



**2012 Annual Program Evaluation (APE)  
Update on Staff Recommendation -  
Northwest Corridor**

March 20, 2012

# Presentation Overview

- **Status of 2012 Annual Program Evaluation (APE) Activities to Date**
- **Update on Staff Recommendation**
- **Questions Regarding Staff Recommendation**
- **Next Steps**

# Status of 2012 APE Activities to Date

- **December 6, 2011, staff presented updated costs for the Northwest Rail corridor**
  - Staff indicated at that time that completion of the Northwest Rail corridor would likely have to be delayed to 2023 – 2025 to match RTD's cash flow constraints
- **December 16, 2011, Presentation is sent via email to RTD Board members outlining the following three options:**
  1. Complete the Northwest Rail Line as planned and extend the completion from 2020 to 2024.
  2. Same as Option 1 but accelerate construction of several new RTD park-n-Rides and provide interim bus service. Also increase bus service on US 36 and to/from other key destinations in the Northwest Corridor. Once commuter rail is complete, interim bus service will be rerouted to feed riders to/from the transit stations. This option postpones the completion of six other FasTracks projects by approximately six months each.
  3. Replace the Northwest Rail Line with an expanded and enhanced Bus Rapid Transit (BRT) system. BRT would operate in high-occupancy vehicle (HOV) lanes along US 36 and SH 119 and with transit priority on non-freeway routes. BRT stations would be constructed at key points along each route, complete with parking and station branding.

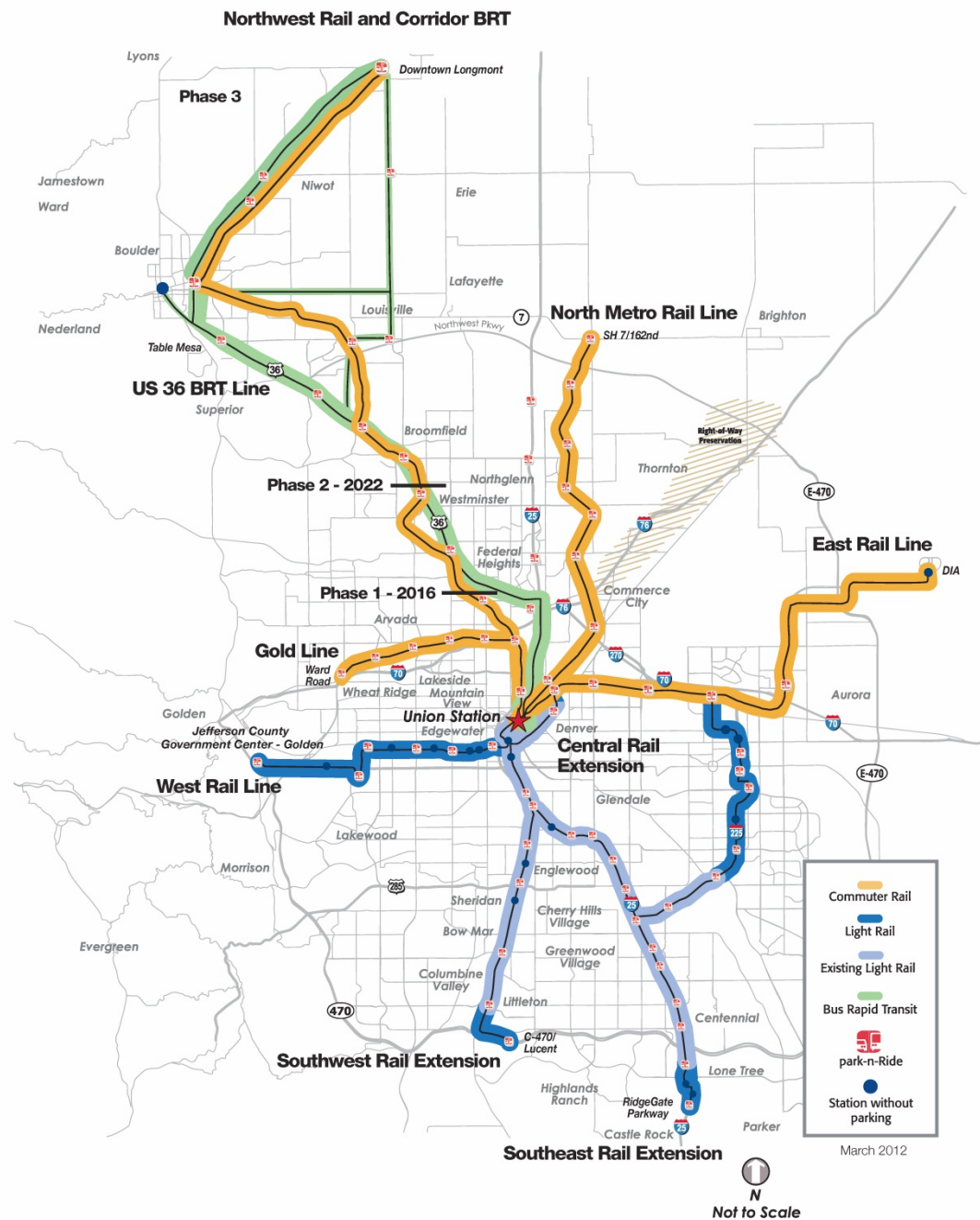
# Status of 2012 APE Activities to Date (cont.)

- **January 17, 2012, staff presented the following information to the RTD Board of Directors:**
  - Status of 2012 APE activities to date
  - Capital costs for all FasTracks projects, assuming Option 1
  - Key inputs into RTD's 2012 financial plan
  - Results of the APE assuming our base case of delaying Northwest Rail to 2023 – 2025
  - Information concerning two additional options for RTD Board consideration
  - Requested RTD Board direction on next steps to finalize the 2012 APE
- **February 28, 2012, staff presented preliminary results of stakeholder coordination and provided additional information about Bus Rapid Transit (BRT)**

# Status of 2012 APE Activities to Date (cont.)

- **February 14, 2012, staff presented additional details on Northwest Corridor options**
- **March 5, 2012, presented staff recommendation (hybrid option) for Northwest Corridor**
- **April, 2012, staff will complete the following sensitivity analyses in support of the 2012 APE include:**
  - How low can you go?
  - How high can you go?
  - When can the program be completed assuming no additional sales and use tax?

# Staff Recommendation (Hybrid Option)



# Overview

- **The RTD Board of Directors does not have the authority to unilaterally change the use of the tax and debt authorized for the original FasTracks plan**
- **If the RTD Board of Directors chooses to proceed with a sales and use tax election in 2012, an amended plan will be referenced as part of the ballot question**
  - Approval of the ballot measure will include approval of the plan amendment
  - If the ballot measure fails, the 2004 plan will remain unchanged
- **Staff recommendation assumes a new sales and use tax increase of 0.4% commencing in January, 2013**
  - This action 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

# Staff Recommendation

- **Extending the Northwest Commuter Rail Line from DUS to the Church Ranch Station with revenue service commencing at a point between 2020 - 2022 to provide bi-directional peak service for commuters connecting to/from DUS**
- **Completing the Northwest Rail Line incrementally or in its entirety from Church Ranch to Longmont, as funding becomes available from the original 0.4% sales and use tax. Funding is anticipated to be available during the period of 2028 – 2034**
  - This timeframe is based on taking the remaining cost for Northwest Rail, inflating the cost to year-of-expenditure (YOE) dollars, and testing the financial model to determine when RTD has the financial capacity to expend the funds needed to complete the rail line
  - BNSF has worked cooperatively to successfully develop portions of multiple RTD FasTracks corridors. RTD is confident that BNSF will continue to expend their time and effort working in partnership with RTD on implementation strategies to complete this rail line



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

- **Building a Bus Rapid Transit (BRT) system by 2020 that will provide cost effective, immediate relief improvements for the Northwest Corridor**
- **The opening day (2022) cost for the FasTracks program under this staff recommendation is \$7.4 billion**

# Staff Recommendation – Capital Cost Overview (YOE in millions)

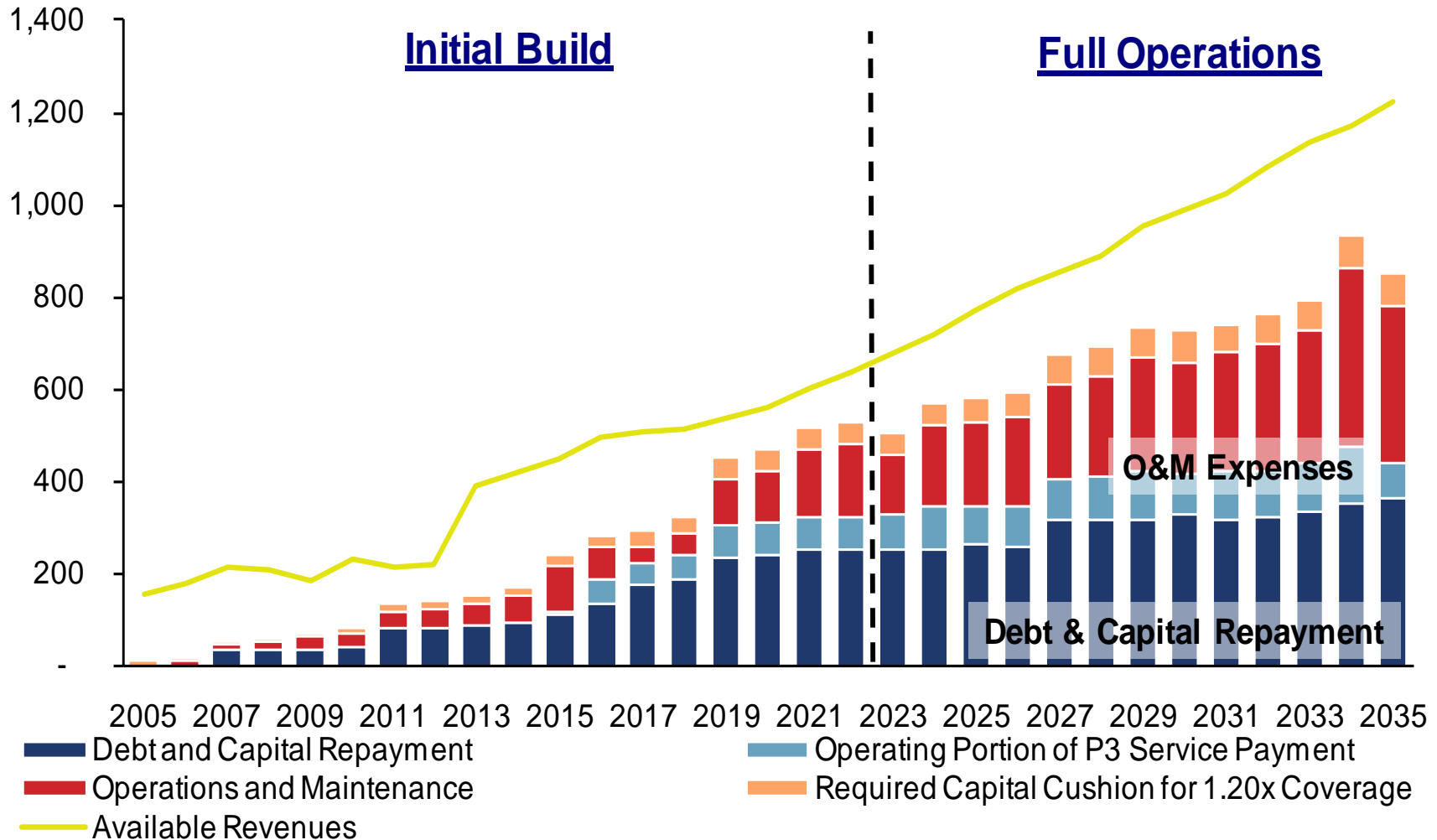
Corridor	2012 APE *
West Corridor	\$684.3
Total Eagle Project Costs	\$2,185.0
I-225 Corridor	\$748.5
Northwest Rail Corridor (Phase 2)	\$396.0
Northwest Corridor BRT	\$894.6
North Metro Corridor	\$978.7
Central Corridor Extension	\$60.3
Southeast Corridor Extension	\$209.1
Southwest Corridor Extension	\$182.2
U.S. 36 BRT – Phase 1	\$19.0
U.S. 36 BRT – Phase 2	\$220.4
Denver Union Station	\$287.3
Light Rail Maintenance Facility	\$18.2
Downtown Denver Circulator	\$17.3
Other FasTracks Project Costs	\$482.5
Total FasTracks Program Costs	\$7,383.4

\*Includes costs incurred since the beginning of the program

# Staff Recommendation – Sources of Funds (YOE in millions)

Revenue Bond Proceeds	\$2,551.8	34.6%
COPs Proceeds	\$251.5	3.4%
TIFIA Loan Proceeds	\$280.0	3.8%
Denver Union Station Note Proceeds	\$168.0	2.3%
Pay-as-you-go Capital	\$1,857.0	25.2%
Federal New Start Grants	\$1,339.1	18.1%
Federal Small Start Grants	\$75.0	1.0%
Other Federal Grants	\$202.6	2.7%
Local Match Funding	\$144.5	2.0%
Other Local Funding <sup>1</sup>	\$26.1	0.4%
Public-Private Partnerships	\$487.8	6.6%
<b>Total FasTracks Program Funding</b>	<b>\$7,383.4</b>	<b>100.0%</b>

# Staff Recommendation – Projected FasTracks Cash Flow



# Overview of Questions Regarding Staff Recommendation

- **Formal responses to all questions received is included as an attachment to the RTD Board report**
- **The following slides provide responses to several of the main questions received during our stakeholder outreach process**

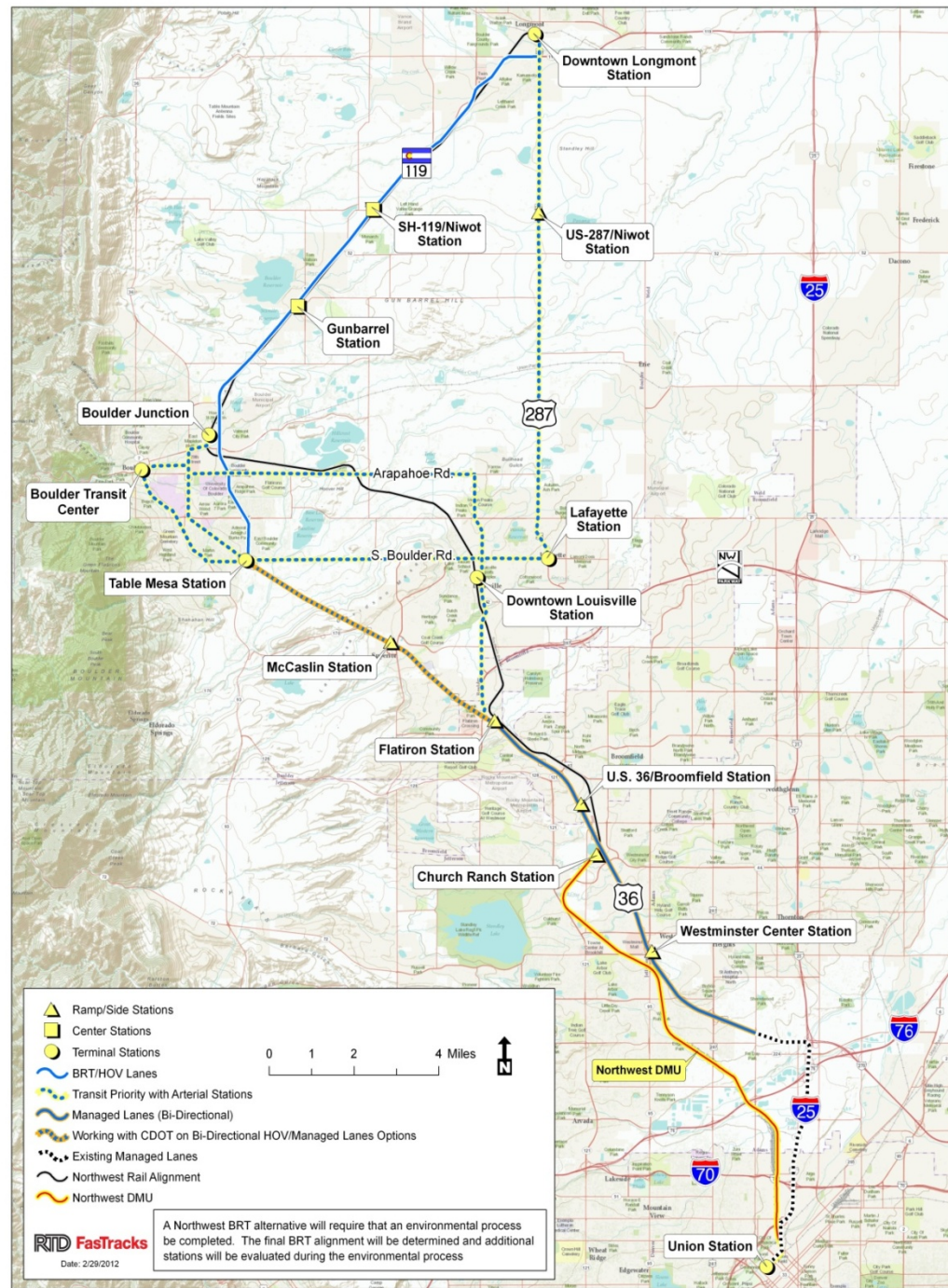
# Response to Questions

- **Will RTD fulfill its promise to complete commuter rail to Longmont and if so – by when?**
  - The schedule for completing the Northwest Rail Line from Church Ranch to Longmont will depend on funding availability
  - Funding is anticipated to be available during the period of 2028 – 2034
  - This timeframe is based on taking the remaining cost for Northwest Rail, inflating the cost to year-of-expenditure (YOE) dollars, and testing the financial model to determine when RTD has the financial capacity to expend the funds needed to complete the rail line
- **How much will the initial segment of commuter rail to Church Ranch cost?**
  - RTD's current estimate for this segment of rail is between \$350 – \$425 M (YOE)



# Response to Questions (cont.)

- Is \$894.6 M (including prior expenditures) enough to build a BRT system that meets the mobility needs of this corridor?
  - In coordination with our stakeholders, RTD identified proposed capital improvements necessary for a successful BRT system
  - RTD then developed a cost estimate that incorporates these assumptions
  - The cost estimate fit within the funding cap with a conservative amount of contingency



# Response to Questions (cont.)

- **Does the staff recommendation represent an investment greater than the original FasTracks plan contemplated? How much more?**
  - In terms of what would be funded under a new sales and use tax, the staff recommendation for this corridor is approximately \$400 M (YOE) less than Option 1 (which assumes no BRT and the Northwest Rail Line being completed to Longmont by 2024)
  - Funding for the Northwest Rail Line from Church Ranch to Longmont will be provided from the original 0.4% sales and use tax. Funding is anticipated to be available to initiate construction and begin revenue service during the period of 2028 – 2034
  - The combined cost of BRT and the Northwest Rail Line to Longmont would increase the long-term investment in this corridor by approximately \$700 million in base year dollars as compared to Option 1. Total cost in YOE will depend on timing of construction. Building BRT provides an immediate relief to the corridor and could provide long term benefit to taxpayers in the Northwest Corridor



# Response to Questions (cont.)

- **Will RTD agree to developing an enforceable document with stakeholders to provide assurances that the remaining partially funded corridors will be constructed?**
  - RTD is willing to work with the stakeholders throughout the district to identify specific language that will be reflected in an amendment to the FasTracks plan. This amended plan will then be referenced specifically in the ballot language (should the RTD Board of Directors decide to move forward with an election)

# Next Steps

# 2012 APE Schedule

- **March 27**: Board approval of the Northwest Corridor option, 2012 APE financial plan and SB 208 report
- **June 2012**: DRCOG approval of SB 208 Report

# Questions?