May 30, 2014

Commissioner Jack Hilbert, Chair
DRCOG Board of Directors
1290 Broadway
Suite 700
Denver, CO 80203-5606

Dear Chair Hilbert:

We are writing to request a commitment in the amount of $50 million in DRCOG federal funds for the I-70 East reconstruction project. After more than a decade of study, CDOT is pleased to be completing the final steps of the Environmental Impact Statement and identifying funding sources to begin construction in 2016. A $50 million commitment from DRCOG is requested to complete the funding package for the first phase of I-70 East.

CDOT understands that $50 million represents approximately 20% of DRCOG’s available pool of STP and CMAQ funds over the next four years of the TIP. We also recognize the significance of this request and the impact to your local jurisdictions. The Transportation Commission is reviewing funding for this project and recognizes that in order to reach the total needed, several sources must be utilized. DRCOG’s commitment of $50 million will be augmented by Bridge Enterprise and SB 288 funds as described below. A final funding package is subject to further review and approval by the Transportation Commission:

- Bridge Enterprise: The largest funding source comes from the Bridge Enterprise program. Approximately $850 million has been tentatively identified; equivalent to around 8 years of annual revenues from the Bridge Enterprise.
- DRCOG Funds: Because several elements of the project are not eligible for Bridge Enterprise funding, additional funding is needed to build critical infrastructure.
- SB 228: Under SB09-228, CDOT is projected to receive General Fund transfers beginning in FY2016. $275 million from SB228 has been tentatively identified. This assumes full use of the first year and half of projected revenues. Given that the SB 228 funding is subject to economic conditions, the Office of State Planning and Budgeting has advised CDOT to budget no more than this amount to critical projects at this time.

Funding from DRCOG is critical for this funding package. In the absence of this contribution, CDOT has no viable source of funds without further material impacts on state-wide pools for safety and maintenance improvements. As we have already heard strong concern from around the state about the impact of I-70 East to statewide funding; we believe any additional appropriation of statewide funds would be untenable.
The viaduct phase of I-70 East alone is one of the largest projects in CDOT history. Today’s new era of limited funding requires that we seek innovative funding approaches and partnerships with local governments; particularly for large projects. We recognize and appreciate that DRCOG has long been committed to improvements on I-70 East and we hope you will continue your commitment to the corridor with the requested financial contribution.

Sincerely

Don Hunt
Executive Director

Douglas Aden
Chair, Transportation Commission

cc: Jennifer Schaufele
Douglas Rex