

Baptist Road Rural Transportation Authority Special Meeting, June 29

BRRTA asks CDOT for reimbursement schedule

By Jim Kendrick and Lisa Hatfield

During a special meeting of the Baptist Road Rural Transportation Authority (BRRTA) board that was held on June 29 at the Colorado Department of Transportation (CDOT) offices in Denver, BRRTA representatives asked CDOT representatives to provide a more definitive state reimbursement schedule for the \$16 million that BRRTA paid for the expansion construction of the state's I-25 Baptist Road interchange (Exit 158.)

CDOT Executive Director Shailen Bhatt was appointed by Gov. John Hickenlooper in January 2015 (www.codot.gov/about/executive-director.) Bhatt noted that the 2008 intergovernmental agreement (IGA) between the state and BRRTA contains no timetable or deadlines, nor even a statement of a legal obligation for the state to repay BRRTA taxpayers for any of the \$21.5 million in privately owned 20-year revenue bonds that BRRTA issued in late 2008 to finance this interchange expansion construction. The IGA only states that the state will make reimbursement payments to BRRTA when road construction funding becomes available. Bhatt said BRRTA reimbursement is currently difficult due to an \$800 million shortfall in annual state highway funding, and there was no agreement that either the total amount of promised reimbursement or the total construction cost was \$16 million.

However, Bhatt also stated that the state has an obligation to try to reimburse BRRTA as shown by the state's previous single reimbursement payment of \$3 million to BRRTA from unused state road construction funds that

were left over in 2012. (ocn.me/v12n12.htm#brta)

The costs for resolving all construction-related contingencies, which the state would have borne as a cost of construction if CDOT had actually constructed the bridge itself, were added to the basic total Lawrence contract cost for a total construction cost of about \$16 million, which the state then formally agreed to reimburse to BRRTA through signing of the IGA.

After the interchange expansion was completed by Lawrence, BRRTA, and El Paso County, in the spring of 2010, it was formally approved by CDOT as meeting state standards. BRRTA and the county then transferred ownership of the interchange to the state. (ocn.me/v10n2.htm#brta)

No state reimbursements will be made to BRRTA for any of the accrued interest or administrative costs for the \$21.5 million bond issue. (ocn.me/v11n1.htm#bot1220)

June 29 discussion

BRRTA was represented at this meeting by a board quorum consisting of Monument Mayor Rafael Dominguez, El Paso County Commissioner Dennis Hisey, and El Paso County Assessor Steve Schleiker. Dominguez and Hisey are also on the board of the Pikes Peak Area Council of Governments (PPACG), which helps set highway funding priorities in CDOT Region 2. (www.codot.gov/projects/southeastern-projects)

The other two BRRTA board members, Monument Mayor Pro Tem Jeff Kaiser (chair) and El Paso County Commissioner Darryl Glenn, did not attend this meeting.

On June 29, CDOT Executive Director Bhatt was briefed by CDOT Region 2 Transportation Director Karen Rowe, appointed on Aug. 1, 2014, regarding BRRTA's request to formalize a repayment schedule for the remaining construction costs for the I-25 Exit 158/ Baptist Road improvements agreed to in a 2008 IGA. (www.codot.gov/about/regions.html)

Rowe said that in 2008 "CDOT committed to paying BRRTA back for that but the IGA had no specified timeframe or specific commitment to do the payback. So far we've paid back \$3 million." Rowe added that the PPACG had recently approved a request for metro funds in the amount of \$1.083 million and that BRRTA officials were "seeking some sort of assurance that BRRTA would get paid back in a reasonable time frame" so that BRRTA would know what revenue to expect for planning purposes.

Rowe stated that the IGA estimated that the total cost was \$16 million, but asserted that CDOT had now

determined that the actual construction cost was \$13.36 million.

Dominguez said the actual construction amount was \$16 million to \$18 million and BRRTA is concerned that with competing current projects, this IGA "will be forgotten."

Elaine Johnsen, funding optimization manager for El Paso County Budget Administration, is now the primary BRRTA administrator. Johnsen said that the current BRRTA principal balance was \$15.1 million. However, Hisey said that this amount did not consist only of construction costs due to creation of some collateralized funding.

Hisey said he had never heard a number as low as \$13 million for the total interchange construction cost and that it must be "written down somewhere." Hisey said that BRRTA was looking for "some sort of a plan to know what we can count on. The \$3 million reimbursement was an end of the year thing," because another state project came in under budget and funds were available at the end of that year.

Bhatt agreed with Dominguez and Hisey that CDOT had made an agreement but the BRRTA request regarding "the outstanding balance" needed to go before the state Transportation Commission, which formulates policy with respect to management, construction, and maintenance of public highways and other transportation systems and adopts CDOT's budget and programs. He added that CDOT had already paid back \$3 million, which shows that CDOT has thought that "this is a legitimate bill that had to be paid." However, it will never be a good time for paying back the remainder, given current requirements that exceed available funding. Small payments over several years seem most likely and this "is a valid outstanding payment we need to make."

The state Transportation Commission is made up of 11 commissioners who represent specific districts. Each commissioner is appointed by the governor, confirmed by the Senate, and serves a four-year term. Region 9 includes the counties of El Paso, Fremont, Park, and Teller. As of June 29, Region 9 Commissioner Les Gruen's replacement had not yet been appointed by Gov. Hickenlooper.

Bhatt reiterated that CDOT has an \$800 million shortfall in the transportation budget for needed projects, but if BRRTA were just asking for a schedule of payments in the future and not an entire payment in one or two years, he would make a recommendation on BRRTA's behalf to the Transportation Commission. He also encouraged BRRTA representatives to speak during the public discussion section of a future Transportation Commission meeting, but suggested that they wait a few months for the new transportation commissioners to "get their sea legs under them before we present this to them."

Bhatt said, "One, it's the right thing to do, which makes it pretty easy, and, two, we recognize that you guys stepped up and helped us get something done and we certainly don't want to send the message that you guys did that and now we're just going to pocket the money. It's not a good message to send to everyone else who we might want to partner with."

Rowe said once the Responsible Acceleration of Maintenance and Partnerships projects were out to bid and funded, the commissioners would know what contingency funds remain and might be available to help with the BRRTA balance. Hisey added that the days of low cost bids were over and every local government "is scrambling for money due to similar road construction cost constraints." (www.codot.gov/programs/RAMP)

Note: For more BRRTA background information, open the OCN home page at ocn.me and type or copy/paste "Baptist Road Rural Transportation Authority" with the quotation marks, as shown here, in the search box at the top center of the page, then click on the "All words" radio button just below this box, then click on the search button and 119 or more OCN BRRTA-related links dating back to August 2001 will be available.

The next regular BRRTA meeting will be held at 2:30 p.m. on Aug. 14. The location of this meeting has not yet been determined. Meetings are normally held on the second Friday of the second month of the quarter. Information: 884-8017 or 520-5547.

Jim Kendrick can be contacted at jimkendrick@ocn.me.

Lisa Hatfield can be contacted at lisahatfield@ocn.me.

Licensed Professional Counselor
Tricare Provider

Form wonderful relationships with your children

Help them get off to a great start for the new school year

Learn problem-solving techniques to improve all your relationships

(719) 330-4256



Sandra S. Vergez,
MA, NCC, LPC

**Helping
Couples, Families,
individuals.**

ssv4therapy@aol.com

Continue the Excellence Beasley - Hawkins - Jadomski - Pfoff

for Lewis-Palmer School District Board of Education

Academic Achievement

- Accredited with Distinction every year by the state of Colorado
- 2015 Colorado State Teacher of the Year
- \$20 million in scholarships awarded in 2015
- 95% Graduation rate (#1 in state)
- Only District in the State - Advanced Placement National Honor Roll 4 yrs in a row
- Strong Community Partnerships

Fiscal Responsibility

- Balanced budget for 6 years
- No operational debt
- Strong reserves
- Multi-year financial planning process
- Financial transparency with all records online
- Nationally recognized financial audit

Paid for by Friends of D38