



Completing the Vision

**Regional Transportation District
(Phillip A. Washington and Team)**

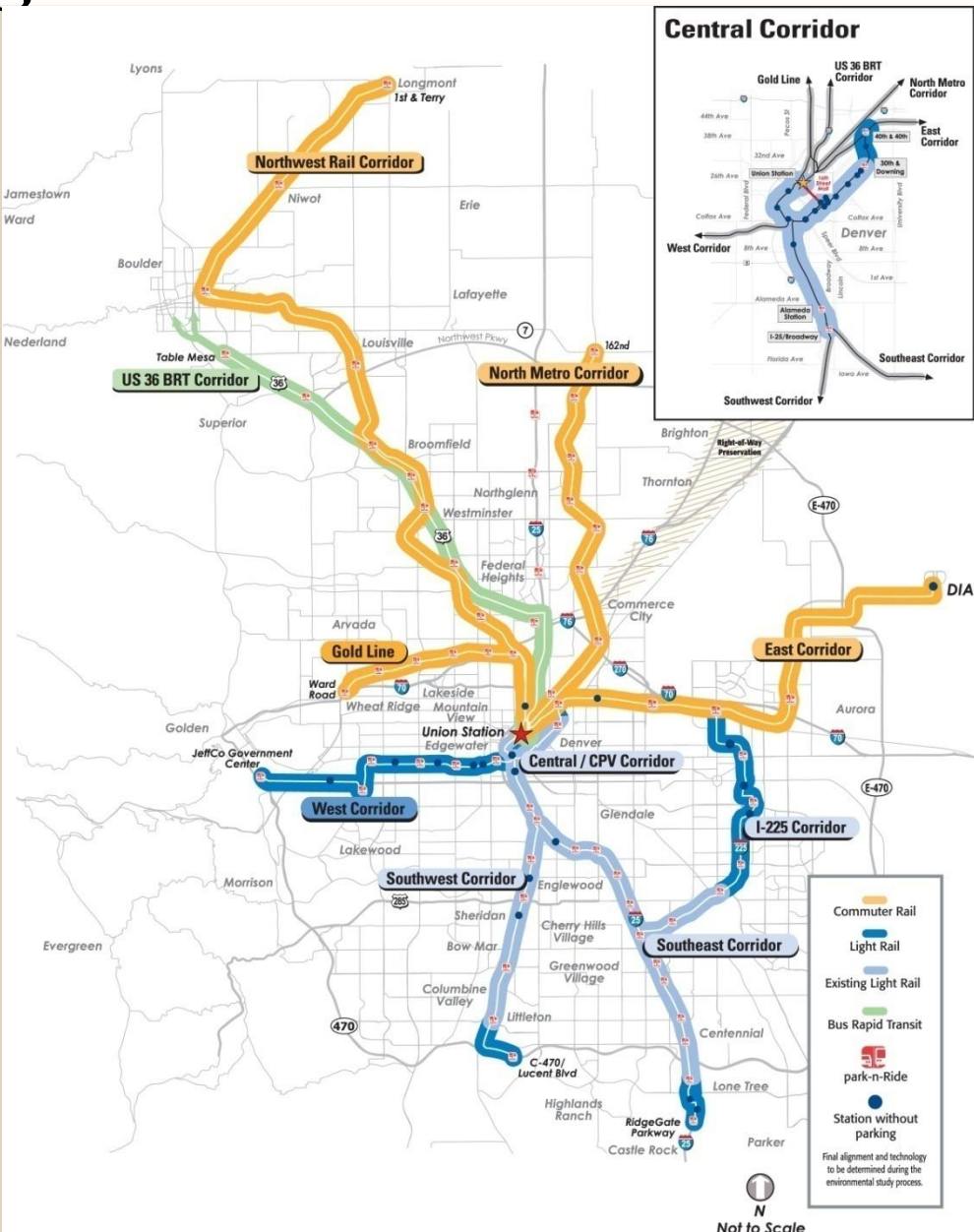
November 9, 2010

Agenda

- **Introduction & Objective of Presentation**
- **Accomplishments to Date**
- **2010 Eagle P3-RTD Board Related Leadership Actions**
- **Short Term Options to Continue the “Vision” (without additional funding)**
- **Construction Ready Taskforce (best technical options for remaining funds)**
- **Long Term Options to Complete the “Vision” (includes impact of various levels of tax increases)**
- **Stakeholder Input Plan of Action**
- **Key Milestones**
- **Q&A**

Our Vision: Complete Build Out of the FasTracks Program

- In 2004 RTD and regional stakeholders worked together to define the FasTracks Program: a regional vision for improving mobility throughout the district



Accomplishments to Date

- **48 miles of new rail lines are currently in construction or under contract to begin construction**
- **U.S. 36 BRT Corridor Phase I: First FasTracks project was completed in May 2010**
- **Eight projects under construction in next 18 months:**
 - West Corridor: more than 50% complete
 - Elati Light Rail Maintenance Facility: currently
 - Denver Union Station: currently
 - East Corridor (to DIA): currently
 - Commuter Rail Maintenance Facility: currently
 - Gold Line: 2011
 - Northwest Rail (to Westminster): 2011
 - US 36 BRT Phase 2 Projects (Managed lanes from Federal to Wadsworth, Table Mesa Pedestrian Bridge and Queue Jumps): 2011

Accomplishments to Date (cont.)

- **Environmental processes completed**
 - East Corridor
 - Gold Line
 - I-225 Corridor
 - US 36 BRT
 - Southwest/Southeast Corridor Extensions
 - Central Corridor Extension
 - Northwest Rail
- **Environmental process wrapping up on final corridor – North Metro**
- **RTD signed agreements with BNSF and UPRR for property acquisition, relocation, construction, and joint corridor operations**
- **Federal New Starts funding – \$308 million for West Corridor**

2010 Eagle P3 – RTD Board Related Leadership Actions

- **Approved 2010 Financial Plan**
- **Approved Eagle P3 IGA with CDOT**
- **Approved East Corridor IGAs with the City and County of Denver & DIA for coordination of local funding**
- **Series of Board Briefings (January to June 2010) leading up to Concessionaire selection**
- **BNSF & Union Pacific Agreements allowing Concessionaire to begin work on Eagle P3**
- **Approved selection of Eagle P3 Concessionaire Team, Denver Transit Partners**
- **DTP reaches financial close ahead of schedule**
- **Groundbreaking on East Corridor**

Completing the Vision

SHORT-TERM

- What funding remains to continue implementing the FasTracks program without additional revenues?
- What is the best use of remaining funds to continue moving the entire program forward?

LONG-TERM

- How do we find funding to complete the entire program?

***SHORT-TERM OPTIONS TO
CONTINUE THE “VISION”
(WITHOUT ADDITIONAL
FUNDING)***

Results of Financial Analysis – Short Term Funding Available

- **\$305M is available to fund additional FasTracks projects**
 - This is not “new” money – but funds that can be used to help reduce the current FasTracks budget gap
- **Challenges and constraints:**
 - Funds cannot be expended until RTD receives the final Full Funding Grant Agreement (FFGA) for the Eagle P3 project in the amount expected (Anticipated Spring 2011)
 - Need to balance upfront capital expenditures with need to fund operations and maintenance (O&M) over the long-term

Construction Ready Taskforce – Best Technical Options for Remaining Funds

- **RTD's Construction Ready Taskforce worked to answer the following question:**
 - How should RTD expend short-term funds to move as much of the FasTracks program into construction as soon as possible?
- **The Taskforce identified the best technical, engineering and financial approach to completing the program**

Construction Ready Taskforce – Basis for Evaluation

- **Four Main Goals:**
 - **Goal No. 1: Meet Team Mantra “Build as much as we can as fast as we can, until it is all done!”**
 - **Goal No. 2: Follow the FasTracks Guiding Principles**
 - Ensure every step contributes to the full vision
 - Focus money available to the greatest good
 - Spend public money wisely
 - Maximize outside funding before going to taxpayers
 - Deliver key investments in all corridors

Construction Ready Taskforce – Basis for Evaluation

- **Four Main Goals (cont.):**
 - **Goal No. 3: Meet Schedule Requirements**
 - Break ground on as many corridors that RTD can afford to operate as possible by early 2012
 - Prepare all corridors to move forward as soon as money is available (complete procurement documents)
 - **Goal No. 4: Build Operable Projects**

Construction Ready Taskforce – Basis for Evaluation

- **Evaluation Methodology**

- Defined potential phasing scenarios (per corridor)
- Assigned cost and schedule for potential phasing scenarios (per corridor)
- Considered three options

Construction Ready Taskforce – Options Considered

- **Option 1:**

Apply funding primarily to a single corridor

- **Option 2:**

Make minimum, but meaningful investment in each corridor

- **Option 3:**

Complete final design only on each corridor

NOTE: A combination of projects from any of these options may be included in the final staff recommendation

Construction Ready Taskforce – Option #1

- **Option 1:**

Apply funding primarily to a single corridor

- **Pros**

- *Identifies project phases that would result in revenue service on a corridor*
- *Directs funding to one or more corridors that could be completed in their entirety*
- *May be able to implement phases of other projects if funds not all used (Refer to other options)*

- **Cons**

- *Funding is not sufficient to build all projects*
- *In some cases, if all funds are directed to one project, there would be no funding left to contribute to any other FasTracks corridor*

Construction Ready Taskforce – Option #1



Corridor	Activities	Total Cost (\$YOE)	Schedule	
			Begin	Complete
I-225 Corridor	• Final Design and Construction of Segment from Nine Mile to City Center	\$222.0 million	2011	2014
Southwest Corridor Extension	• Final Design and Construction of Entire Corridor	\$150.0 million	2011	2014
Southeast Corridor Extension	• Final Design and Construction of Entire Corridor	\$150.0 million	2011	2014
Central Corridor Extension	• Final Design and Construction of Entire Corridor	\$55.0 million	2011	2014
North Metro Corridor	• Final Design and Construction of Segment from DUS to 72 nd Avenue	\$245.0 million	2011	2014
Northwest Rail Corridor	• Final Design and Construction of a Minimum Operable Segment (MOS) Past 72 nd Avenue	Costs exceed available funds*	TBD	TBD
US 36 BRT	• Fulfill commitment in FT Plan (Projects TBD)	\$168.2 million	TBD	TBD

*Segment 1 (to 72nd) is included in Eagle P3 project, any MOS past 72nd would cost more than \$305 million to construct

Construction Ready Taskforce – Option #2

- **Option 2:**

Make minimum, but meaningful investment in each corridor

- **Pros**

- *Identifies phases for near-term completion that also serve long-term need*
- *Extends rail service on 3 corridors, bus service on 2 corridors; relocates freight rail on 1 corridor; and completes final design on 1 corridor*
- *Blended list of projects to implement in the near term that advance the program towards completion*

- **Cons**

- *Does not provide or extend service on all corridors*
- *Needs are greater than the funds available*

Construction Ready Taskforce – Option #2



Corridor	Activities	Total Cost (\$YOE)	Schedule	
			Begin	Complete
I-225 Corridor	• ROW Procurement and Construction of Nine Mile to Iliff (Final Design Complete)	\$89.3 million	2011	2013
I-225 Corridor	• Design-Build Procurement Package for the Entire I-225 Corridor	\$1 million	2011	2012
Southwest Corridor Extension	• Final Design and Construction of UPRR Relocation	\$7.4 million	2011	2013
Southeast Corridor Extension	• Final Design and Construction of Lincoln to SkyRidge	\$79.2 million	2011	2015
Central Corridor Extension	• Final Design and Construction of Entire Corridor	\$55.0 million	2011	2016
North Metro Corridor	• Final Design of Entire Corridor	\$32.1 million	2011	2014
Northwest Rail Corridor	• Final Design, ROW Procurement and Construction of Longmont Station/p-n-R	\$32.4 million	2011	2015
Northwest Rail Corridor	• Final Design of Stations, Grade Crossings and Traffic Improvements	\$15.2 million	2012	2013
US 36 BRT	• Close Funding Gap for Managed Lanes to Wadsworth (\$15M) • Local Match for DRCOG TIP Application to Extend Managed Lanes from Wadsworth to 96 th (\$5M)	\$20.0 million	2011	2015
TOTAL =		\$331.6 million		

Construction Ready Taskforce – Option #3

- **Option 3:**

Complete Final Design only on each corridor

- **Pros**

- *All corridors fully ready for construction when funding is identified*
- *Unused funds would be available for potential construction (Refer to other options)*

- **Cons**

- *Does not provide or extend service on any corridor*
- *If funding is not readily obtained, plans may become obsolete*
- *No additional construction would be initiated except for US 36 BRT*

Construction Ready Taskforce – Option #3



Corridor	Activities	Total Cost (\$YOE)	Schedule	
			Begin	Complete
I-225 Corridor	• Final Design of Entire Corridor	\$20.5 million	2012	2014
Southwest Corridor Extension	• Final Design of Entire Corridor	\$6.25 million	2011	2011
Southeast Corridor Extension	• Final Design of Entire Corridor	\$6.25 million	2011	2012
Central Corridor Extension	• Final Design of Entire Corridor	\$7.5 million	2011	2013
North Metro Corridor	• Final Design of Entire Corridor	\$32.1 million	2012	2014
Northwest Rail Corridor	• Final Design of Stations, Grade Crossings and Traffic Improvements	\$15.2 million	2012	2013
US 36 BRT	• Close funding gap for managed lanes to Wadsworth (\$15M) • Local Match for DRCOG TIP Application to Extend Managed Lanes from Wadsworth to 96 th (\$5M)	\$20.0 million	2011	2015
	TOTAL =	\$107.8 million*		

*\$197.2 million remains available for additional projects

LONG-TERM OPTIONS TO COMPLETE THE VISION

Potential Funding Solutions for the FasTracks Program

- **RTD is evaluating the following potential additional funding sources to complete the FasTracks program include:**
 - Additional grant funding [e.g., New Starts, Transportation Investments Generating Economic Recovery (TIGER) funds, etc.]
 - Flexible loan programs [e.g., Transportation Infrastructure Finance and Innovation Act (TIFIA)]
 - Partnership with CDOT
 - Future taxing initiatives

Federal Funding

Accomplishments to Date:

- \$308 million federal New Starts funding for West Corridor
- Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing Program (RRIF) loans for Denver Union Station – \$300 million
- American Recovery and Reinvestment Act (ARRA) – \$28.8 million for FasTracks and \$18.6 million for Denver Union Station
- Transportation Investments Generating Economic Recovery (TIGER) – \$10 million and eligible for \$50 million TIFIA loan for US 36

Pending:

- \$1 billion federal New Starts funding anticipated for the Eagle Project (Spring 2011)

Grant Funding – Future Possibilities

New Starts/Small Starts

- RTD facilitated a regional working group to respond to FTA's request for feedback on New Starts evaluation criteria
- Once the FFGA for the Eagle Project is received, and the New Starts evaluation criteria are revised, RTD will determine which corridor(s) would be most competitive for future federal funding

Other Grants

- RTD is anticipating continued opportunities for funding through grant programs such as TIGER, FASTER, TIGGER, Livability, etc.

TIFIA – Eagle P3 Project

- RTD is one of only four agencies across the country invited to submit a TIFIA application
- TIFIA loan is an alternative way of financing a portion of the Eagle P3 project
- TIFIA provides flexible financing that could free up cash for other projects and allow them to be implemented sooner
- TIFIA will provide a much more efficient and lower cost debt instrument than is available in the capital markets

Continued Partnership with CDOT

- **RTD continues to partner with CDOT to identify innovative funding opportunities for US 36, I-225 and Denver Union Station, including**
 - Committed \$30M to support CDOT's TIFIA-funded project to build the managed lanes to Wadsworth
 - Supported RRIF and TIFIA loans for Denver Union Station
 - Jointly submitted a TIGER application for the first segment of I-225 (unsuccessful)
- **RTD will also work closely with CDOT to identify future funding opportunities**
 - RTD would consider partnering with CDOT if they pursue a future state-wide transportation initiative

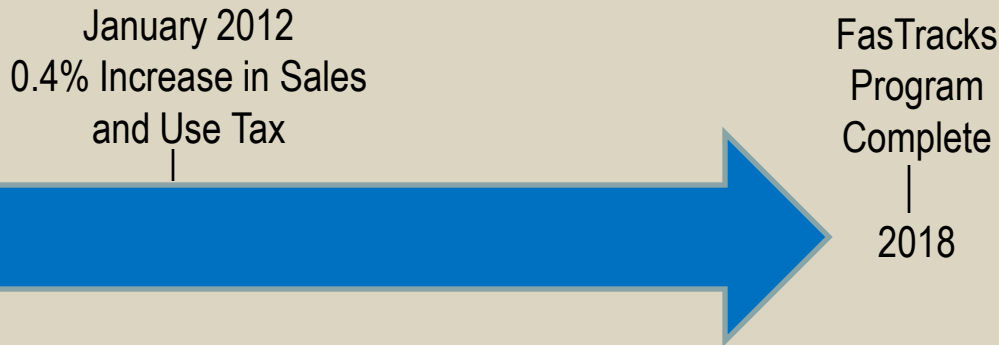
Potential Sales and Use Tax Increase

- **The current RTD Board-adopted FasTracks financial plan assumes a 0.4% sales and use tax increase available in 2013, allowing the full program to be built out by 2019**
 - If no additional funds are identified, the full program can be completed by 2042
- **RTD received a request to evaluate the impact of various levels of sales and use tax increases on full completion of the program**
- **In response to this request, RTD has analyzed sales and use tax scenarios assuming RTD receives an additional 0.4%, 0.3%, 0.2% or 0.1% available in January 2012**

Sales and Use Tax Election Scenarios

- **For each of these scenarios (0.4%, 0.3%, 0.2%, 0.1%) RTD answered the following questions:**
 - When could significant components of the FasTracks program be completed?
 - When would the full FasTracks program be completed?
- **High-level analysis was used to determine the percentage of the remaining program that could be built out by 2020, and the timeframe for completion of the entire program**
- **Changes in sales and use tax collections could impact these results**

With a 0.4% Sales and Use Tax Increase



- **Assuming no decrease in projected sales and use tax collections, the entire program could be built out by 2018**

0.4% Sales and Use Tax Increase: Pros and Cons

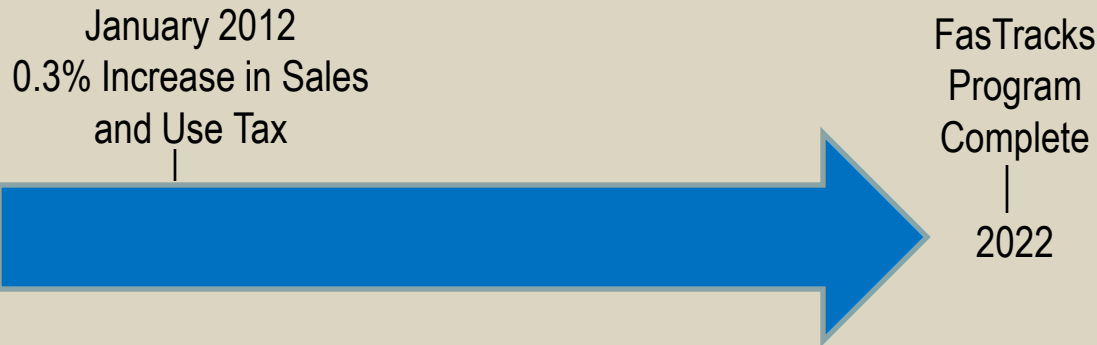
0.4% Increase - Pros

- Would allow RTD to build out the entire program by 2018
- Would allow RTD to take advantage of favorable bidding environment
- Would allow RTD to move more of the program into construction in the shorter term
- Overall program could be completed 23 years sooner than without any additional funding

0.4% Increase - Cons

- Local business communities less likely to support an election at this tax increase level

With a 0.3% Sales and Use Tax Increase



- **Assuming no decrease in projected sales and use tax collections:**
 - 75% of the remaining program could be completed by 2020
 - The entire program could be built out by 2022
- **\$750 million of additional capital funding would have to be secured by 2015 to complete the entire program by 2020**

0.3% Sales and Use Tax Increase: Pros and Cons

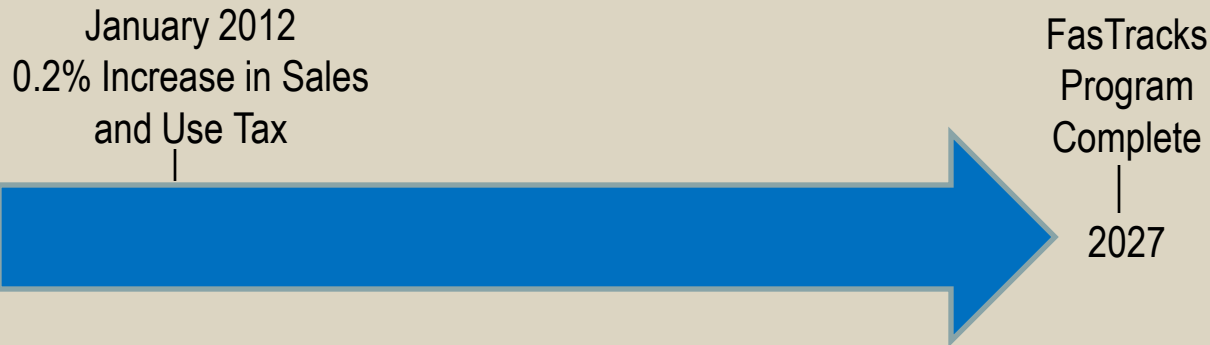
0.3% Increase - Pros

- Would allow RTD to build out the entire program by 2022
- Would allow RTD to take advantage of favorable bidding environment
- Would allow RTD to move more of the program into construction in the shorter term
- Overall program could be completed 20 years sooner than with no additional funding

0.3% Increase - Cons

- Local business communities less likely to support an election at this tax increase level
- Does not complete the entire FasTracks program until 2022

With a 0.2% Sales and Use Tax Increase



- **Assuming no decrease in projected sales and use tax collections:**
 - 65% of the remaining program could be completed by 2020
 - The entire program could be built out by 2027
- **\$1 billion of additional capital funding would have to be secured by 2015 to complete the entire program by 2020**

0.2% Sales and Use Tax Increase: Pros and Cons

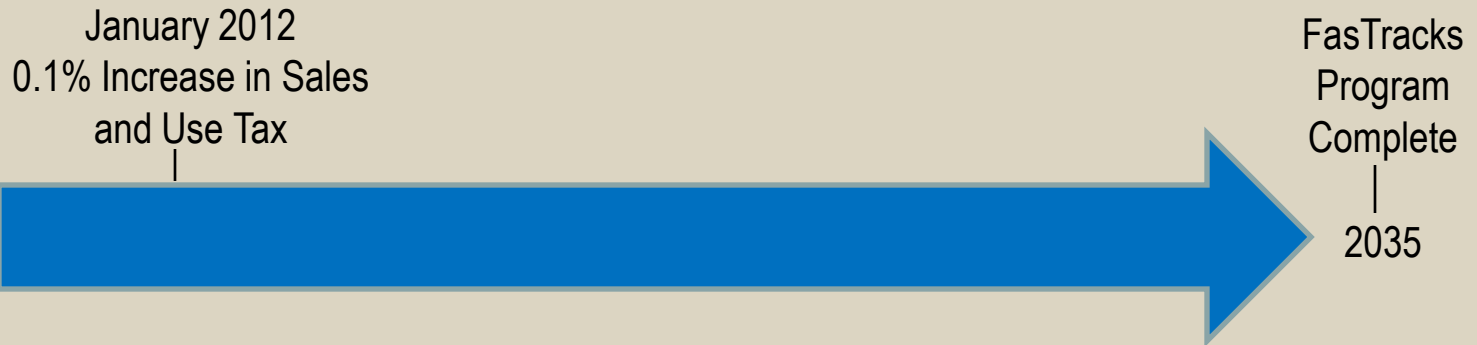
0.2% Increase - Pros

- Would allow RTD to take advantage of favorable bidding environment
- Would allow RTD to move more of the program into construction in the shorter term
- Overall program could be completed 15 years sooner than with no additional funding

0.2% Increase - Cons

- Local business communities less likely to support an election at this tax increase level
- Does not complete the entire FasTracks program until 2027
- Would require RTD to identify which projects would be completed in the shorter term

With a 0.1% Sales and Use Tax Increase



- **Assuming no decrease in projected sales and use tax collections:**
 - 35% of the remaining program could be completed by 2020
 - The entire program could be built out by 2035
- **\$2.1 billion of additional capital funding would have to be secured by 2015 to complete the entire program by 2020**

0.1% Sales and Use Tax Increase: Pros and Cons

0.1% Increase - Pros	0.1% Increase - Cons
<ul style="list-style-type: none">• Local business communities may be more likely to support an election at this tax increase level• Would allow RTD to take advantage of favorable bidding environment• Would allow RTD to move more of the program into construction in the shorter term• Overall program could be completed 7 years sooner than with no additional funding	<ul style="list-style-type: none">• Does not complete the entire FasTracks program until 2035, without additional funding• Would require RTD to identify which projects would be completed in the shorter term

Sales and Use Tax Increase: Summary

- Assuming no decrease in projected sales and use tax collections:

Scenario	Completed by 2020	Full Program Completed
0.4%	• Full FasTracks program	2018
0.3%	• 75% of the Remaining Program	2022
0.2%	• 65% of the Remaining Program	2027
0.1%	• 35% of the Remaining Program	2035

Stakeholder Input Plan of Action

- **Seeking input from key, regional stakeholders between November 9 and December 17, including:**
 - **November 10, 2010:** Presentation included on website, public can begin making comments; Presentation to Metro Mayors Caucus FasTracks Taskforce
 - **November 17, 2010:** Citizens Advisory Committee
 - **November 18, 2010:** Local Governments Meeting
 - **TBD:** Coalition for Smart Transit
 - **Meetings with Regional Stakeholder Groups:** On-Going
 - **Other Meetings:** As Requested
 - **December 7, 2010:** Summary of feedback received to date; opportunity for Board discussion (no decision required)
- **Stakeholder outreach process to be completed by December 17, 2010**

Questions for Our Stakeholders

- **What components of the three options outlined through the Construction Ready Plan do you favor?**
- **Which of the potential tax scenarios do you support most?**
- **With all of the potential tax scenarios, some projects can be completed sooner than others. Which projects do you think RTD should focus on completing next?**
- **When do you think RTD should pursue a potential tax increase for FasTracks?**
- **How likely are you to support that potential tax increase?**
- **What are the obstacles to a potential tax increase and what do you think can be done to overcome those obstacles?**

Key Upcoming Milestones

- **November – December 2010**: RTD to obtain stakeholder input on what activities to pursue with remaining funds
- **December 7, 2010**: Summary of input received to date; opportunity for Board discussion (no decision required)
- **December 17, 2010**: Stakeholder input process completed
- **January 2011**: Provide final stakeholder input to RTD Board – provide staff recommendation for 2011 APE
- **February 2011**: RTD Board approval of 2011 APE

Questions?