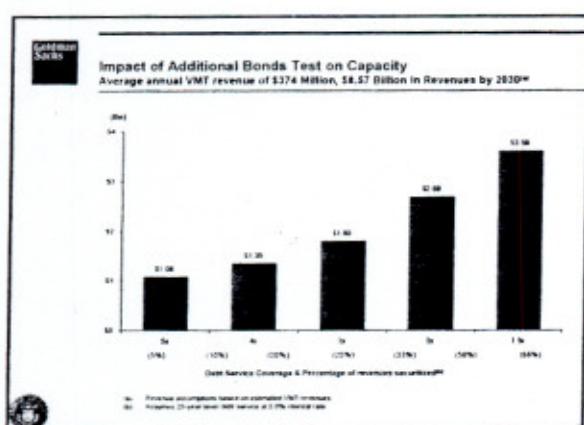
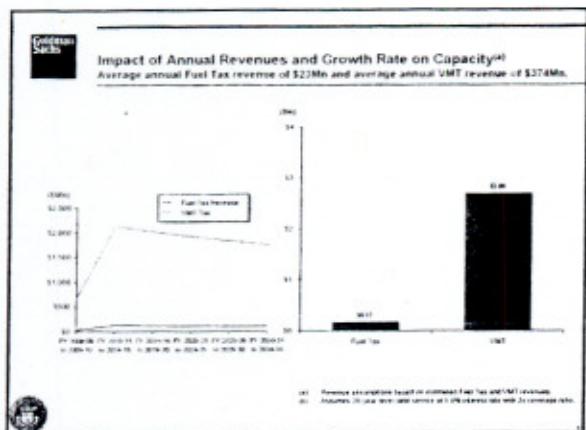
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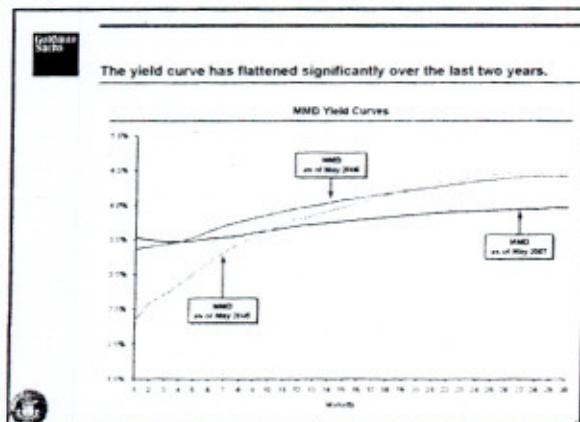
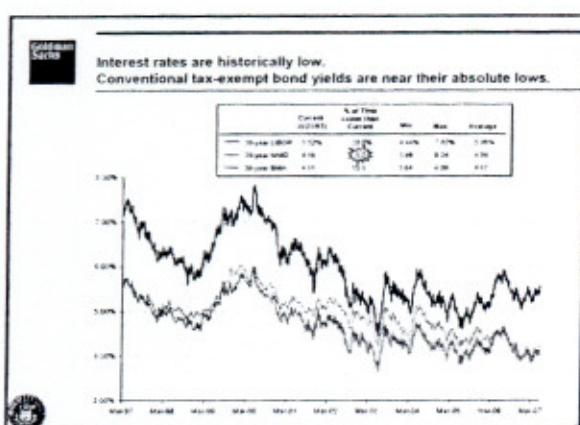
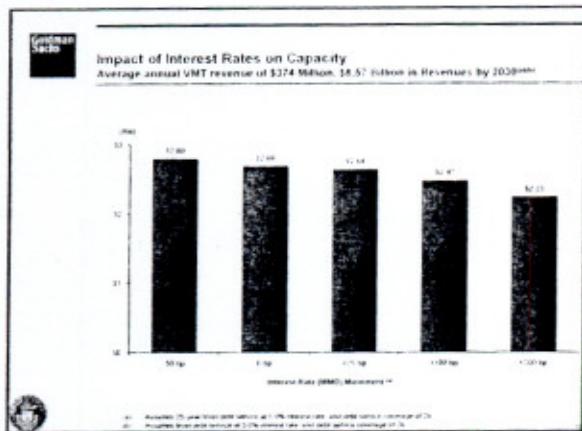
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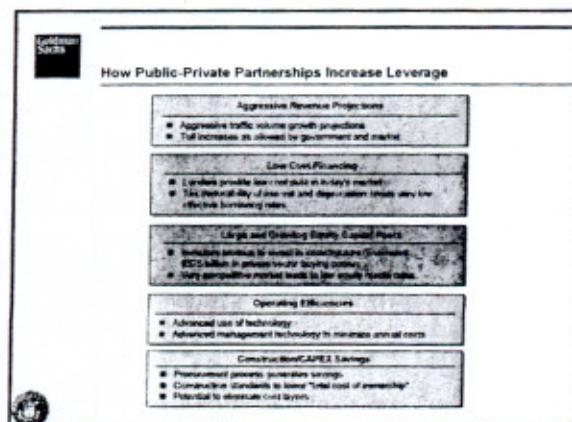
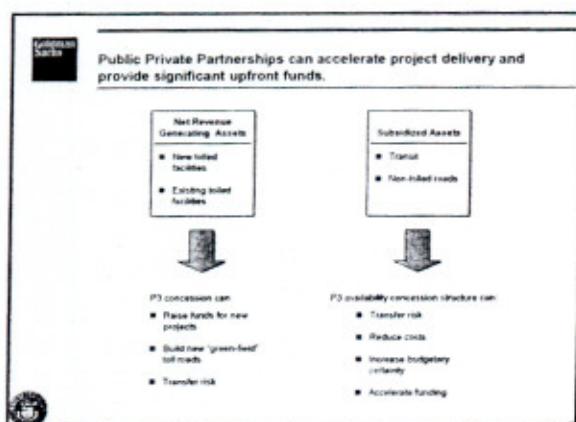
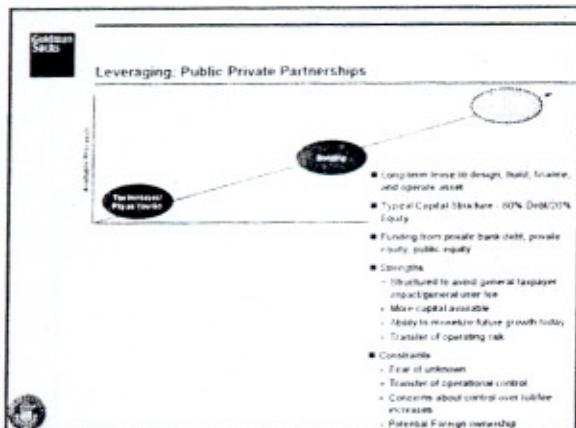
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**A Public Private Partnership can result in more funds today.**

- Municipal bond investors rely on historical revenues to determine bonding capacity
- Equity investors look for future returns based on growth
- Debt + Equity = Greater Proceeds

Municipal Bond Leverage		Concession Sale	
Net Toll Proceeds	Debt + Equity	Net Toll Proceeds	Debt + Equity
Today	40 yrs	Today	30 yrs

**Case Studies: Chicago Skyway & Indiana Toll Road**

**Overview of Chicago Skyway**

- Connects to Indiana East/West Toll Road and Dan Ryan Expressway
- Traffic flows have been affected by major restrictions due to capital works program from 2002
- Current tolls: \$2 per car, \$1.20 per truck axle - no change since 1983
- Sale Price: \$1.8 Billion

**Overview of Indiana Toll Road**

- Critical transportation link between major East Coast cities, the City of Chicago, and the western United States
- Approximately 157 miles in length
- Major capital improvements required to keep desired level of service
- Unchanged toll rates since 1986 - Among lowest in US
- The concession lease for \$3.85 billion is the largest North American public-private partnership to date

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