



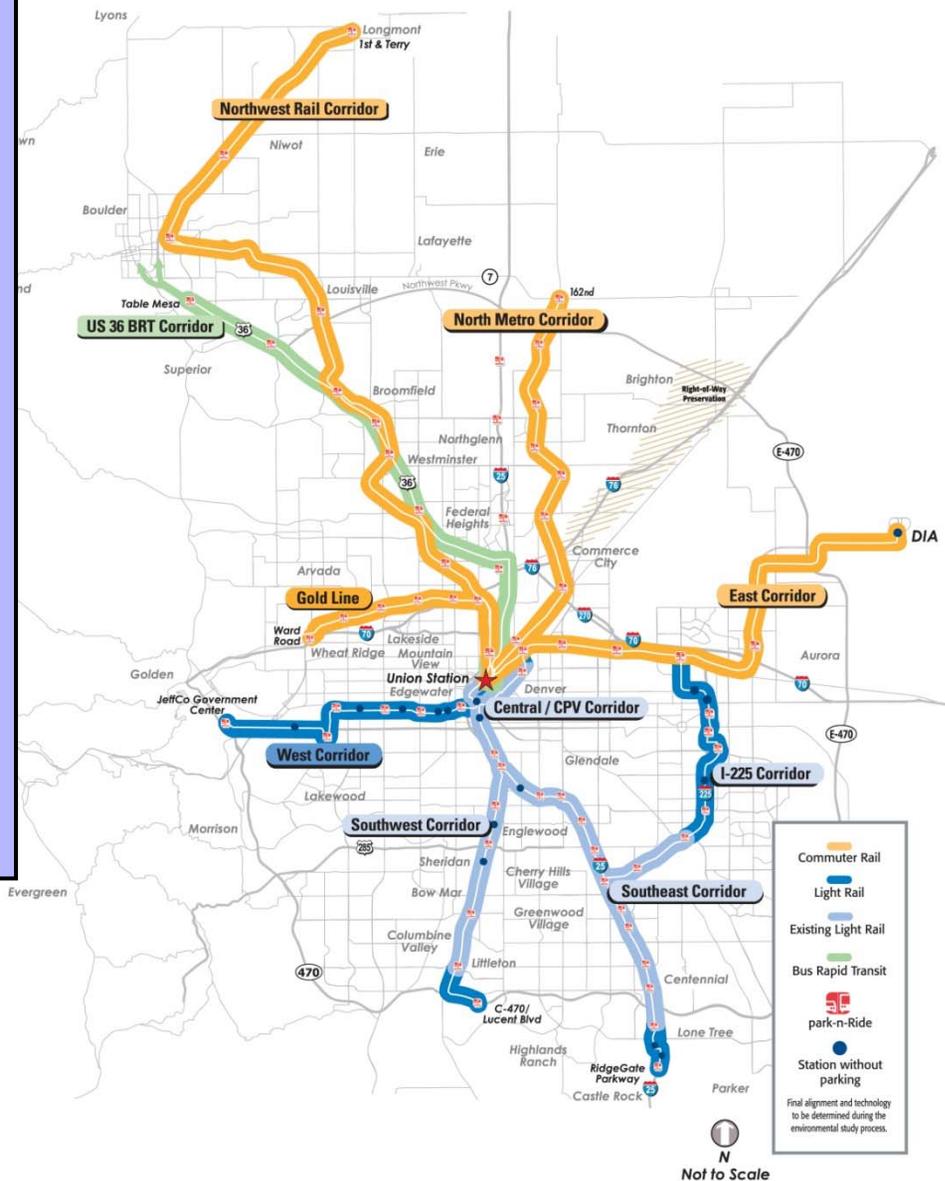
## **Cherry Hills Village City Council**

**RTD Director Kent Bagley**

Feb. 1, 2011

# The RTD FasTracks Plan

- 122 miles of new light rail and commuter rail
- 18 miles of Bus Rapid Transit (BRT) service
- 31 new park-n-Rides; over 21,000 new spaces
- Enhanced Bus Network & Transit Hubs (FastConnects)
- Redevelopment of Denver Union Station



# 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 will be under construction this year:**
  - **Elati Light Rail Maintenance Facility:** Complete in 2011
  - **West Corridor:** 72% complete
  - **Denver Union Station:** 30% complete
  - **East Corridor (to DIA):** Broke ground in August 2010
  - **Commuter Rail Maintenance Facility:** Groundbreaking in 2011
  - **Gold Line:** Groundbreaking in 2011
  - **Northwest Rail (to Westminster):** Groundbreaking in 2011
  - **US 36 BRT Phase 2 Projects (Table Mesa Pedestrian Bridge and Queue Jumps):** Groundbreaking in 2011

# Accomplishments to Date (cont.)

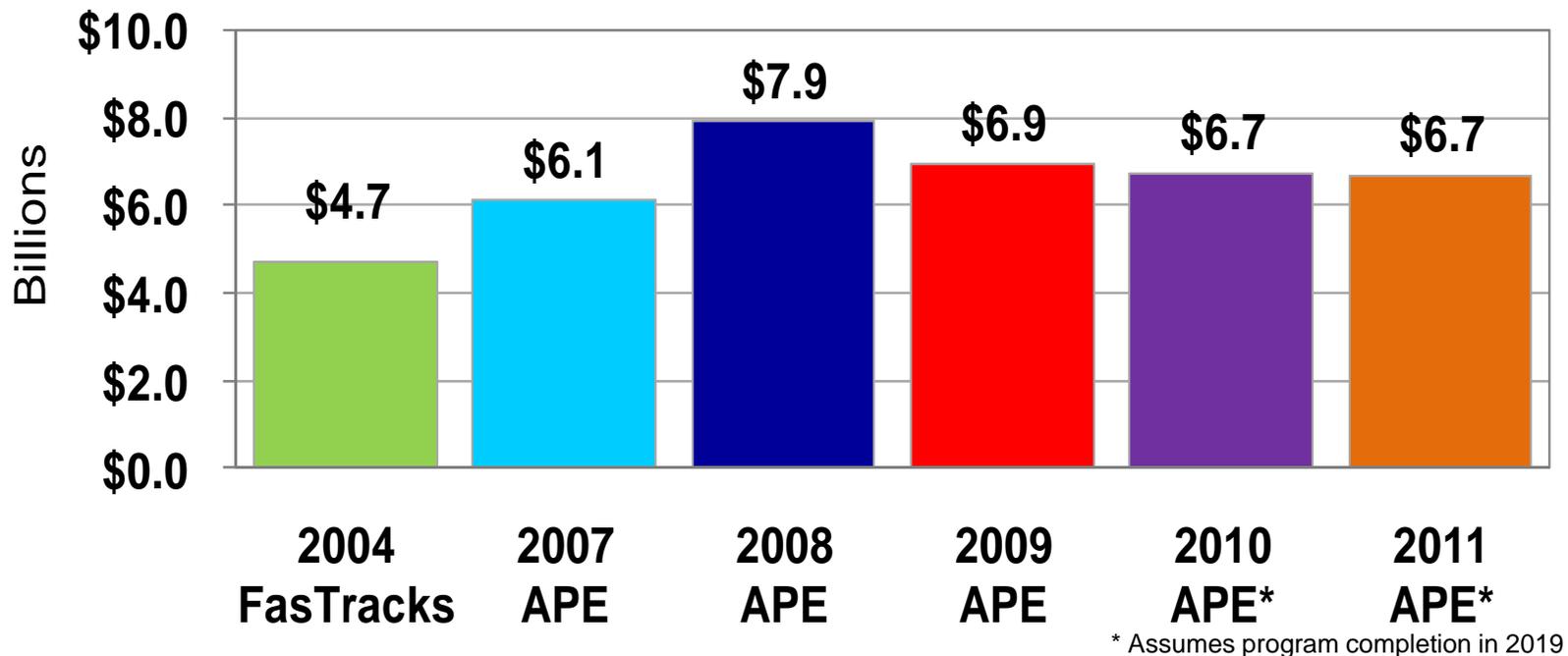
- **Environmental processes complete**
  - East Corridor
  - Gold Line
  - I-225 Corridor
  - US 36 BRT
  - Southwest Corridor Extension
  - Southeast Corridor Extension
  - Central Corridor Extension
  - Northwest Rail
- **Environmental process wrapping up on final corridor – North Metro**
- **RTD signed agreements with BNSF and UPRR**
- **\$308 M federal New Starts funding for West Corridor**
- **Federal loans for Denver Union Station**
  - RRIF loan - \$155 M
  - TIFIA loan - \$146 M
- **Submitted all information required by FTA to apply for \$1.03 B federal grant for the Eagle Project**

# Results of the 2011 Annual Program Evaluation

# Overview of 2011 Annual Program Evaluation (APE)

- **RTD updated all inputs into RTD's financial plan, including capital cost, operations and maintenance (O&M) costs, sales and use tax forecasts, construction inflation assumptions, etc.**
- **As in previous years, RTD sought help and advice from industry experts and regional partners**
  - Construction Inflation Workshop held on November 23, 2010
  - Regional Sales and Use Tax Working group held on October 26, 2010
- **RTD staff identified three implementation packages for RTD Board consideration that provide alternative approaches for the future implementation of the FasTracks program**

# FasTracks Program Capital Cost Summary (YOE)



- Assuming full program completion by 2019 – capital costs remain constant at \$6.7 B**
  - Due to cost escalation, capital costs for the program will change if the date of full program completion is extended

# Increased Certainty of FasTracks Capital Costs Estimates

- **RTD is confident in our estimates for the cost of the FasTracks program due to:**
  - 5 out of 12 FasTracks projects already under contract, with fixed budgets negotiated with contractors
  - Most complex transit procurement in the country (Eagle Project) came in \$305 M below internal cost estimates
  - West Corridor is being completed on time and within budget
  - Engineering advanced to at least 30%, and “bottoms up” estimates complete for all corridors
  - Railroad ROW agreements with UPRR and BNSF complete
    - Operations agreement with BNSF still pending for Northwest Rail Corridor
  - RTD uses conservative cost estimates and inflation rates
  - All remaining corridors are "Construction Ready," which lessens cost uncertainty

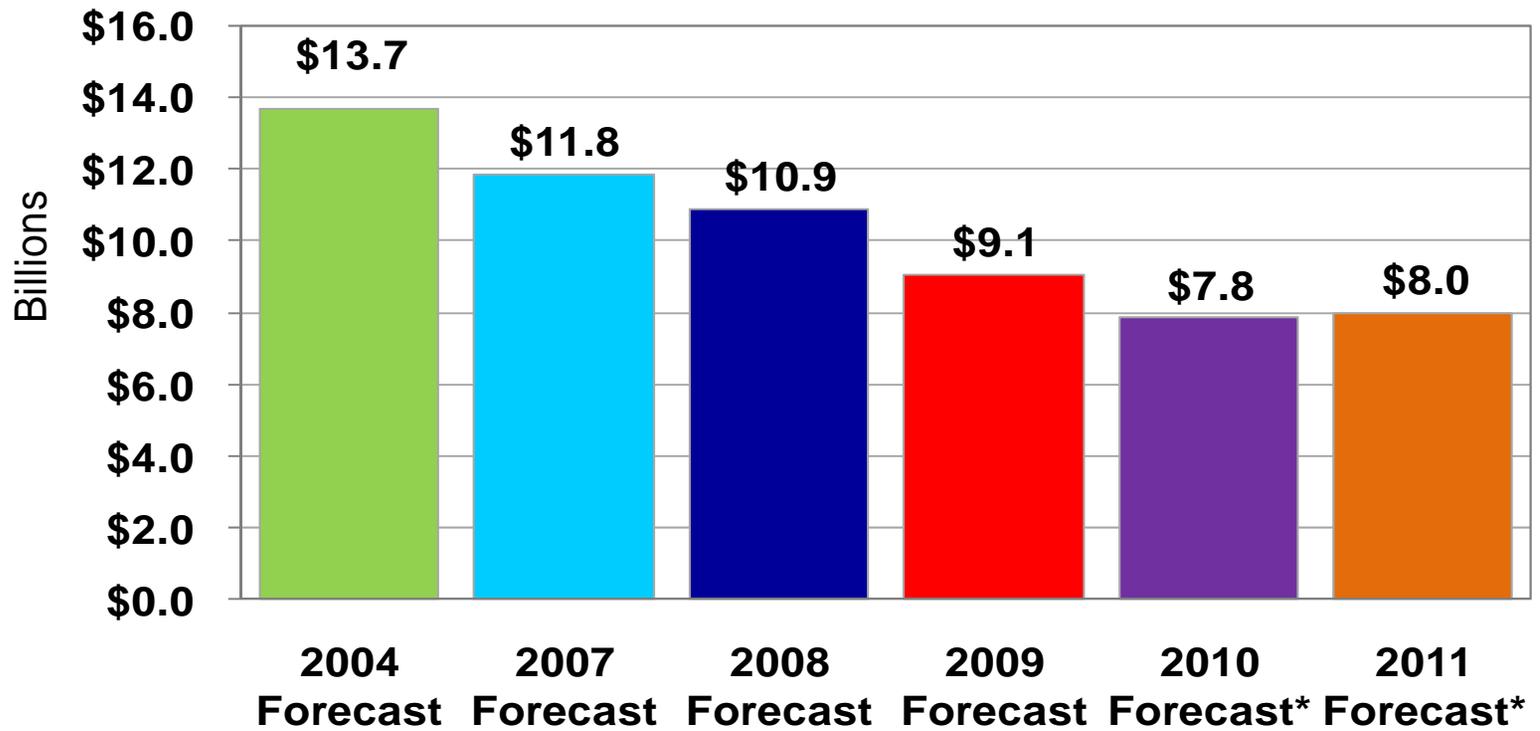
# Results of Regional Sales and Use Tax Working Group (cont.)

- Sales and use tax forecasts were updated using current data and previously approved methodology
- Sales and use tax forecasts (2005 – 2035) changed only slightly from last year's APE

Scenario	2010 Forecast	2011 Forecast
Medium*	\$7.8 B	\$8.0 B
Low Growth	\$7.2 B	\$7.2 B
High Growth	\$8.5 B	\$8.7 B

\*Medium sales and use tax growth scenario used for analysis of implementation packages

# FasTracks Program Sales and Use Tax Forecasts – 2005-2035



\* Medium sales and use tax growth scenario

# Overview of Implementation Packages

- **Three packages were developed:**
  - #1: Assumes a successful 0.4% sales and use tax election in 2012 (consistent with the currently adopted FasTracks financial plan)
  - #2: Assumes a successful 0.2% sales and use tax election in 2011
  - #3: Assumes a successful 0.1% sales and use tax election in 2011
- **A separate model run is not being completed at this time for a successful 0.3% sales and use tax election because the results are very similar to the 0.4% scenario with the delay of approximately 4 years**
- **Each implementation package includes assumptions for expending the short-term funding available (\$305 M) and a plan for completing the entire program prior to 2042**

# **Financial Plan Approval – Staff Recommendation**

# Development of Implementation Packages – Guiding Principles

- **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



# Staff Recommendation – 2011 APE Financial Plan Approval

- **RTD staff recommends adopting a financial plan for the FasTracks program that assumes a successful 0.2% sales and use tax election in 2011**
  - Results in completion of the full FasTracks program by 2027 (15 years sooner than with no additional revenues)
- **New 0.2% sales and use tax will be allocated to the partially funded corridors**
  - New sales and use tax is assumed to be sunset in approximately 2041 - 2043
- **This recommendation does not represent a decision or commitment at this time by the Board of Directors to place a sales and use tax increase on the ballot**

# Implementation Package - #2 (0.2%) Overview

- **Successful 0.2% sales and use tax election in 2011**
- **Assumes Small Starts funding for Southeast Corridor Extension<sup>1</sup>**
- **Assumes New Starts funding for North Metro<sup>1</sup>**
  - Complete DUS to 72nd with local funds first to leverage funding available in the shorter term and to increase competitiveness of the rest of the corridor from a New Starts perspective

Corridor	Assumptions for Expending the \$305 M
U.S. 36	Funding Commitment to Complete Managed Lanes to Interlocken (\$90 M) <sup>2</sup>
North Metro	Complete Segment from DUS to Stock Show Complex (\$90 M)
I-225	Complete Segment from Nine Mile to Iliff (\$90 M)
Northwest Rail	Completion of Longmont Station (\$17 M)
Central Corridor	Additional technical analysis (\$0.5 M)
Southeast Corridor Extension	Final Design and Federal Environmental Process (\$9 M)
Southwest Corridor Extension	Relocation of Union Pacific Railroad Track (\$8.5 M)

<sup>1</sup>This corridor is assumed to be the most competitive given current evaluation criteria; assumption may change once final evaluation criteria are released by FTA

<sup>2</sup>These funds are in addition to the \$30M commitment of remaining funds made in 2010 to U.S. 36 prior to the stakeholder input process

# Key Milestones – Implementation Package #2 (0.2%)

Year	% Complete of Entire Program	Program Elements Complete By This Date
2013	56%	<ul style="list-style-type: none"> <li>• West Corridor</li> <li>• Light Rail Maintenance Facility</li> <li>• U.S. 36 completion of all Phase 1 projects</li> </ul>
2016	75%	<ul style="list-style-type: none"> <li>• Denver Union Station</li> <li>• Eagle Project</li> <li>• I-225 segment from Nine-Mile to Iliff</li> <li>• Southwest Corridor relocation of Union Pacific Railroad</li> <li>• Southeast Corridor submittal of Small Starts application</li> <li>• Longmont end-of-line park-n-Ride</li> <li>• North Metro segment to 72<sup>nd</sup> (in preparation of a New Starts application)</li> <li>• Full financial commitment to U.S. 36 Phase 2</li> </ul>
2019	80%	<ul style="list-style-type: none"> <li>• I-225 entire corridor</li> <li>• New Starts submittal for North Metro</li> <li>• Southeast Corridor Extension</li> </ul>
2024	91%	<ul style="list-style-type: none"> <li>• North Metro entire corridor</li> <li>• Southwest Corridor Extension</li> <li>• Central Corridor Extension</li> </ul>
2027	100%	<ul style="list-style-type: none"> <li>• Northwest Rail Corridor</li> </ul>

# Comparison: % Complete by 2022 Under Each Implementation Package

Implementation Package	% Complete of Entire Program by 2022 <sup>1</sup>	Full Program Completed
#1 (0.4%)	100%	2019
#2 (0.2%)	85% - 90%	2027
#3 (0.1%)	77% - 82%	2035
Assuming a 0.3% tax increase in 2011 <sup>2</sup>	91% - 96%	2024
No additional revenues identified for the program	60% - 65%	2042

<sup>1</sup>Percent complete assumes additional Small Starts and/or New Starts grant funding for North Metro and Southeast Corridor Extension

<sup>2</sup>Staff estimate – not based on formal financial model analysis

# Staff Recommendation – Rationale

- **Technically feasible alternative that:**
  - Completes the program in a reasonable timeframe with a smaller sales and use tax increase than previously assumed
  - Is responsive to initial requests by stakeholders to consider sales and use tax options of less than 0.4%
  - Positions projects to maximize opportunities for future federal grants
- **Completes 85% - 90% of the FasTracks program by 2022, with the complete program finished by 2027**

# **Staff Recommendation – Rationale (cont.)**

- **Initiates construction activities on six additional corridors in the next four years**
  - U.S. 36 Phase 2
  - I-225
  - North Metro
  - Southwest Corridor Extension
  - Southeast Corridor Extension
  - Northwest Rail End-of-Line station
- **Allows RTD to have all corridors complete or under construction within ten years**
- **Maximizes partnering opportunities with regional stakeholders to leverage additional funds for the program**

# Staff Recommendation – Rationale (cont.)

- **Establishes cost certainty by having projects under contract**
- **Provides cross-regional economic benefit by constructing corridors sooner**
  - Corridor construction will be consistent with local governments' development plans
- **Creates additional opportunities for small and disadvantaged businesses**
  - RTD is currently exceeding our goals for participation of small and disadvantaged businesses and will continue to establish aggressive small and disadvantaged business goals for all procurements

# Staff Recommendation – Rationale (cont.)

**FAST TRACKS**  
RTD

- **Creates thousands of additional jobs for the region and state sooner, which will help improve economic conditions across Colorado**
  - Increases opportunities under RTD's Regional Workforce Initiative Now (WIN) program, a regional collaborative partnership that leverages existing training providers to identify, assess, train and place community members into careers on transportation and mixed-use development projects
  - All future procurements will require the contractor to support and participate in the WIN program

# Staff Recommendation – Summary

- **Assumes a successful 0.2% sales and use tax election in 2011**
- **Completes 85% - 90% of the FasTracks program by 2022, with the complete program finished by 2027**
- **Initiates construction activities on six additional corridors in the next four years**
- **Allows RTD to have all corridors complete or under construction within ten years**
- **Extends the date for completion of the FasTracks program to 2027, resulting in additional cost escalation**
  - Capital cost for the FasTracks program under the staff recommendation would be \$7.2 B

# Financial Plan Approval – Next Steps

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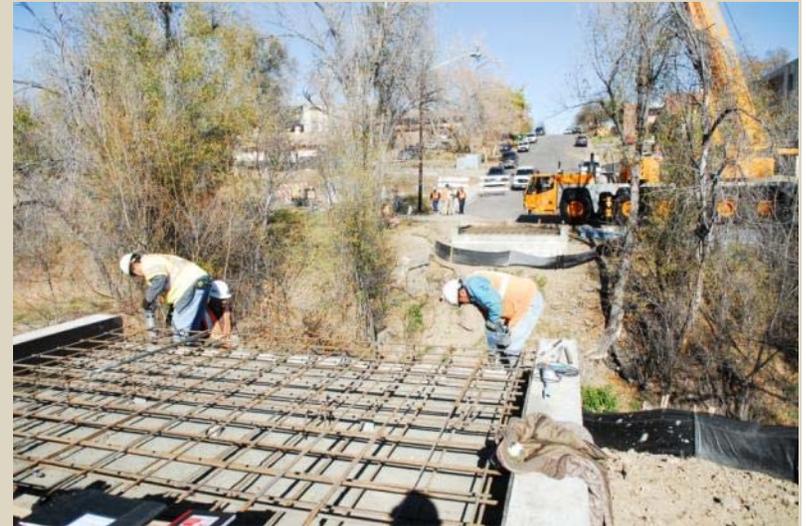
- **February 8: Presentation of recommended financial plan to FasTracks Monitoring Committee**
- **February 22: Opportunity for public comment prior to RTD Board approval of the 2011 Financial Plan**
  - Approval of the financial plan will allow RTD staff to complete DRCOG Senate Bill 208 report
- **March 22: RTD Board approval of Senate Bill 208 Report**
  - DRCOG must approve the 2011 financial plan prior to RTD placing an initiative on the ballot

# Financial Plan Approval – Next Steps (cont.)

- **February/March: Continue stakeholder coordination**
  - Ongoing coordination with Metro Mayors Caucus Task Force and other stakeholders
- **March/April: Campaign analysis**
  - Outside group completes the analysis of a potential campaign
- **May 18: DRCOG approval of Senate Bill 208 report**
- **No later than August 15: RTD Board approval of official ballot language**

# FasTracks Helping Small Businesses

- To date the FasTracks program has awarded:
  - \$1 billion to Prime Contractors
  - \$180 million, or 18%, of that was to small businesses
    - 97% of which were local firms
  
- Regional Workforce Initiative Now (WIN) program recognized nationally by the Federal Transit Administration



# FasTracks Benefits

- Stimulates the economy
  - Every \$1 invested translates into \$4 injected into local economy over 20 years
- 10,000 construction-related jobs at height of construction
- Provides opportunities for livable, sustainable communities and affordable housing
- Provides transportation options (rail and bus transit, bicycle and pedestrian improvements)
- Improves connectivity



# Economic Development Testimonials

- Denver Union Station
  - DaVita
  - IMA Financial
- Southeast Corridor
  - Shea Development
  - Greenwood Village
- Southwest Corridor
  - Wood Partners
  - Trammel Crow Residential
- I-225 Corridor
  - Fitzsimons Complex
- West Corridor
  - St. Anthony’s Hospital
  - GSA
- Northwest Rail and U.S. 36 Corridors
  - Conoco Phillips Campus
- East Corridor
  - DIA
  - Westin Hotel at DIA

# 21<sup>st</sup> Century City

- Draws specialized workers
- Improves connectivity – once transit is in place
- Develops a 21<sup>st</sup> Century workforce
- Connects innovation and education
- Enhances competition with other metro areas

**Questions?**