

Research Update:

E-470 Public Highway Authority, CO Senior Revenue Bond Ratings Raised To 'AA-' From A+' On Toll Transaction Growth

June 11, 2026

Overview

- S&P Global Ratings raised its long-term rating and underlying rating (SPUR) on **E-470 Public Highway Authority**, Colorado's senior revenue bonds outstanding to 'AA-' from 'A+'.
- At the same time, S&P Global Ratings assigned its 'AA-' rating to E-470's proposed senior revenue series 2026A-1, series 2026A-2, and series 2026B bonds.
- The outlook is stable.
- The upgrade reflects our view that E-470's toll transaction and revenue growth will be sustained due to ongoing development along the toll road and favorable population trends within the Denver metropolitan statistical area (MSA). We expect this will support healthy financial metrics, bolstered by a capable, forward-looking management team.

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Rationale

Security

The bonds are secured by a first lien on the trust estate. According to the amended and restated master bond resolution, pledged revenues consist of the net revenues from the toll road system, government loans, and interest earnings. Management covers the debt service on the revenue bonds from the trust estate after paying operating expenses and replenishing any shortfall in the related debt service reserve account. As of December 2025, E-470's total debt outstanding was approximately \$1.1 billion.

E-470 will use bond proceeds from the proposed series 2026 issuance, with approximately \$29 million in cash from the senior defeasance fund, to refund certain obligations for debt service savings without extending maturities.

Credit highlights

The rating reflects E-470's demonstrated resilience and creditworthiness throughout various economic cycles, with robust demand trends that we believe are sustainable and supportive of healthy financial metrics. We expect demand will grow as the Denver MSA expands, particularly along the northeastern segment of the road, although this may moderate going forward. Maturing toll road volumes indicate financial performance is sustainable due to a moderating debt burden, no additional debt plans to fund capital improvement projects, and liquidity and financial flexibility that we expect will remain robust. Recent toll transaction trends are meeting or exceeding forecasts, with 108 million toll transactions in 2025, up 6.7% from the year prior, and year-to-date transactions through March 2026 outperforming budget by 8.3%.

Key credit strengths, in our opinion, are E-470's:

- Favorable traffic trends, which we partially attribute to the growing service area economy and expect will continue;
- Management and governance, characterized by a conservative approach to financial and capital planning, a track record of meeting or surpassing most operational and financial goals, frequently updated detailed financial forecasts, and a highly experienced staff in regional tolling operations;
- Debt service coverage (DSC) and debt to EBIDA, which we expect it will maintain at healthy levels, at about 2x and about 5x, respectively; and
- Lack of additional borrowing needs and a relatively low debt profile.

However, these strengths, in our view, are somewhat offset by potentially slowing traffic growth rates due to the mature system and competition from free alternative routes near some of E-470's faster-growing segments.

Environmental, social, and governance

The authority's service area faces some water scarcity due to drought conditions and Colorado River's limited drinking water supply, which serves a growing population, and could temper development along the toll road's corridor. However, we believe the authority still benefits from social capital opportunities and favorable demographic trends that support economic growth within the Denver MSA, spur traffic demand for the system, and, in our opinion, support long-term creditworthiness.

Outlook

The stable outlook reflects our expectation that the authority will have generally favorable traffic demand, enabling it to maintain healthy financial metrics.

Downside scenario

We could lower the rating if the authority materially underperforms our traffic or revenue expectations on a sustained basis.

Upside scenario

Although unlikely during the two-year outlook period, we could raise the rating if traffic volumes improve significantly to levels commensurate with those of higher-rated peers.

Credit Opinion

Enterprise Risk Profile--Very Strong

E-470 is a 47-mile beltway that encircles the eastern perimeter of the Denver MSA. It extends from State Highway C-470 at Interstate 25 (I-25) in Douglas County, which is south of Denver, to I-25 at the north end of the MSA, south of 160th Avenue. Segment I opened in June 1991, and toll collection began on July 15, 1991. Portions of segments II and III opened in July 1998, and tolling started in October. The remaining portions of segments II and III were opened in May 1999 and connected the northern and southern operational portions. The final section of E-470, from U.S. 85 to I-25 north, opened on Jan. 3, 2003.

Robust economic growth driving toll transaction increases

We consider E-470 a mature facility with growing demand as the Denver MSA expands. It serves as a key access point for Denver International Airport and faces competition from free alternative routes. Between 2019 to 2025, toll transactions experienced a compounded annual growth rate of 3%. This was partly driven by the robust service area of the Denver MSA, which has a population of approximately 3 million and is growing materially along the toll road's northeastern corridor. In 2025, about 77% of transactions were captured through transponders while the remaining 23% were captured through license plate video tolling. Additionally, we anticipate that traffic trends will continue to reflect strong performance for passenger vehicles in the near term, which make up about 93% of transactions. Multi-axle vehicle traffic has grown materially in 2025, by 11%, but still reflects a smaller portion of the traffic profile.

Management insights: experienced management team adapts to system needs

We believe management has significant expertise and experience. It provides regular, high-quality disclosure and maintains a comprehensive long-term financial and capital forecast. The team has implemented various financial policies, including a DSC policy (2.0x on all annual debt service and 1.8x during economic downturns) and a requirement to maintain unrestricted reserves above \$200 million, among other policies related to the capital plan and debt issuance. In fiscal 2022, the board reduced toll rates and froze them for several fiscal years, which we view as credit neutral because of their internal financial objectives. We believe senior management will remain responsive to the system's needs.

Financial Risk Profile--Very Strong

Rising activity levels will sustain robust financial metrics

Based on our assessment of the authority's financial risk profile, we expect E-470 will maintain DSC (S&P Global Ratings-calculated) above 2x. As of first-quarter fiscal 2026, toll transactions account for 108.3% of the budget and toll revenues are 113% of the budget. Management does not anticipate implementing toll rate increases in the near term as the authority is exceeding the 2.0x DSC policy. An updated traffic and revenue study completed by CDM Smith projects approximately 4% growth in transactions through 2030, before lowering to a more modest 2.4% growth rate from 2030 to 2040. We believe the assumptions in the forecast are reasonable based on recent growth trends.

Manageable debt burden and ample liquidity remain steady

We believe E-470 has a low overall debt burden, which we expect it will maintain under its current capital plan. The five-year capital budget totals approximately \$700 million through 2030 and we expect it will be fully funded by available cash. The capital plan focuses on road-widening projects and upgrading and creating new interchanges. Based on E-470's liquidity and financial flexibility, we believe the potential use of cash to fund the capital improvement plan slightly offsets the audited unrestricted cash and investments balance at the end of fiscal 2025, equal to 1,692 days' cash on hand.

E-470 Public Highway Authority, Colorado--ratings score snapshot

Enterprise risk profile	2
Economic fundamentals	1
Industry risk	2
Market position	3
Management and governance	2
Financial risk profile	2
Financial performance	3
Debt and liabilities	1
Liquidity and financial flexibility	2

E-470 Public Highway Authority, Colorado--financial and operating data

	--Fiscal year ended Dec. 31--					Medians for 'AA' category toll roads
	2025	2024	2023	2022	2021	2024
Financial performance						
Total operating revenue (\$000s)	327,235	301,654	287,650	254,616	240,699	416,479
Plus: interest income (\$000s)	24,804	23,809	19,231	11,065	7,908	MNR
Less: total O&M expenses and like transfers out, if any, net of noncash expenses	107,191	87,474	75,615	65,506	56,470	169,267
Numerator for S&P Global Ratings' coverage calculation (\$000s)	244,848	237,989	231,266	200,175	192,137	MNR
Total debt service (\$000s)	105,902	105,838	101,383	98,165	98,602	142,877
S&P Global Ratings-calculated coverage (x)	2.31	2.25	2.28	2.04	1.95	2.27
Debt and liabilities						
Debt (\$000s)	1,151,644	1,192,202	1,234,079	1,265,968	1,293,051	2,111,394
EBIDA (\$000s)	220,044	214,180	212,035	189,110	184,229	MNR
Debt to EBIDA (x)	5.2	5.6	5.8	6.7	7.0	4.5
Liquidity and financial flexibility						
Unrestricted cash and investments (\$000s)	496,795	428,760	454,352	466,522	416,052	346,238
Unrestricted days' cash on hand	1,691.7	1,789.1	2,193.2	2,599.5	2,689.2	849
Available liquidity to debt (%)	43.1	36.0	36.8	36.9	32.2	19
Operating metrics - toll road						
Total toll revenue (\$000s)	294,257	270,033	259,872	231,325	218,544	MNR

E-470 Public Highway Authority, Colorado--financial and operating data

	--Fiscal year ended Dec. 31--					Medians for 'AA' category toll roads
	2025	2024	2023	2022	2021	2024
Toll transactions (000s)	107,971	101,210	95,532	86,184	76,190	118,025

O&M--Operations and maintenance. EBIDA = Total operating revenue - total O&M expenses excl. noncash expenses. MADS--Maximum annual debt service. S&P Global Ratings-calculated net revenue = (Total operating revenue + other recurring nonoperating revenue committed to debt service) - total O&M expenses excl. noncash expenses. Available liquidity = unrestricted cash and investments + total contingent liquidity resources - contingent liabilities. Examples of total contingent liquidity resources include working capital line of credit and other available cash reserves not already included in unrestricted cash and investments. See Global Not-For-Profit Transportation Infrastructure Enterprises: Methodologies And Assumptions criteria for more S&P Global Ratings definitions and calculations. P--Projected. N.A.--Not available. MNR--Median not reported.

Ratings List

New Issue Ratings

US\$112,904,272 E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2026A-2, dated: Date of Delivery, due: December 31, 2039

Long Term Rating AA-
/Stable

US\$118,075,000 E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2026B, dated: Date of Delivery, due: December 31, 2039

Long Term Rating AA-
/Stable

US\$30,375,000 E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2026A-1 (Current Interest Bonds), dated: Date of Delivery, due: December 1, 2031

Long Term Rating AA-
/Stable

Upgraded

	To	From
Transportation		
E-470 Public Highway Authority, CO Toll Facility Revenues 1st Lien and Motor Vehicle Registration or License Fees 2nd Lien	AA- /Stable	A+ /Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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