

# 20<sup>th</sup> ANNUAL 20<sup>th</sup> REPORT

*PERSEVERANCE AND CHANGE THROUGH PARTNERSHIP*





## E-470 ROUTE



## IMPACTING CHANGE THROUGH CONNECTION

While 2020 was a year like no other, the E-470 Public Highway Authority was unwavering in its focus on service, while continuing to provide an affordable and reliable transportation solution for Denver-metro residents through otherwise uncertain times. COVID-19 had an impact in all areas of our lives, with transportation being no exception. E-470 saw an unprecedented 36 percent year-over-year decrease in traffic for all vehicle types, but by year's end, traffic for three-axle vehicles was only down 14 percent compared to 2019. Despite the pandemic challenges, E-470 reduced three-axle ExpressToll rates in 2020, and froze the remaining ExpressToll rates for the third consecutive year, expanded strategic partnerships that supported our local communities and completed an eight-mile road-widening project.

The first segment of E-470 was opened in June 1991, and over the years E-470 has firmly established itself as a viable regional mobility solution for Colorado residents. Since the ground breaking nearly 30 years ago, E-470 has expanded to serve nearly three million Colorado residents annually and has led efforts in tolling transportation service throughout the nation. The 47-mile circumferential highway encompasses three counties and five municipalities, and partnership has always been at the core of E-470's success.

Through strong local and regional partnerships, a foundational commitment to the community and evolving technological improvements, the E-470 Public Highway Authority continues to provide exceptional service to its customers every day. E-470 delivers on its promise to improve the journey of customers through safety, service, stewardship and reliability.



# E-470 PUBLIC HIGHWAY AUTHORITY LEADERSHIP

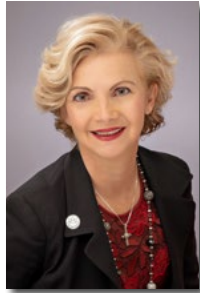
## BOARD OF DIRECTORS



**CHAZ TEDESCO**  
Chair  
Commissioner,  
Adams County



**JOHN DIAK**  
Vice Chair  
Council Member,  
Town of Parker



**FRANÇOISE BERGAN**  
Secretary  
Mayor Pro Tem,  
City of Aurora



**CRAIG HURST**  
Treasurer  
Council Member,  
Commerce City



**BILL HOLEN**  
Commissioner,  
Arapahoe County



**GEORGE TEAL**  
Commissioner,  
Douglas County



**MATT JOHNSTON**  
Mayor Pro Tem,  
City of Brighton

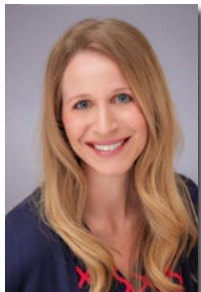


**JESSICA SANDGREN**  
Mayor Pro Tem,  
City of Thornton

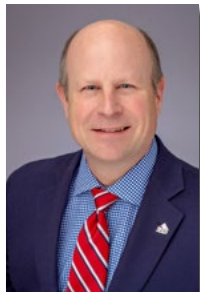
## E-470 EXECUTIVE LEADERSHIP



**TIM STEWART**  
Executive Director



**JESSICA CARSON**  
Director of Operations



**KEN SMITH**  
Director of Information  
Technology



**JASON MYERS**  
Director of Finance



**NEIL THOMSON**  
Director of  
Engineering and  
Roadway Maintenance

## EXCELLENCE IN TOLLING

E-470 has always put customer safety first. This pillar of the Authority's goals was recognized in 2020 by the International Bridge, Tunnel and Turnpike Association (IBTTA) with a Toll Excellence Award for its Proactive Traffic Management program and response during a life-threatening extreme weather incident.

In March 2019, Colorado residents experienced a rare bomb cyclone that impacted thousands of motorists, leaving hundreds stranded, with visibility reduced to less than a quarter mile and hurricane-strength winds clocking up to 80 miles per hour. E-470 remained open throughout this extreme weather event and gave safe shelter to stranded drivers. Utilizing a Proactive Traffic Management Program managed by E-470's Traffic Management Center, all teams were in constant communication with real-time updates. Roadside Assistance staff worked hand-in-hand with maintenance staff and law enforcement to address incidents and requests for service that were coming in at an overwhelming rate, all while enduring white-out winter conditions with more than 13 inches of snowfall in less than 24 hours.

E-470 is committed to ensuring safety for Colorado drivers and is a leader in technological innovation in rapid response. The E-470 Traffic Management Center is internationally recognized as being at the forefront of traffic management.





# DELIVERING ON PROMISE

## TOLL RATE FREEZE

Originally voted on in 2017 and unanimously reaffirmed in late 2019, the E-470 Board of Directors approved a three-year ExpressToll rate freeze that remained in effect through 2020. The Board also voted to implement a two-year pilot program to reduce ExpressToll rates for three-plus axle motorists by five percent with further toll rate reductions during specific day-time hours. The rate adjustments are a reflection of E-470's solid financial foundation that allows the Authority to honor its commitments to the public and improve the customer experience, all while remaining fiscally responsible.

Despite facing unprecedented challenges and reduced toll traffic in 2020 as a result of a global pandemic, the Authority delivered on their promises, and rates were not increased at any point throughout the year. In May 2020 the E-470 Board of Directors also voted to freeze toll rates again in 2021 for both ExpressToll and License Plate Toll customers. Handling more than 58 million transactions in 2020, E-470 is dedicated to providing top-notch service for every driver in every financial circumstance and continues to be a quality provider of transportation solutions.

## PREPASS

E-470 was one of the first all-electronic tolling facilities in the nation, and that innovative focus continued in 2020. Commercial customers experienced a new benefit as a result of the Authority's technology-forward implementation and its on-going priority to responsibly and strategically invest in partnerships that better serve customers. The PrePass Plus service was the result of a long-standing relationship between E-470 and the Colorado Motor Carriers Association (CMCA) and a new partnership with the PrePass Safety Alliance. PrePass is the only service that combines weigh station bypassing and electronic toll payment services with a single transponder. The technology integrated seamlessly into the E-470 back office and eliminates the need for receipt collections and streamlines the management of numerous accounts. In addition to the benefits of this hassle-free toll management system, carriers are provided access to discounted electronic toll fees and automated invoicing.



## ROAD WIDENING PROJECT

Major construction of the Road Widening Project from Quincy Ave. to I-70 was substantially completed as 2020 drew to a close. Despite the pandemic and related impacts, the project remained both on-schedule and on-budget. The \$99 million project was funded entirely by E-470, with no local, state or federal funds, and without increasing toll rates. The project construction areas stretched along eight miles of E-470, adding a third lane in each direction, expanding bridge structures, adding new on-off ramps, installing traffic signals, improving drainage, paving new asphalt, extending the High Plains Trail and adding a wildlife fence. A continuation of the first phase of widening between Parker Rd. and Quincy Ave. completed in 2017, this project helps ensure a safe and reliable commute for customers, improving mobility and accommodating projected growth to maintain a free-flow of traffic in the coming years. The next planned phase for road widening extends from I-70 to 104th Ave., with construction scheduled to begin in 2022.

The Road Widening Project is another example of improvement that was the result of strategic partnerships with numerous entities including:

- SEMA Construction and Kraemer North America
- Felsburg Holt & Ullevig
- Alfred Benesch & Company
- Arapahoe County
- Arapahoe Parks and Recreation District
- City of Aurora
- Colorado Department of Transportation
- East Metro Trails Working Group
- SARIA
- SEMSWA
- Union Pacific Railroad

Completion of this major project during a unique year reaffirms the commitment of the Authority to making ongoing investments that maintain E-470's position as Colorado's premier transportation option.

# MASTER PLAN EVOLUTION

In December 2017, the first version of the E-470 Master Plan was completed, with formal adoption in 2018. Through collaboration and communication with E-470's eight member jurisdictions, the plan was updated in 2020.

The original Master Plan was organized around four study efforts including:

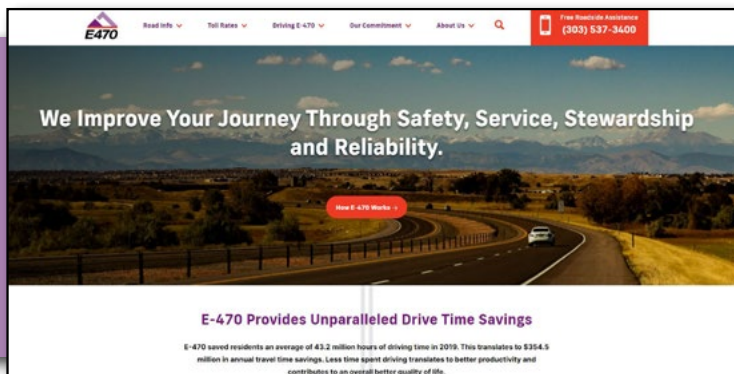
- Long range planning horizon
- Close coordination with local and regional transportation planning
- Focus on individual interchanges
- Combines roadway and other asset investments

The purpose of the Master Plan is to guide and inform major planning decisions. This helps drive financial and operational decisions in a dynamic and ever-evolving climate by placing the highest level of value on accurate and comprehensive reporting.

In 2020, the Authority recognized the opportunity to revise and expand upon the original Master Plan to aid in the identification, prioritization and guidance of capital rehabilitation and expansion prospects. The 2020 Master Plan included updated data and information that reflected current conditions and that incorporated changed circumstances in the following areas:

- Traffic volumes
- Growth and development in the corridor
- Local agency transportation planning
- Evolving transportation technology

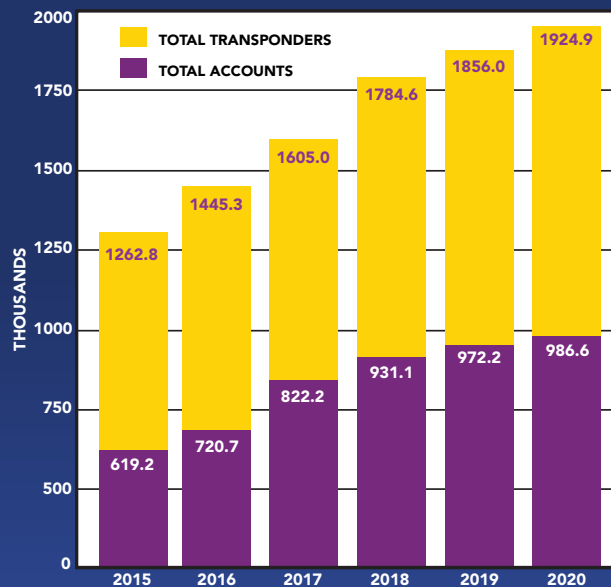
The 2020 Master Plan includes \$1.6 billion in fully-funded E-470 system and local jurisdiction projects. This plan exemplifies the success of a nearly 30-year operation that has provided reliable and consistent service to its customers since its inception. The Master Plan was updated from the 2018 initial plan, and will continue to serve as a guide to inform budget decisions, identify potential new interchanges and outline the opportunity for safety improvements and future expansions.



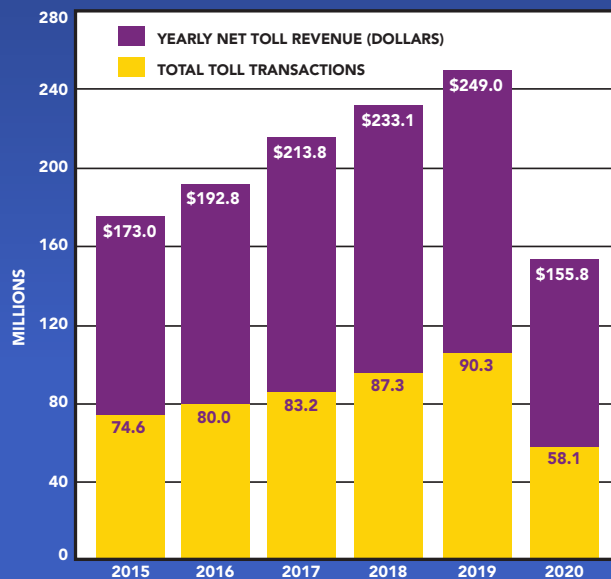
## NEW E-470.COM

E-470 launched a new and improved website in November 2020 that features an upgraded toll rate calculator, an extensive FAQ section and an historical timeline that takes users through the milestone accomplishments of the Authority over the last three decades. The website features an all new, interactive design that keeps the public informed and up to speed on the latest in E-470 news, improvements, rates and more.

## EXPRESSTOLL ACCOUNTS AND TRANSPONDERS



## E-470 YEARLY TOLL REVENUE AND TRANSACTIONS



## 2020 FINANCIAL OVERVIEW

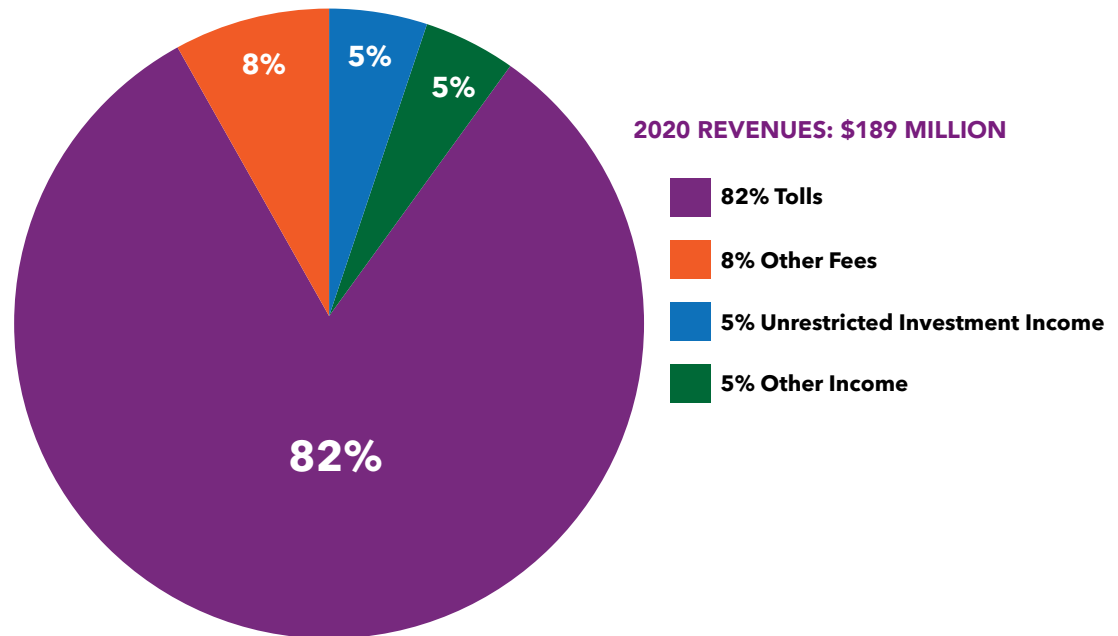
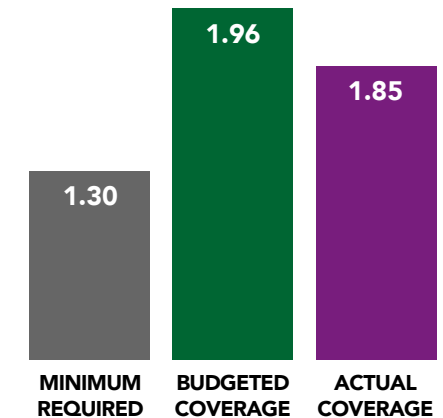
### 2020 OPERATING REVENUES

	2020 BUDGET	2020 ACTUAL
Tolls	\$ 254,954,000	\$ 155,797,851
Other fees	10,400,000	14,036,226
Unrestricted Investment Income	8,500,000	10,186,844
Other Income	11,066,000	9,009,727
<b>TOTAL</b>	<b>\$284,920,000</b>	<b>\$189,030,648</b>

### 2020 OPERATING BUDGET

	2020 BUDGET	2020 ACTUAL
Operating Revenues	284,920,000	189,030,648
Operating Expenses	(62,706,700)	(50,579,618)
<b>Net Income Available for Senior Debt Service</b>	<b>222,213,300</b>	<b>138,451,030</b>
<b>Aggregate Senior Bonds Debt Service, Net</b>	<b>113,211,000</b>	<b>74,811,507</b>
<b>Senior Bonds Debt Service Coverage Ratio</b>	<b>1.96</b>	<b>1.85</b>

### 2020 DEBT SERVICE COVERAGE



As reported in the audited financial statements issued by the Authority on April 21, 2021.

# 2020 FINANCIAL STATEMENTS

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	As of December 31, 2020
<b>Operating revenues</b>	
Tolls	\$ 155,797,851
Other fees	14,036,226
Tolling services	6,721,602
Total operating revenues	176,555,679
<b>Operating expenses</b>	
Toll road operations	43,080,038
Salaries and benefits	8,375,712
General and administrative	3,334,731
Total operating expenses before depreciation	54,790,481
Depreciation	42,018,206
Total operating expenses	96,808,687
Operating income	79,746,992
<b>Nonoperating revenues (expenses)</b>	
Investment income	10,873,905
Change in fair value of derivative instruments and investments	(9,117,479)
Interest expenses	(88,903,625)
Intergovernmental revenue	2,915,064
Other income	1,128,745
Total nonoperating expenses, net	(83,103,390)
Income before intergovernmental expense	(3,356,398)
Intergovernmental Expense	(544,752)
Change in net position	(3,901,150)
<b>Net position, beginning of year</b>	(255,572,393)
<b>Net position, end of year</b>	\$ (259,473,543)

## STATEMENT OF NET POSITION

	As of December 31, 2020
<b>Assets</b>	
Current unrestricted assets	\$ 219,194,320
Current restricted assets	52,905,615
Capital assets (net of accumulated depreciation)	607,430,765
Other noncurrent assets	280,761,400
Total assets	1,160,292,100
Deferred outflows of resources	54,099,716
Total assets and deferred outflows of resources	1,214,391,816
<b>Liabilities</b>	
Other current liabilities	55,414,718
Current bonds payable	82,495,000
Other noncurrent liabilities	62,210,814
Noncurrent bonds payable	1,270,727,143
Total liabilities	1,470,847,675
Deferred inflows of resources	3,017,684
<b>Net Position</b>	
Net investment in capital assets	70,882,052
Restricted for debt service	0
Unrestricted	(330,355,595)
Total net position	(259,473,543)
Total liabilities and deferred inflows of resources and net position	\$ 1,214,391,816



## 2020 FINANCIAL HIGHLIGHTS

### SELF-SUSTAINING OPERATION

E-470 is and has always been self-funded and financed, and does not use any local, state or federal funding. It is a financially stable roadway that is actively paying down its debts and expanding services to meet the continually growing demand of the communities it serves. During 2020 with the pandemic raging and significant decrease to overall traffic, management analyzed and remained proactive throughout the entire year to successfully manage its operations, budgets, capital projects, financial position, liquidity and key financial metrics, including debt service coverage. This included cutting the operating and capital budgets, finishing the year \$12 million under the operating budget and \$23 million under the capital budget. No critical areas related to roadway safety and maintenance or capital projects already underway were delayed or removed, and the Authority has no significant deferred maintenance.

### DEBT MANAGEMENT PLAN

Ensuring excellent short- and long-term financial health remains a priority for E-470, and 2020 was no exception to the financial accomplishments of the Authority over the past several years. Through on-going collaboration and oversight, E-470 has achieved remarkable financial stability. In turn, cost savings are consistently and reliably passed on to customers through toll rate freezes, toll rate reductions, operational improvements and maximum delivery of service.

In May 2020, the Board of Directors approved an updated debt management plan that aims to constrain volatility in borrowing rates while achieving the lowest overall cost of capital. This plan maintains the financial-based objectives to preserve the quality of the Authority bond ratings; maximize positive financial results by reducing the cost of borrowing; and utilize financial tools to achieve flexibility with a target of keeping the cost to E-470 customers as low as possible.

### BOND DEAL AND RATINGS

In June 2020, the Authority announced the closing of a major debt restructuring on approximately \$252 million of callable bonds, taking advantage of low rates in the bond market and meeting a long-standing goal to lower and level future debt. The Authority retired \$50 million of debt early from cash reserves and successfully sold \$167 million of fixed-rate Senior Revenue Bonds with tremendous investor interest and bids to purchase the new bonds. The bond transaction drastically reshaped the future debt service structure, realizing approximately \$80 million in savings at present value and reducing future debt service by a present value of \$130 million in total. The Authority also was able to maintain its "A" bond rating from S&P and Moody's in light of the pandemic and financial downturn during 2020. Into the future, the Authority, under its updated Debt Management Plan, will strive to continue to pay down debt early when possible and not issue new debt or extend past the current debt maturity date of September 2041. With these financial plans under way, the Authority will invest in future expansion, technology and infrastructure improvements, with no scheduled issuance of additional debt.

## 2020 ECONOMIC IMPACT STUDY

In 2020, E-470 commissioned an update to an economic impact study originally conducted in 2016 that highlights E-470's commitment to the economic growth of the Denver-metro region. E-470 provides enhanced mobility that is an integral part of the sustained economic health of the metro area. Major findings of the study reflect E-470's contributions to property valuation impacts, travel time savings, value of time and productivity gains and the reduction in the economic costs associated with accidents.

Between 2015 and 2020, the mobility created by E-470 influenced direct economic activity including:



An increase of 52,000 jobs, representing regional employment growth of 46%.



E-470 land use development contributing to total property valuations increasing by nearly \$46 billion over a four-year period.



Saving commuters 43.2 million hours of time representing a net value of time of more than \$354 million in 2019.



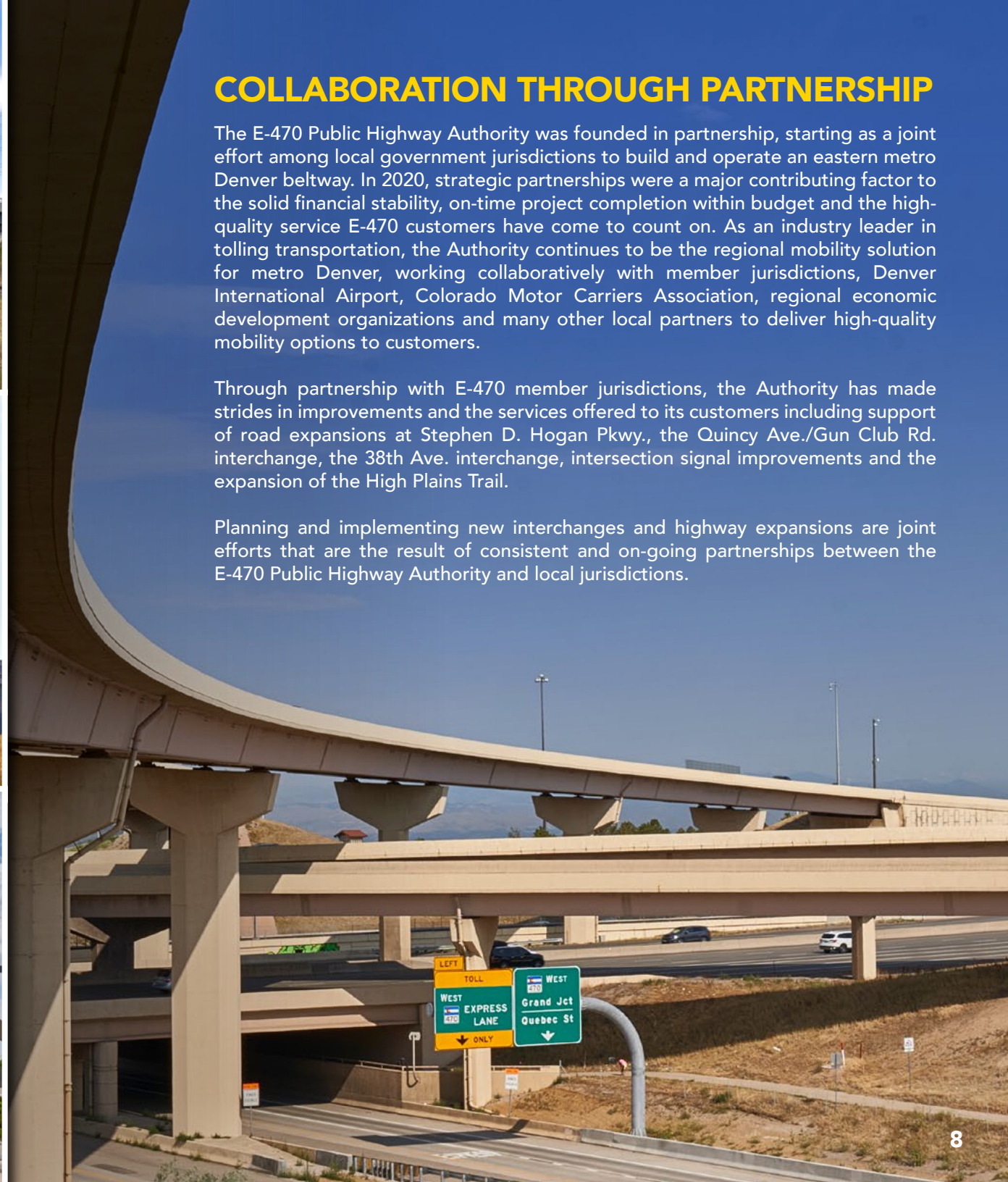


## COLLABORATION THROUGH PARTNERSHIP

The E-470 Public Highway Authority was founded in partnership, starting as a joint effort among local government jurisdictions to build and operate an eastern metro Denver beltway. In 2020, strategic partnerships were a major contributing factor to the solid financial stability, on-time project completion within budget and the high-quality service E-470 customers have come to count on. As an industry leader in tolling transportation, the Authority continues to be the regional mobility solution for metro Denver, working collaboratively with member jurisdictions, Denver International Airport, Colorado Motor Carriers Association, regional economic development organizations and many other local partners to deliver high-quality mobility options to customers.

Through partnership with E-470 member jurisdictions, the Authority has made strides in improvements and the services offered to its customers including support of road expansions at Stephen D. Hogan Pkwy., the Quincy Ave./Gun Club Rd. interchange, the 38th Ave. interchange, intersection signal improvements and the expansion of the High Plains Trail.

Planning and implementing new interchanges and highway expansions are joint efforts that are the result of consistent and on-going partnerships between the E-470 Public Highway Authority and local jurisdictions.





## MULTI-MODAL IMPROVEMENTS

As part of E-470's Road Widening Project the Authority invested in a six-mile expansion to the High Plains Trail that runs along the west side of the highway. The extension continues the design of the first segment, which opened in 2018. The trail now runs from Ireland Way to Stephen D. Hogan Pkwy. The trail features a 10-foot-wide concrete path and serves as a north-south connection for residents in Arapahoe and neighboring counties. With the added miles, the trail is now a little over 10 miles long, and E-470 will continue expanding the trail through partnership with local communities as the widening projects progress north along the road.

Whether you're in a car, on foot, or rolling on two wheels, E-470 is committed to improving your journey and getting you to your destination safely. E-470's investment in green space and giving back to the community is exemplified through projects like the High Plains Trail.



## TRANSPORTATION SAFETY FOUNDATION

The E-470 Transportation Safety Foundation (TSF) operates exclusively to promote charitable giving, public safety, transportation safety and driver and community education. As a nonprofit corporation, the Foundation provides donations and grants in advocacy for transportation safety across Colorado. Grants are awarded based on the following criteria: teen driving education and seat belt safety; transportation safety for seniors and veterans; impaired driving prevention; and car seat safety programs. The TSF raises its own funds separately from E-470 toll revenue via fundraising efforts.

In 2020, nine grants were awarded, reaffirming the Authority's commitment to responsibly and strategically investing in the community. The 2020 TSF grant recipients were:

- Arapahoe County Early Childhood Council
- Aurora Fire Rescue
- The Castle Rock Senior Activity Center
- Children's Hospital Colorado Foundation
- Cultivate
- Save Our Youth
- South Metro Safety Foundation
- WeeCycle
- Weld County Youth Conservation Corps

The Foundation is creatively looking at ways to not only continue, but bolster grant and donation opportunities in 2021 to promote proactive conversations around transportation and public safety, and to work in tandem with nonprofits to continue this tradition of community through service.



## LOOKING TO THE FUTURE

E-470 is committed to being a leader in innovative transportation technology and in 2020, the Authority invested in a partnership to strategically expand and pursue next generation tolling technologies to serve customers. This advanced solution provides E-470 with revenue assurance now and in the future, through efficient system health monitoring, comprehensive performance reporting and auditability. Over the next several years, E-470 will implement a state-of-the-art system that will allow the Authority to grow and expand services to customers.

E-470's solar panel project was established in 2012 with the goal of eliminating the Authority's need for imported oil used in the conventional generation of electricity. With 22 solar arrays, spanning four buildings and 18 ramps along E-470, the solar energy produced cancels out approximately 2.5 million vehicle miles traveled annually. In addition to industry-leading solar technology, the Authority also has two ChargePoint "DC Fast Charge" electric vehicle (EV) charging units that are offered free of charge to the public at E-470's administrative headquarters building. No matter what type of car you're in, E-470 is committed to providing you with high-quality service.

By 2040, the Authority plans to invest an estimated \$538 million in renewal and replacement projects along the roadway, including lighting repairs and improvements, roadway infrastructure and support and software and hardware upgrades. The continued investment and innovated approach confirms E-470's position as an industry leader in transportation advancements.

## EXPRESSTOLL BY THE NUMBERS

**ExpressToll accounts opened in 2020:** 94,096

**Total active ExpressToll accounts in 2020:** 986,600

**Total outstanding ExpressToll transponders in 2020:** 1,924,861

**Total outstanding HOV transponders in 2020:** 236,553

**Inbound customer service calls in 2020:** 868,205

**Image transactions processed in 2020:** 49,775,496

## ANNUAL CUSTOMER SERVICE EXPERIENCE SURVEY

Each year, the E-470 Public Highway Authority surveys customers to identify improvement opportunities, to proactively assess industry and consumer trends, and to inform future investments, maintenance and expansions. More than 30,000 customers responded to E-470's 2020 Annual Customer Experience Survey.

The questions cover customer demographics, communication channels, payment methods, road conditions, technical topics and satisfaction with E-470 and ExpressToll.

### SURVEY HIGHLIGHTS

**ExpressToll service satisfaction rating:** 4.64 (out of a possible five)

**E-470 road conditions satisfaction rating:** 4.64 (out of a possible five)

**The most important item to E-470 customers:** E-470 is kept free of snow

**The #1 reason customers choose E-470:** E-470 saves time





*Public Highway Authority*

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