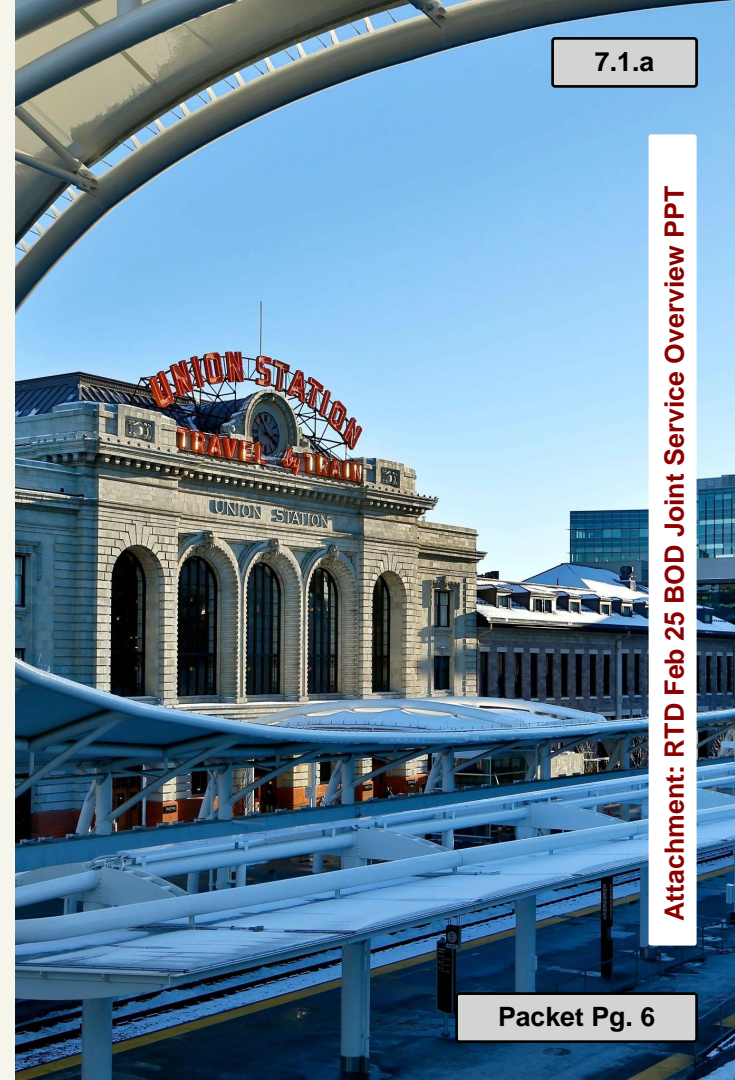


# Joint Service Overview

A Process for Delivering Phase I of  
Passenger Rail Service to Northern  
Colorado



7.1.a

Attachment: RTD Feb 25 BOD Joint Service Overview PPT

Packet Pg. 6

# So, What is Joint Service?

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The Colorado General Assembly, via SB24-184, directed the State's three leading transit entities to use their statutory authority to collaboratively study how they could deliver the first phase of Front Range Passenger Rail.

Joint Service is exploring pathways towards delivery of Phase I by a target date of January 1, 2029.

This is a streamlined planning process with the goal of:

- Accelerating the timeline to deliver starter service from Denver Union Station to Fort Collins
- Reducing costs of delivering service and increasing efficiencies.
  - ◆ Pursuing NW Rail and FRPR independently increases costs and complications with BNSF.
- Fostering collaboration amongst Colorado's transit leaders and entities to deliver Passenger Rail service

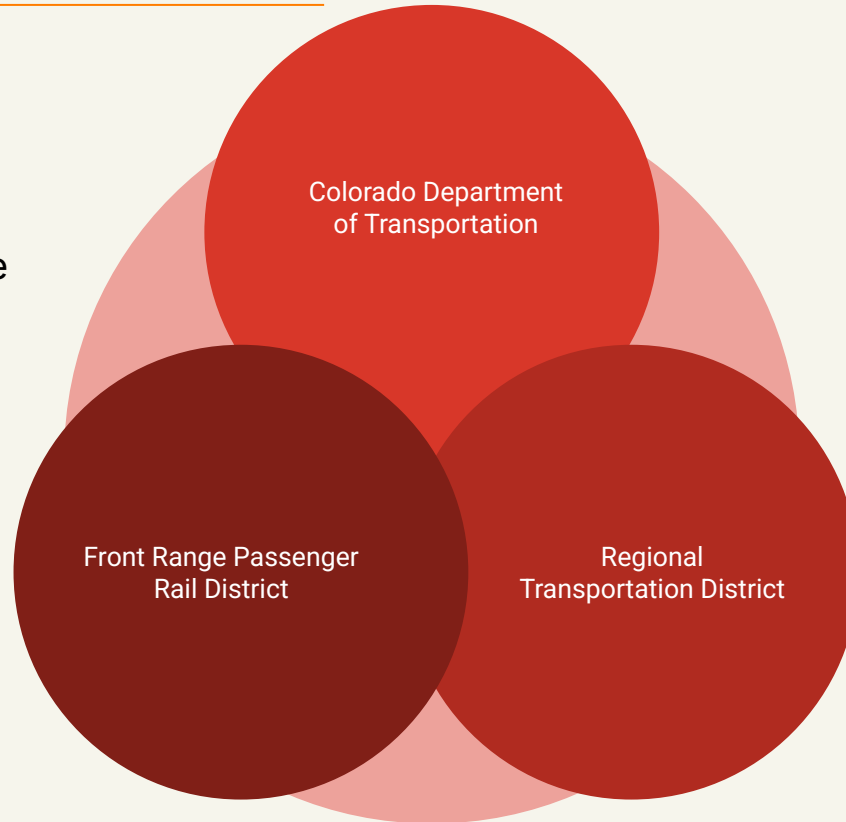
# What does each transportation organization bring to Joint Service ?

## CDOT

- Responsible for Colorado's transportation system
- Leverage the Colorado Transportation Investment Office ("CTIO") for creative financing structures
- Leverage Clean Transit Enterprise financing opportunities

## FRPRD

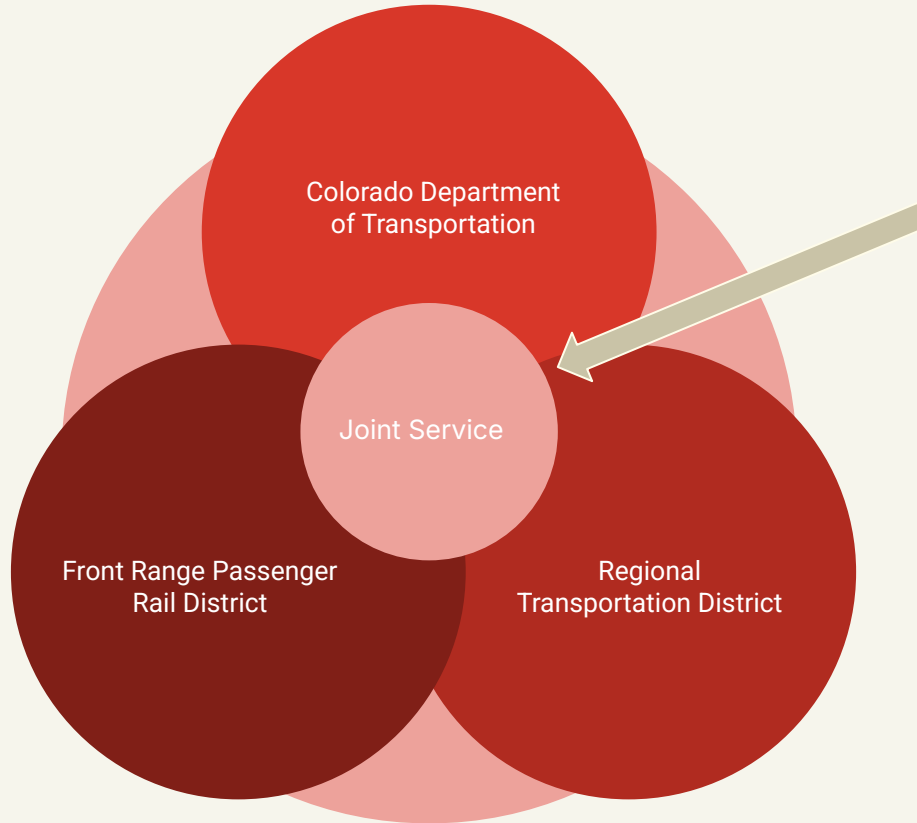
- Created in 2021 by the General Assembly
- Ability to refer ballot measures and taxing authority



## RTD

- Created by the General Assembly to develop, operate, and maintain a mass transit system
- Dedicated FasTracks sales-tax revenue
- The B-Line as a route
- Access point at DUS

# How does Joint Service advance Phase I of FRPR?



## Joint Service seeks to:

- Leverage the strengths from each transportation entity
- Drive collaboration amongst CDOT, FRPRD, and RTD
- Pool their collective resources:
  - Financing options [CTIO, CTE, FasTrack Revenue, SB184 & SB230 Revenue]
  - Technical analyses, reports, and findings to draw from
  - Capacity and technical procurement capability
  - Contract negotiations capability and experience
  - Expertise in operations and enterprise management
  - Access to and understanding of financing mechanisms and their limitations

# What are the milestones related to Joint Service planning efforts?

## NW Fixed Guideway Report

Legislative report that summarizes all ongoing and completed studies to accelerate approval of Northwest Rail. The report also detailed all ongoing modeling, as well as plans to study an IGA or new rail authority.

## Implementation Plan

Legislative report that details a roadmap to begin providing Phase I service no later than 1/1/29. Due to TLRC and Governor's Office.



## February 2025

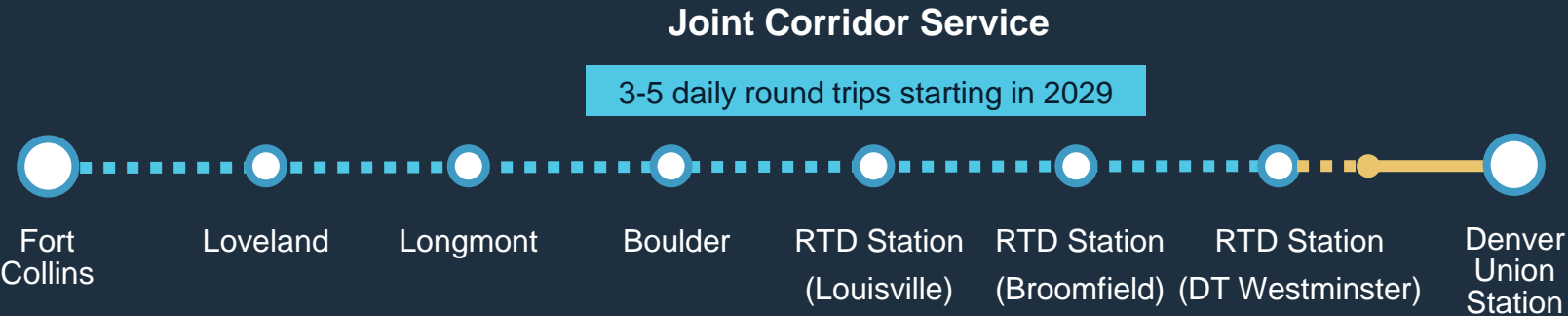
- RTC Modeling: 3x and 5x daily roundtrip data
- Financial Analysis of Revenue Sources
- Governance framework for Joint Service

## Next Steps

Governing Boards of jurisdiction evaluate March 1 report and studies and plan next steps on Joint Service

Attachment: RTD Feb 25 BOD Joint Service Overview PPT

# Lowest Cost Option for Joint Service Starter Service (2/21/2025)



# Starter Joint Service Base Investment Assumptions

Reductions maintain the following service characteristics:

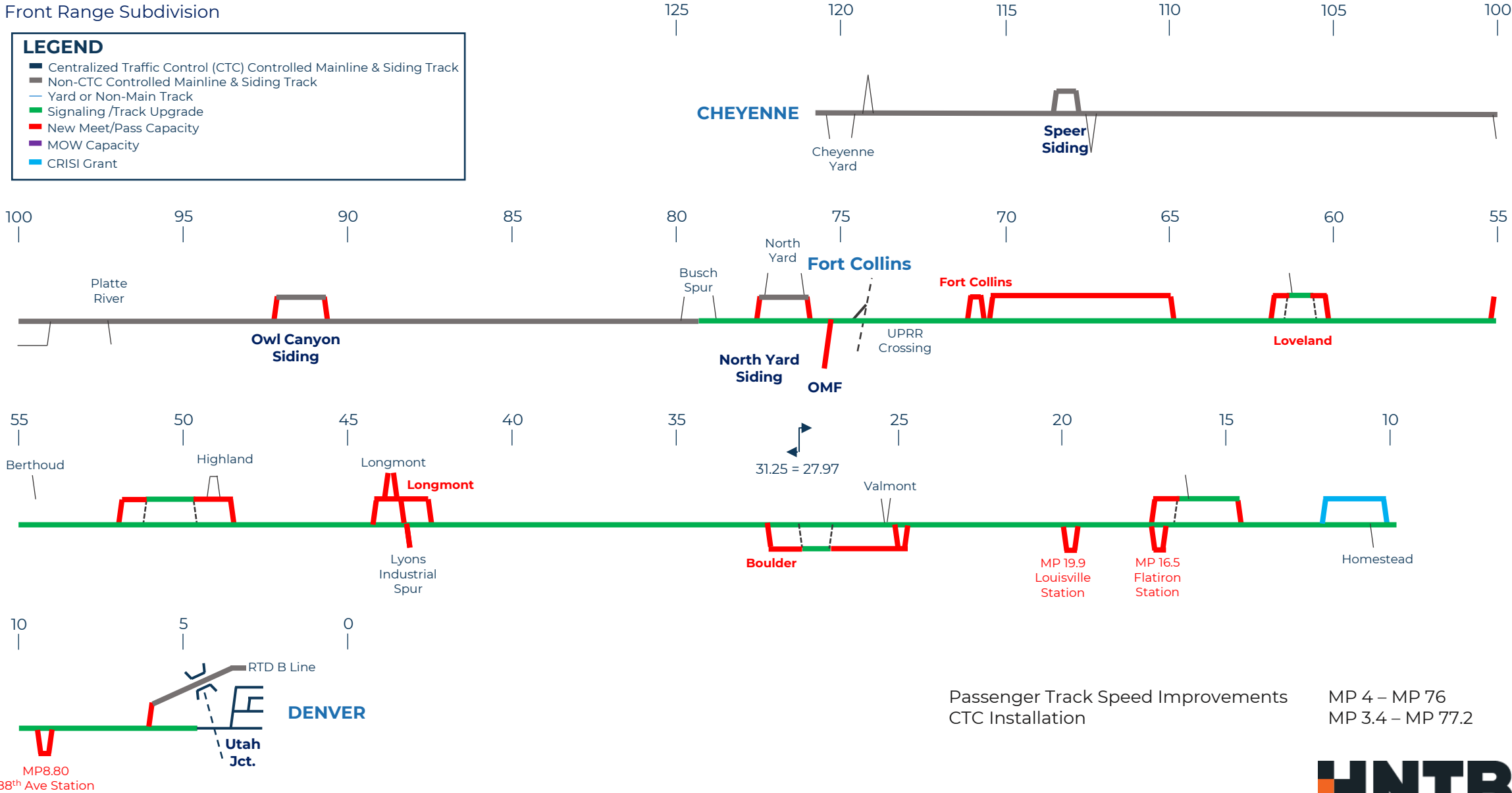
- 8 stations identified in Joint Service Plan
- Proposed infrastructure holds BNSF freight railroad operations harmless from proposed passenger operations and protects passenger operations On-time Performance (OTP)
- Implements FRA-required Positive Track Control (PTC) signaling system
- Proposed 3 Round Trip (RT) revenue operating capacity  
(5-car train consist = 1 locomotive, 3 coach cars, 1 non-powered controlling unit (NPCU))
  - *Per Train Consist = 200 seats*
  - *Daily (3RT) = 1,200 seats*
  - *Yearly (7 days per week) = 445,000 seats*

# North End: 3 RT

BNSF Front Range Subdivision

**LEGEND**

- Centralized Traffic Control (CTC) Controlled Mainline & Siding Track
- Non-CTC Controlled Mainline & Siding Track
- Yard or Non-Main Track
- Signaling /Track Upgrade
- New Meet/Pass Capacity
- MOW Capacity
- CRISI Grant



Passenger Track Speed Improvements  
CTC Installation

MP 4 – MP 76  
MP 3.4 – MP 77.2

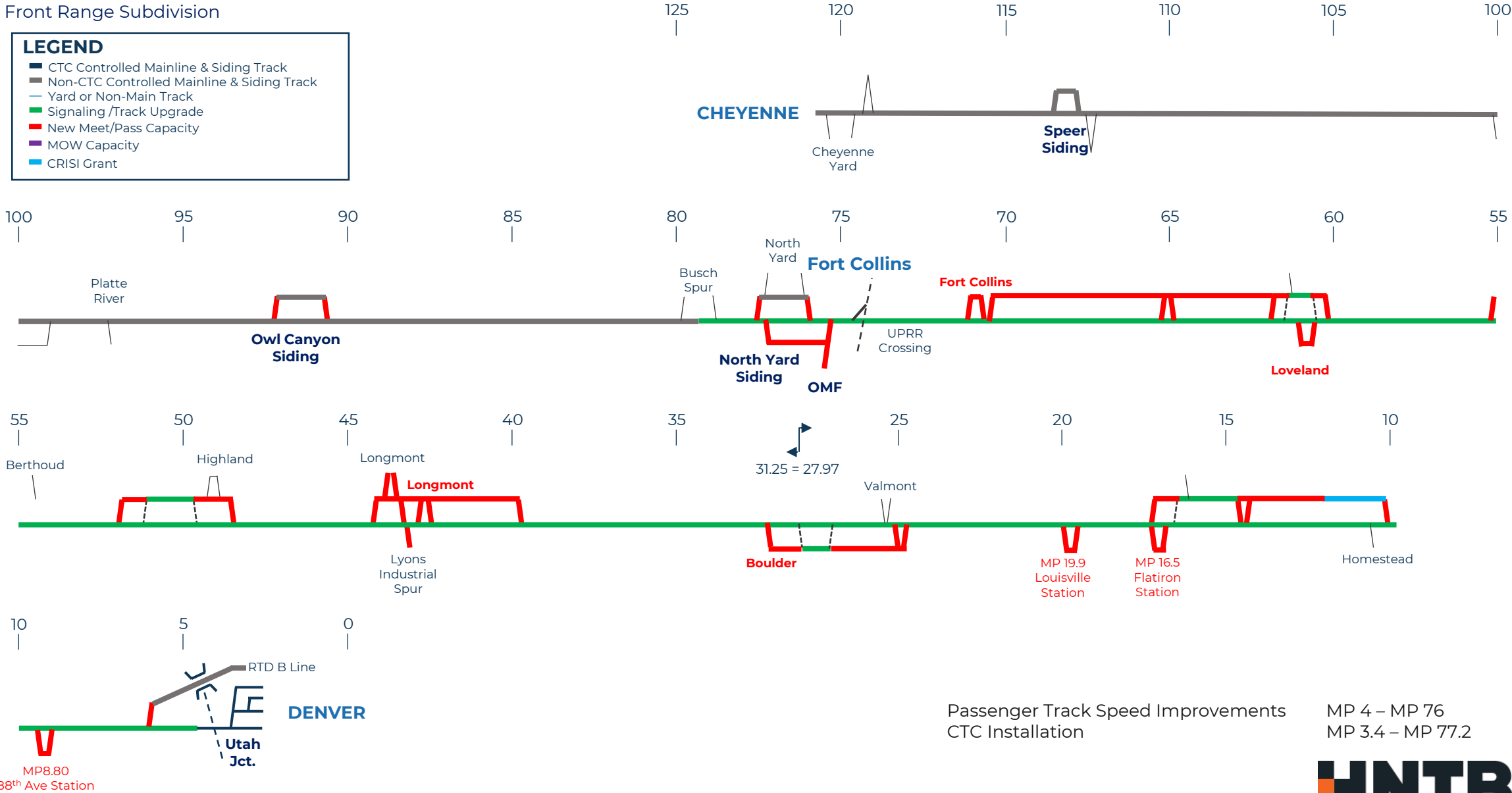


# North End: 5 RT

BNSF Front Range Subdivision

**LEGEND**

- CTC Controlled Mainline & Siding Track
- Non-CTC Controlled Mainline & Siding Track
- Yard or Non-Main Track
- Signaling /Track Upgrade
- New Meet/Pass Capacity
- MOW Capacity
- CRISI Grant



Passenger Track Speed Improvements  
CTC Installation

MP 4 – MP 76  
MP 3.4 – MP 77.2

Attachment: 2025.02.20 Lowest Cost Option Presentation (5078 : External Entities Report:

# Cost Savings Overview & Process

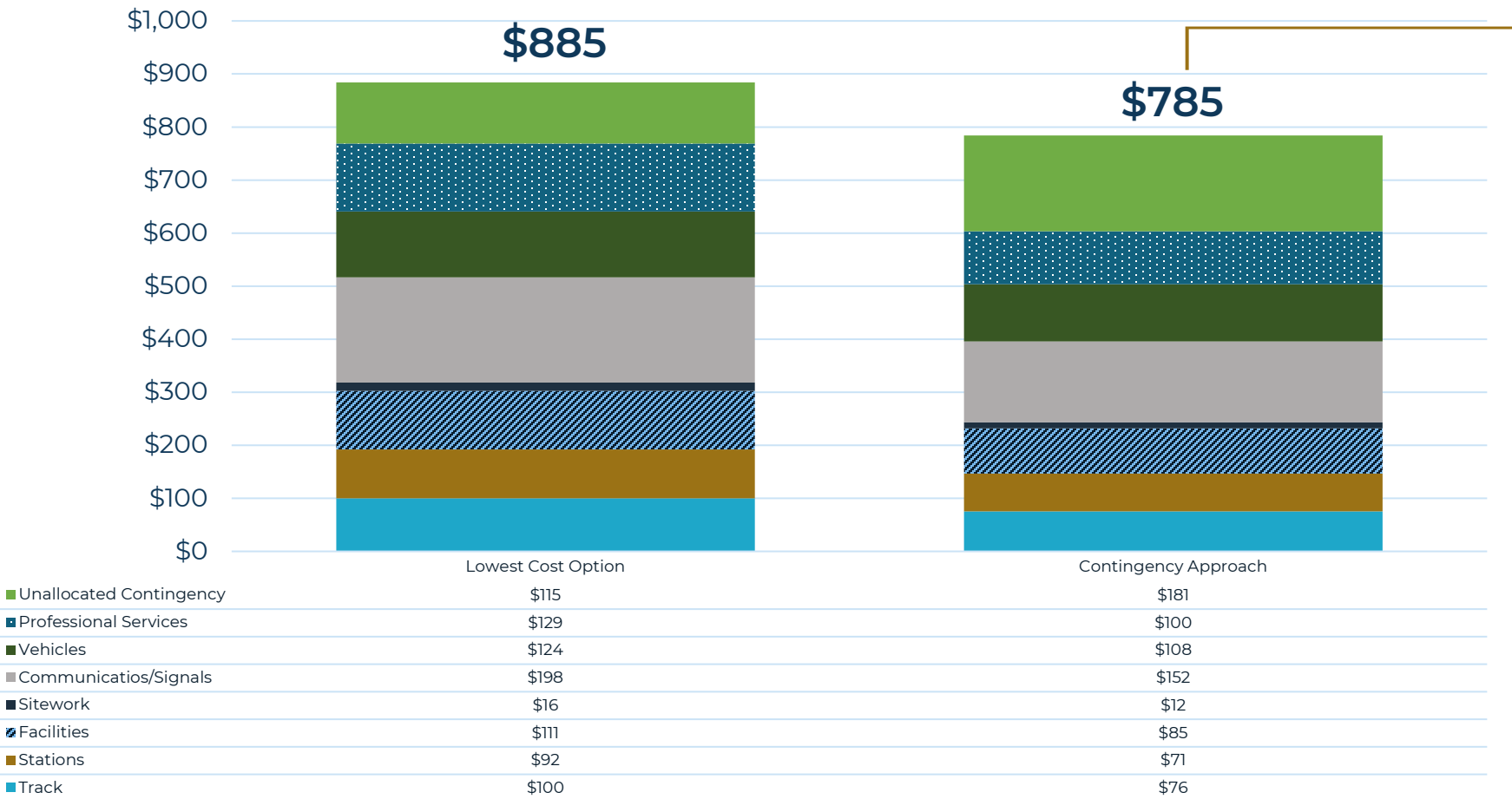
**Lowest Cost  
Option  
\$885M**

Revised estimate  
focused on cost  
reductions

**Contingency  
Approach  
\$785M**

Revised estimate with  
bottom line only  
contingency

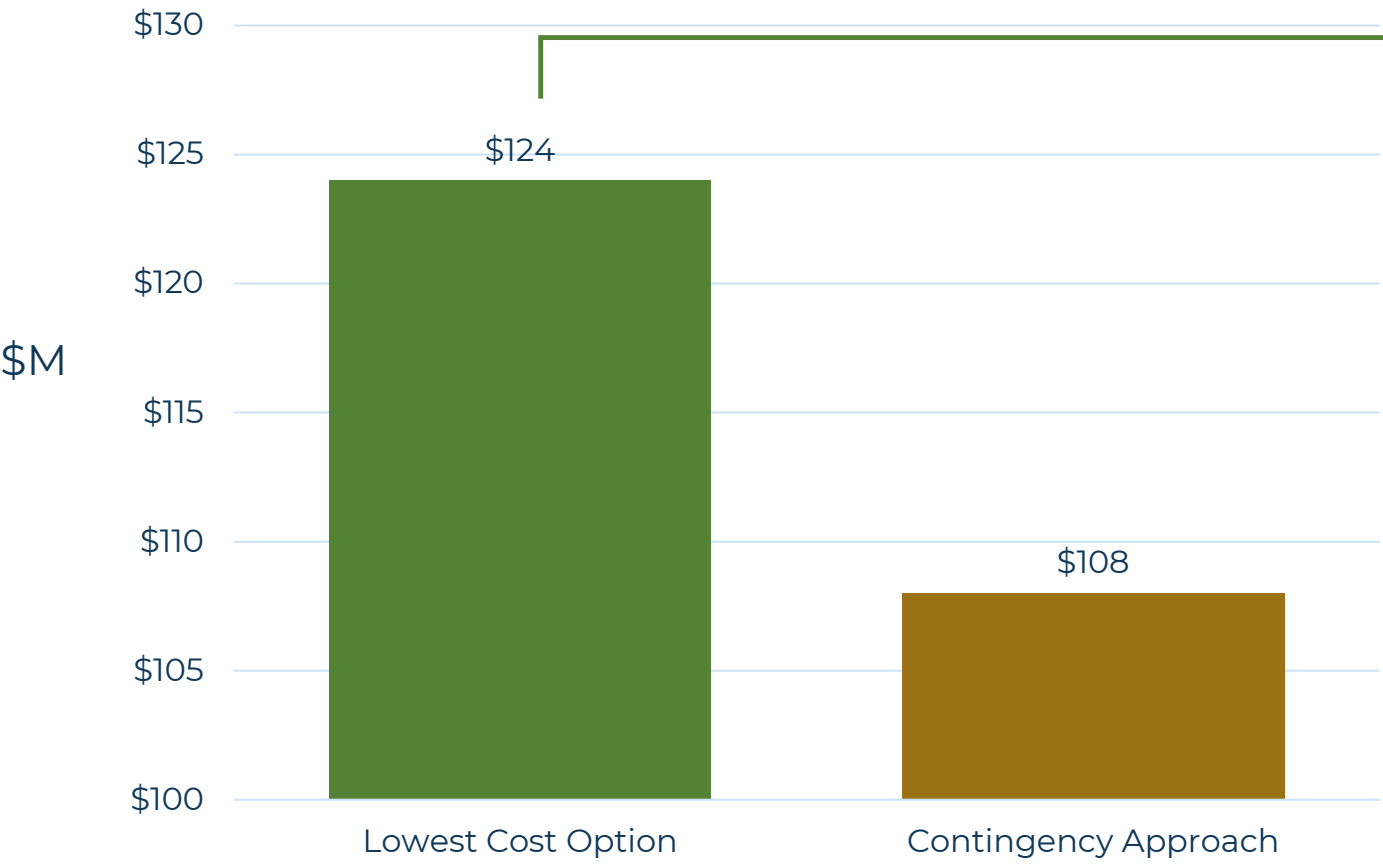
# Totals (in \$M, including contingency allocation)



## Contingency Approach

- Removed line-item contingency
- Added 30% contingency to bottom line (including professional services)

# Vehicles (in \$M)



- Vehicle count and consist reflect service operations
- Applied recent industry spare vehicle practice

# Stations, Terminals, Intermodals (in \$M)



- Assumed essential amenities
- Note: The state is pursuing additional funding options for station developments*

# Support Facilities: Yards, Shops, Admin Buildings (in \$M)



- Identified efficiencies based on industry cost, per SME
- Additional cost savings opportunity: Maintenance facility provided by operator

# Communications and Signaling (in \$M)



- Rebalanced signal cost and communications (reduced fiber) for a net savings

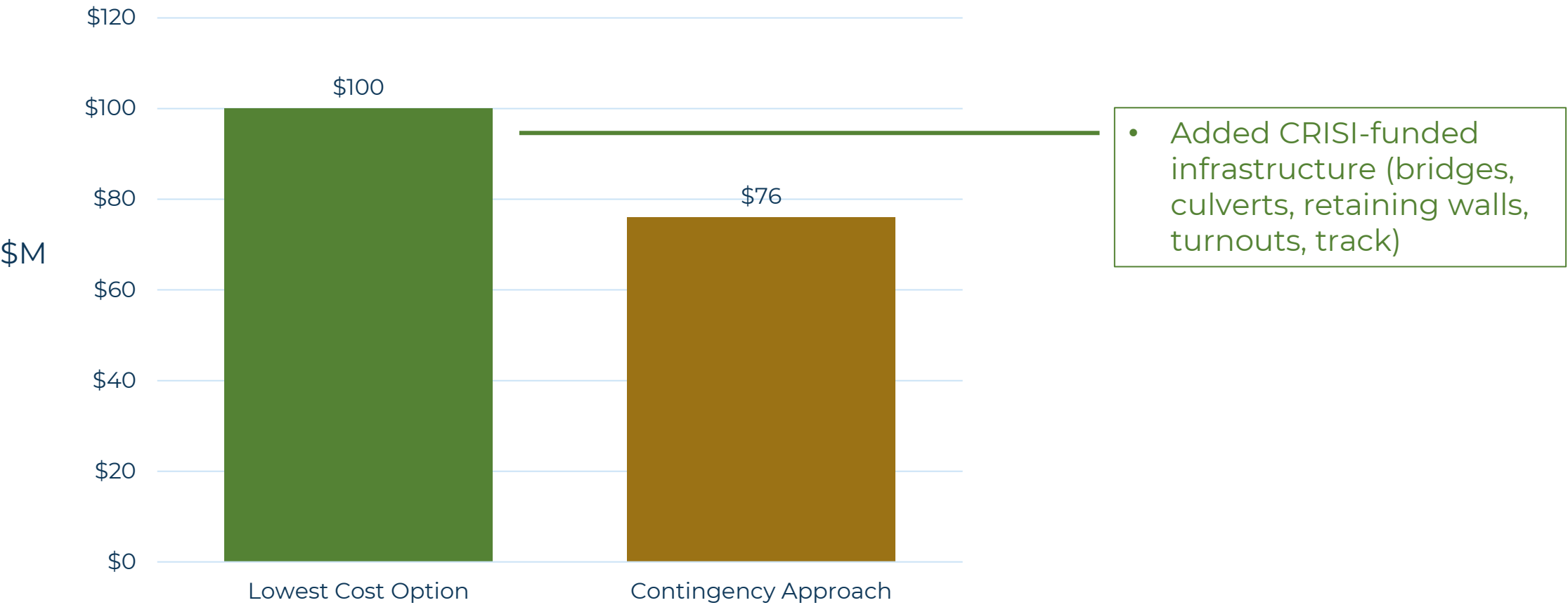
# Site Work, ROW, Land, Existing Improvements (in \$M)



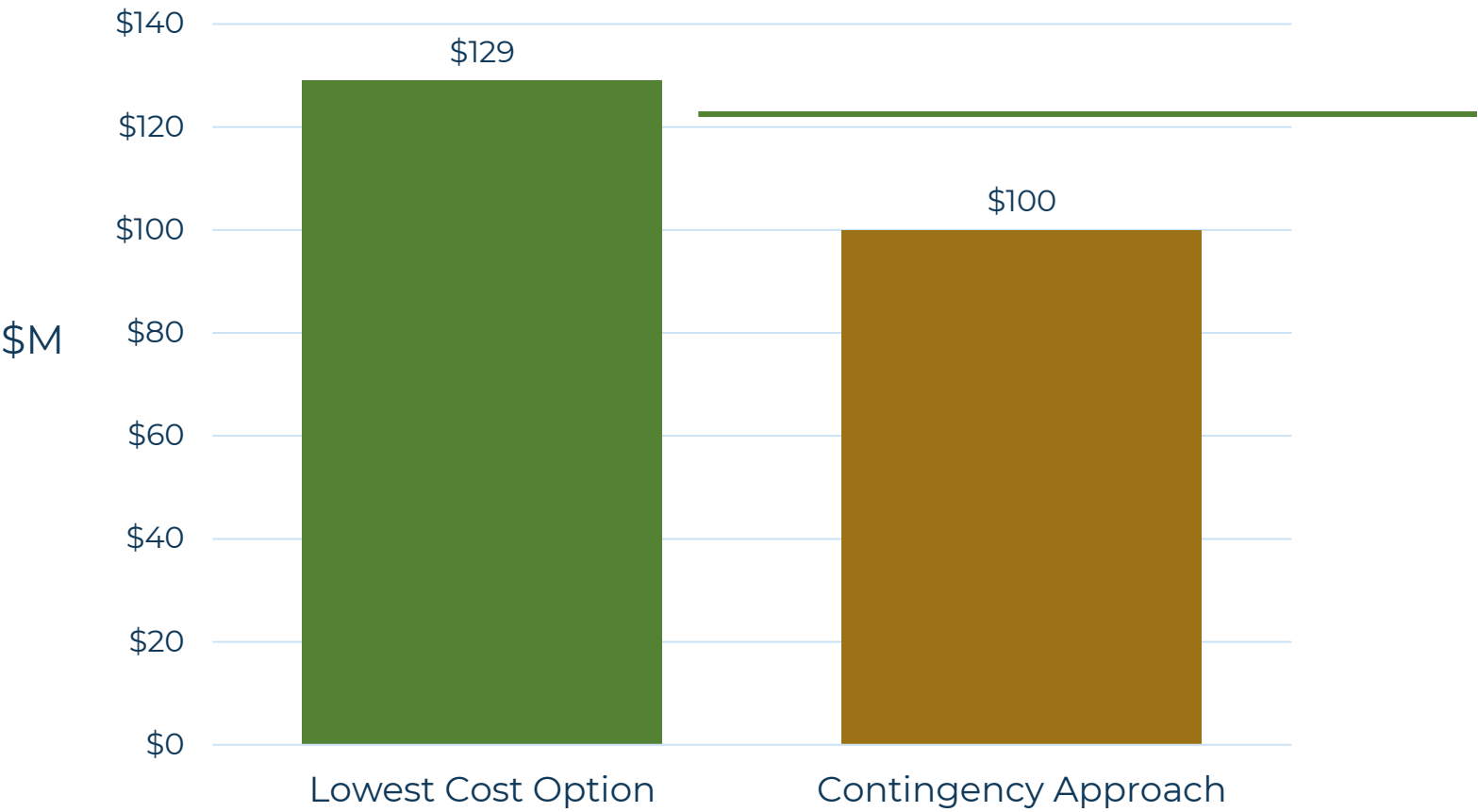
- Additional earthwork and environmental due to addition of Homestead Siding due to CRISI



# Track Structures and Track (in \$M)



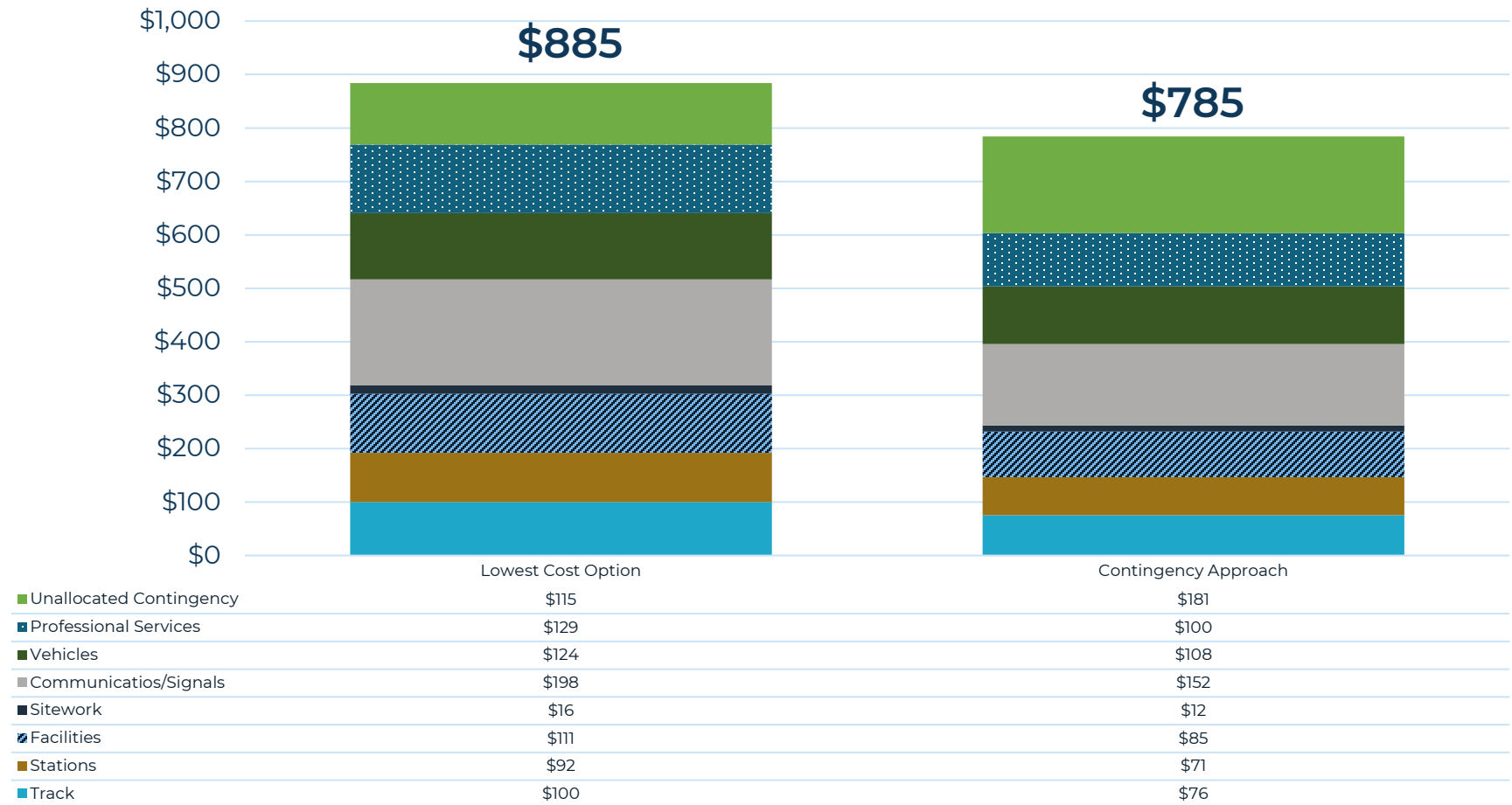
# Professional Services (in \$M)



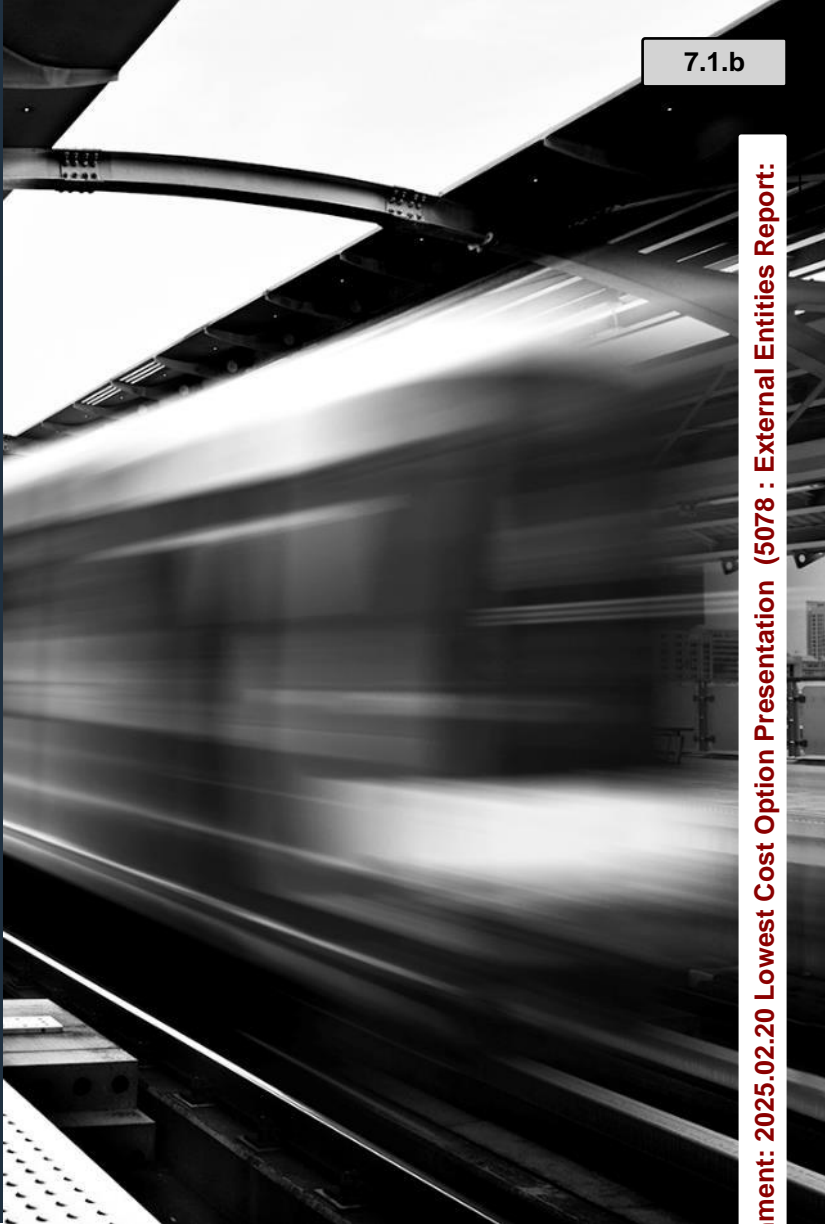
- Reduced NEPA from 4% to 3%
- Overall cost reduced when construction cost reduced

# Summary

(\$M, including contingency allocation)



*Note: These numbers represent a 3-roundtrip operations analysis that is based on real freight data for this corridor but has not been negotiated with BNSF.*





WORKING DRAFT - SUBJECT TO CHANGE  
RELIANCE RESTRICTED

# SB-184 Preliminary Financial Analysis

Front Range Passenger Rail Project

February 25, 2025



# Agenda

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7.1.c

1. Introduction
2. Key Service Assumptions
3. Planning-Level Capital Costs
4. Planning-Level Operating Costs
5. Capital & Operating Funding Sources
6. Preliminary Scenario Outputs

# 1. Introduction

## SB-184 Legislation

- ▶ Requires a report concerning a plan to begin providing Front Range Passenger Rail Service no later than January 1, 2029, to the legislative bodies and Governor. The report shall include an assessment of whether additional revenue is needed to support such service and, if so, recommended sources of such funding.
- ▶ The plan should seek to implement construction and operation of the RTD's Northwest Fixed Guideway Corridor, including an extension of the corridor to Fort Collins as the first phase of Front Range Passenger Rail Service.

## Financial Analysis

- ▶ Information contained in this presentation has been prepared to help inform the SB-184 Legislative Report and should be considered preliminary pending additional technical analysis and project definition. Initial results are intended to support discussion of potential financing scenarios and provide input to future decision-making.
- ▶ The financial analysis underlying information in this presentation is based on **delivering and operating FRPR starter service** from Denver Union Station to Fort Collins. It aggregates available project cost and revenue information supplied by Colorado Department of Transportation (CDOT), Regional Transportation District (RTD), and external project consultants.

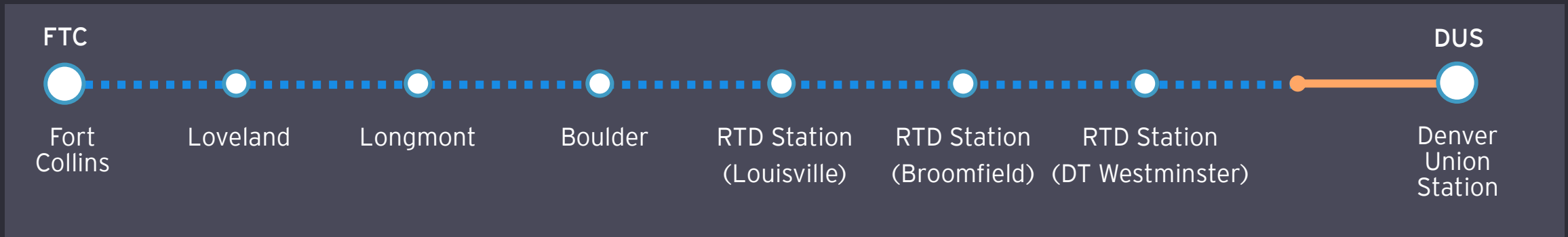
Analysis outputs are generally dependent on the maturity and accuracy of the technical analysis supplying the model inputs as well as the funding assumptions used therein. The project is at an early stage of planning and design, and therefore the model outputs are subject to refinement.



## 2. Key Service Assumptions

### Joint Corridor Service

Analysis assumes 3 round trips commencing in 2029

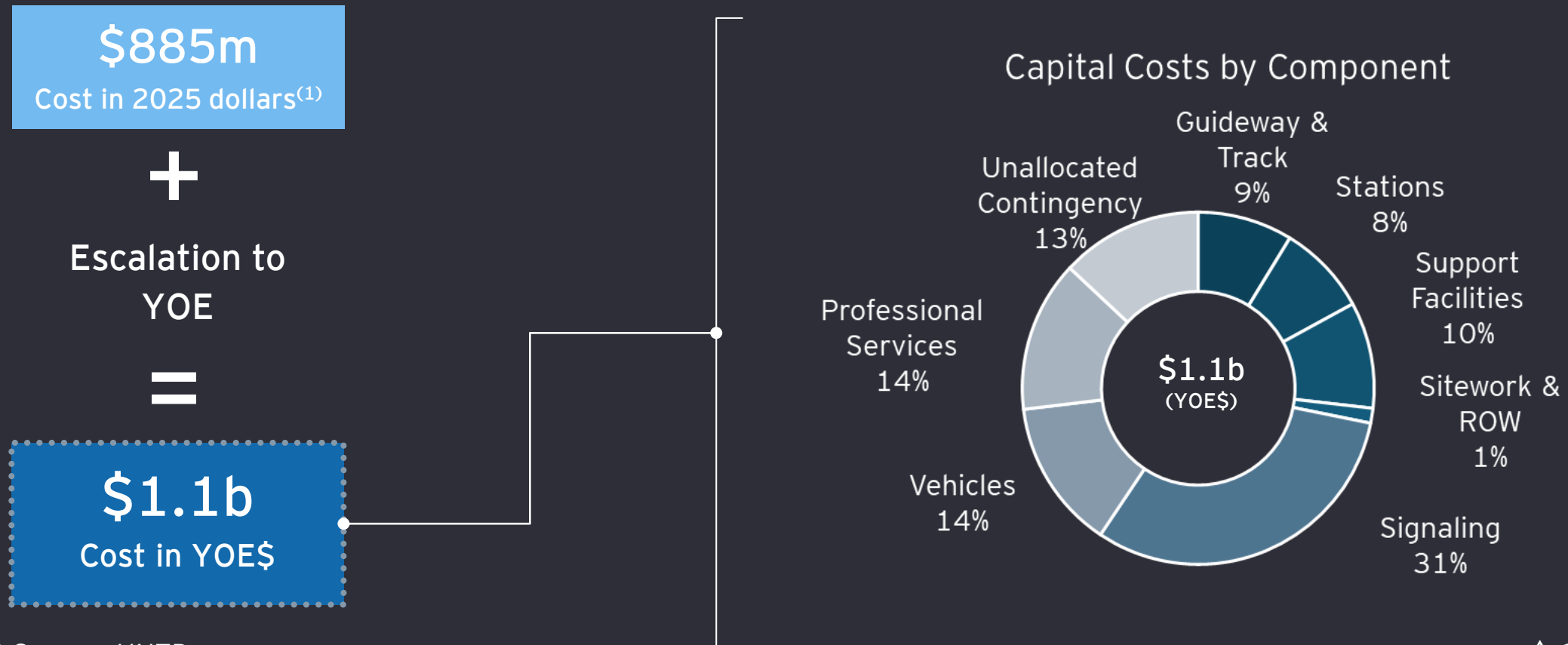


- ▶ Joint Corridor Service seeks to implement construction and operation of the Northwest Fixed Guideway Corridor plus an extension to Fort Collins as a first phase of FRPR service.
- ▶ The Joint Service model reflects a cost-effective starter service in 2029 utilizing available revenues, contingent on future policy determinations



### 3. Planning-Level Capital Costs (3 Round Trips)

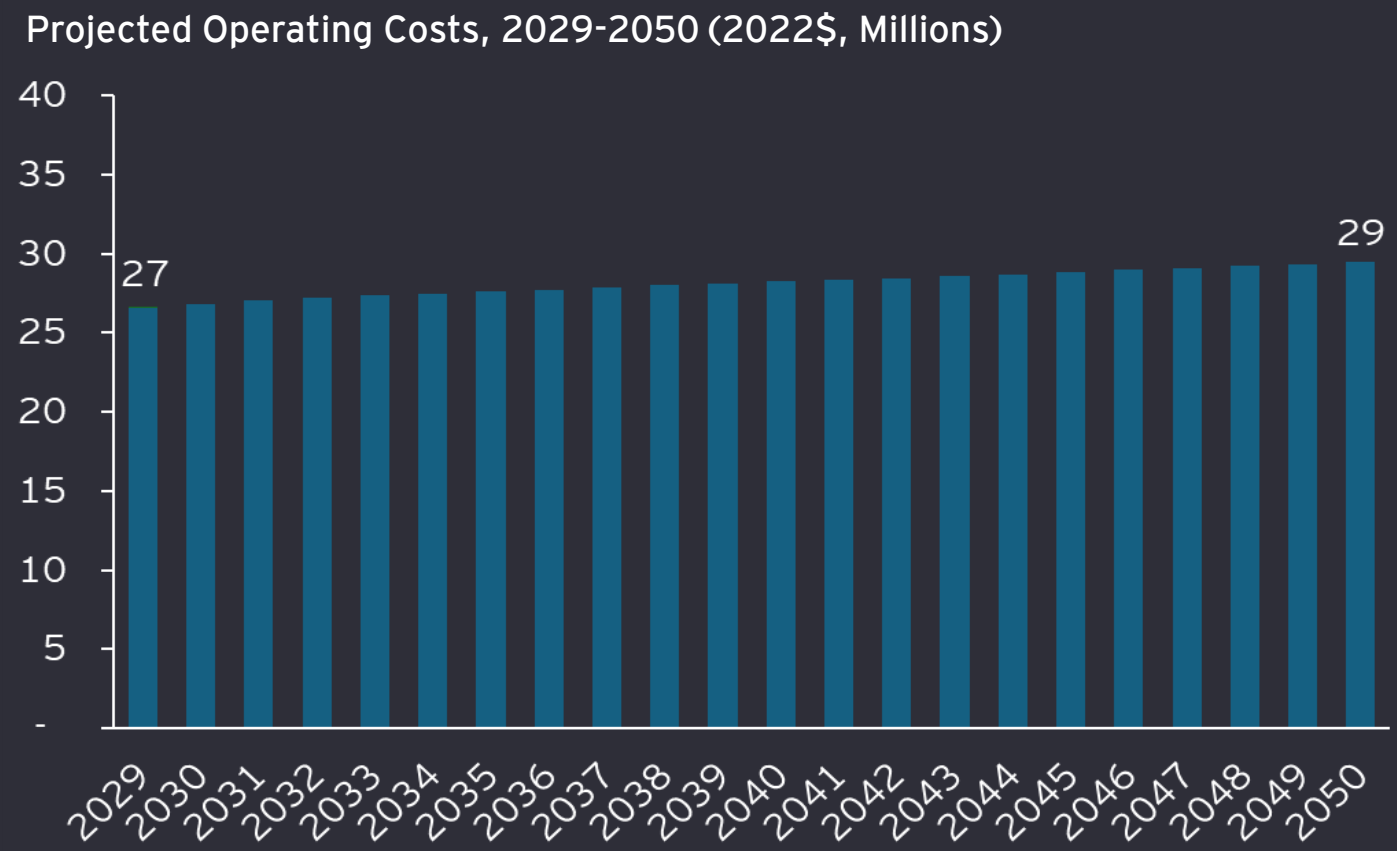
- ▶ **Construction Uses:** total capex is estimated at \$1.1 billion in year-of-expenditure (YOE) dollars for a 3 round trip scenario. Escalated costs are derived from provided spending curves and an inflation assumption of 4% p.a.<sup>(1)</sup>
- ▶ **Stations:** includes full build of generic, medium-sized stations; corridor comprises service at 5 stations plus 3 new RTD stations.



(1) Source: HNTB

# 4. Planning-Level Operating Cost Estimates (3 Round Trips)

▶ Annual O&M estimates range from \$27m to \$29m (2022\$) between 2029 and 2050.



- O&M costs include:
- ▶ Fuel & power
  - ▶ Train & engine crew labor
  - ▶ Fleet maintenance
  - ▶ Route advertising
  - ▶ Fare collection
  - ▶ Station maintenance
  - ▶ Insurance
  - ▶ Overhead costs
  - ▶ Host railroad fees
  - ▶ Managing agency administrative costs

# 5. Capital & Operating Funding Sources

7.1.c

Capital funding for FRPR is anticipated to come from six primary sources:

1. CRISI grant - \$66.4m (awarded)
2. State matching funds - \$27.9m (awarded)
3. SB-184 fee revenue
4. SB-230 fee revenue
5. External financing proceeds (secured by SB-184 revenues)
6. RTD capital contribution

Operations funding is anticipated to come from four primary sources:

1. SB-184 fee revenue
2. SB-230 fee revenue
3. RTD operating contribution
4. Farebox and ancillary revenue

This analysis does not include proceeds from future federal grants; however, such programs may be considered as a supplement to identified state and local sources.

Funding Source	Capital	O&M
CRISI Grant	✓	X
State Match	✓	X
SB-184	✓	✓
SB-230	✓	✓
External Financing	✓	X
Farebox & Ancillary	X	✓
RTD Contribution	✓	✓
Other Potential Sources	Capital	O&M
Federal Grants	■	■

- ✓ Source included/eligible use
- X Source excluded/ineligible use
- Potential future source

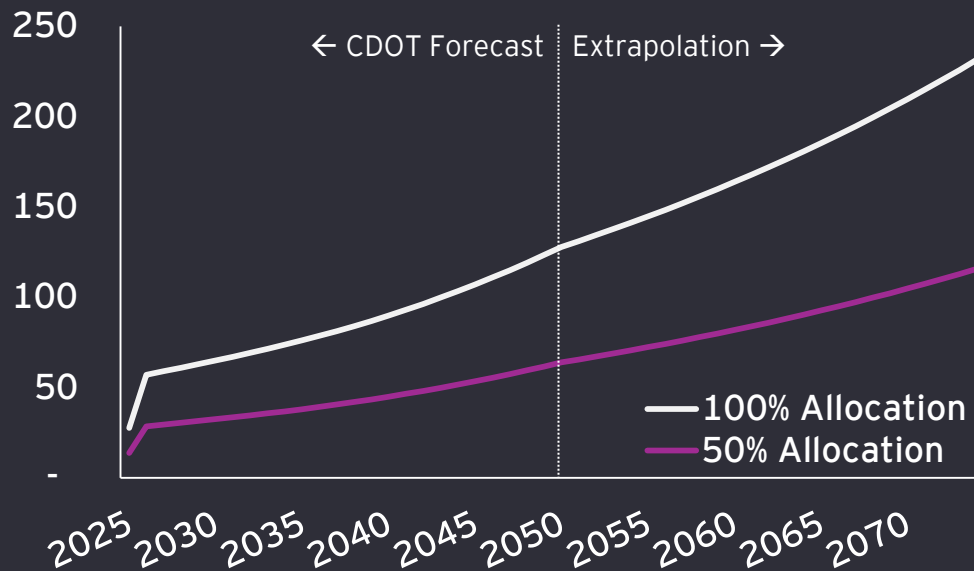
Attachment: 2025-02-25\_FRPR\_Preliminary Financial Analysis (5078 : External Entities

## 5. SB-184 & SB-230 Revenue Forecast

7.1.c

SB-184 and SB-230 revenues are subject to allocation across multiple projects. The following charts illustrate revenues from each source at 100% and 50% allocation levels.

SB-184 Revenues<sup>(1)</sup>

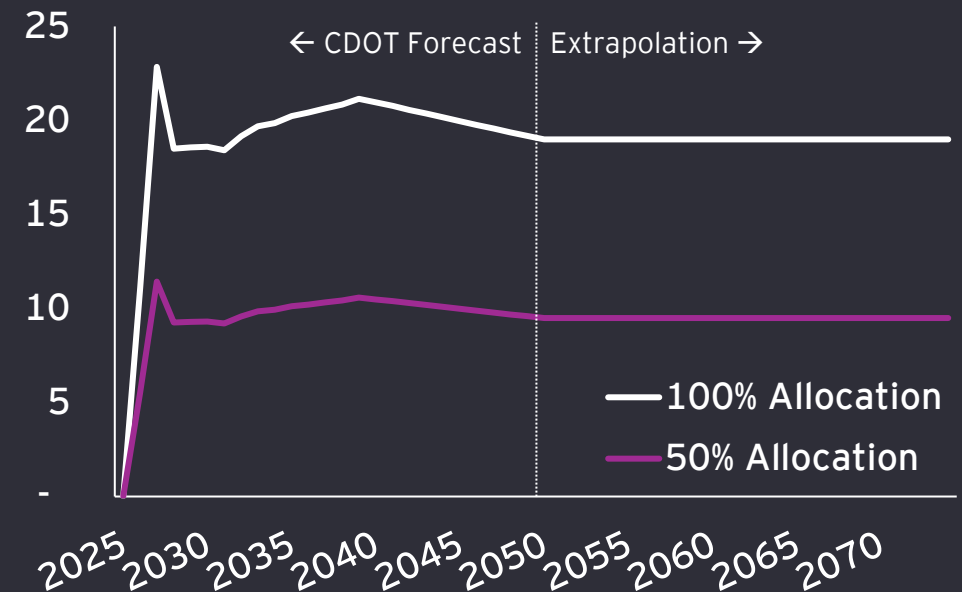


SB-184 imposes a daily rental car fee up to \$3 commencing on January 1, 2025, adjusted annually for inflation. Receipts are estimated at \$57m in FY26, growing to \$110m by FY50.

(1) Source: CDOT forecast through 2050; assumes CPI thereafter.

(2) Source: CDOT forecast through 2050; assumes level revenue thereafter.

SB-230 Rail Funding Program<sup>(2)</sup>

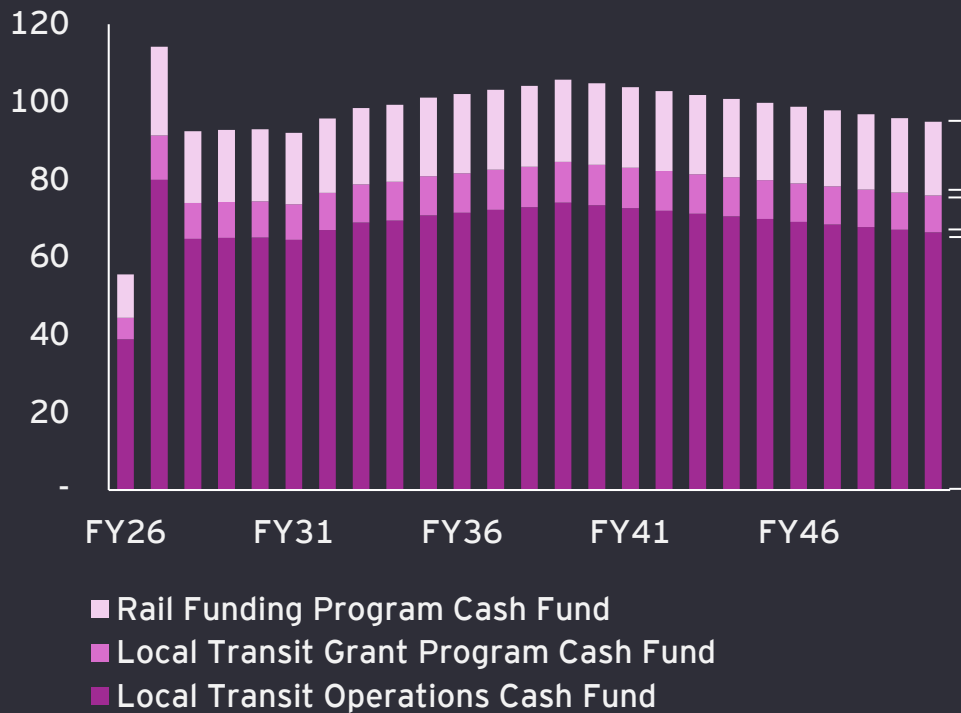


SB-230 imposes an incremental oil and gas production fee, commencing on July 1, 2025, to be allocated to a Clean Transit Enterprise (CTE) Sub Fund, 20% of which will be dedicated to the Rail Funding Program.

## 5. SB-230 Clean Transit Enterprise Fund

SB-230 stipulates revenue within the Clean Transit Enterprise (CTE) Sub Fund shall be allocated to three separate programs at fixed percentages - 20%, 10%, 70% to Rail Funding, Local Transit Grants, and Local Operations, respectively.

Clean Transit Enterprise Fund Forecast (\$M)



20%

### Rail Funding Program Cash Fund

- ▶ Established to fund passenger rail projects and service with established that:
- ▶ Priority given to projects with matching funding from other sources, such as FISA and federal grants

10%

### Local Transit Grant Program Cash Fund

- ▶ Increase transit ridership and service, particularly in transit-reliant communities.
- ▶ Program shall incentivize use of matching funds.

70%

### Local Transit Operations Cash Fund

- ▶ Expand transit service, increase transit frequency, and improve system-wide transit network connectivity.
- ▶ Prioritize transit service improvements in communities with high transit propensity

## 5. RTD Financial Snapshot

7.1.c

As a key project partner, this analysis assumes RTD will provide cost sharing support in the form of one-time capital and ongoing operating contributions. While specific amounts are subject to future agreement between project parties, future financial contributions from RTD may be available from the following sources:

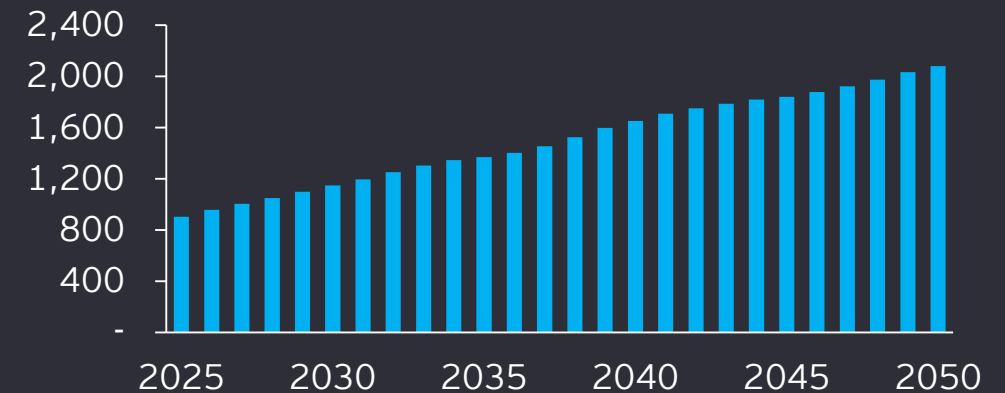
### RTD Sales & Use Tax Projection

- ▶ Forecast includes 0.6% Base System and 0.4% FasTracks tax components.
- ▶ Combined annual tax receipts of **\$903m** in 2025, increasing to **\$2,080m** by 2050 (effectively doubling over 25-year horizon).
- ▶ Forecast shows a compound annual growth rate (CAGR) of 3.4% p.a. between 2025 and 2050.

### FasTracks Debt Capacity

- ▶ Long-term debt secured by the FasTracks sales tax is subject to three voter-mandated constraints:
  - ▶ Total principal amount capped at \$3.48m
  - ▶ Maximum annual debt service of \$309m
  - ▶ Total debt service limit of \$7.13b
- ▶ In addition, RTD financial policies require a minimum net DSCR of 1.20x on a system-wide basis, further constraining near-term debt service capacity.

RTD Sales and Use Tax Projection (\$M)

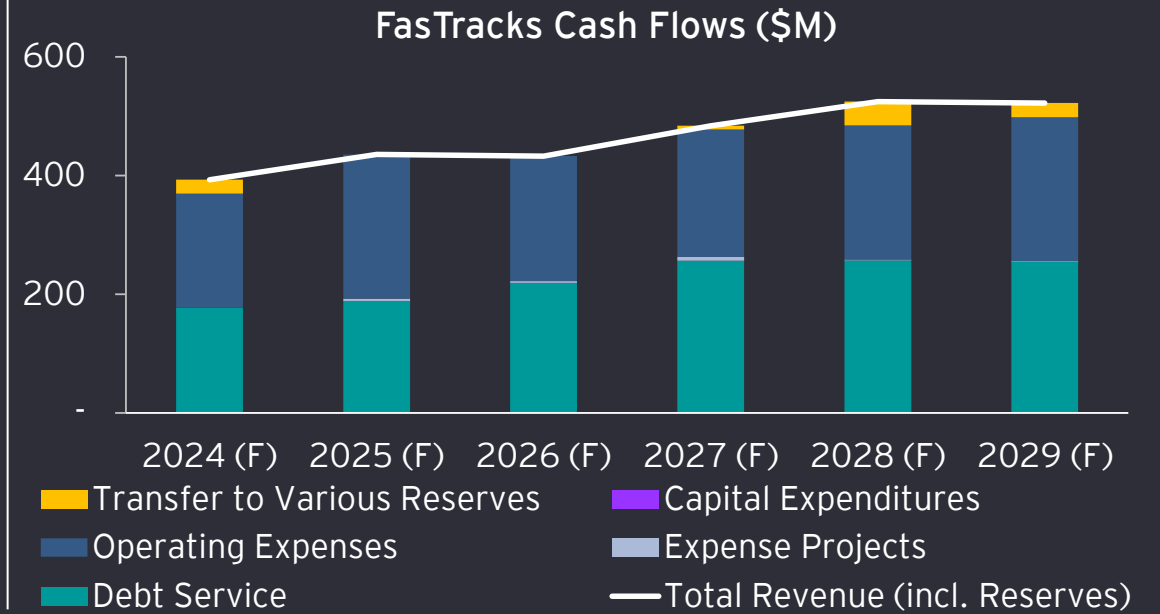
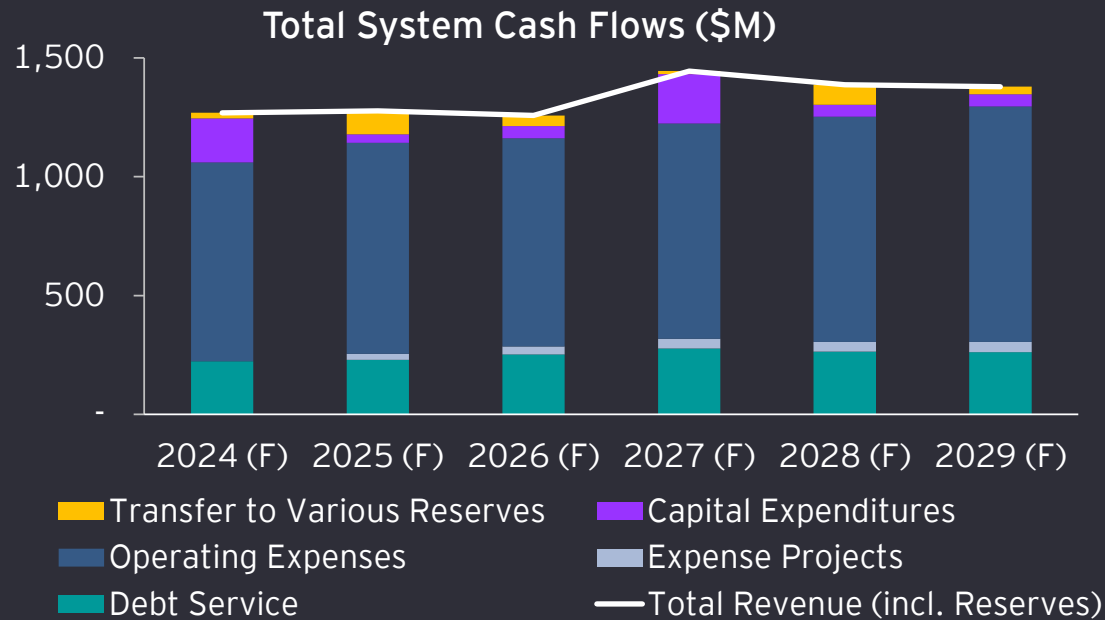


FasTracks Debt Capacity	\$M
Total Principal Limit <sup>(1)</sup>	3,477
Aggregate Principal Issued <sup>(1)</sup>	3,169
Remaining Principal Capacity (est.)	308

(1) Source: COPs Official Statement, Series 2024

# 5. RTD Five-Year Financial Forecast

7.1.c



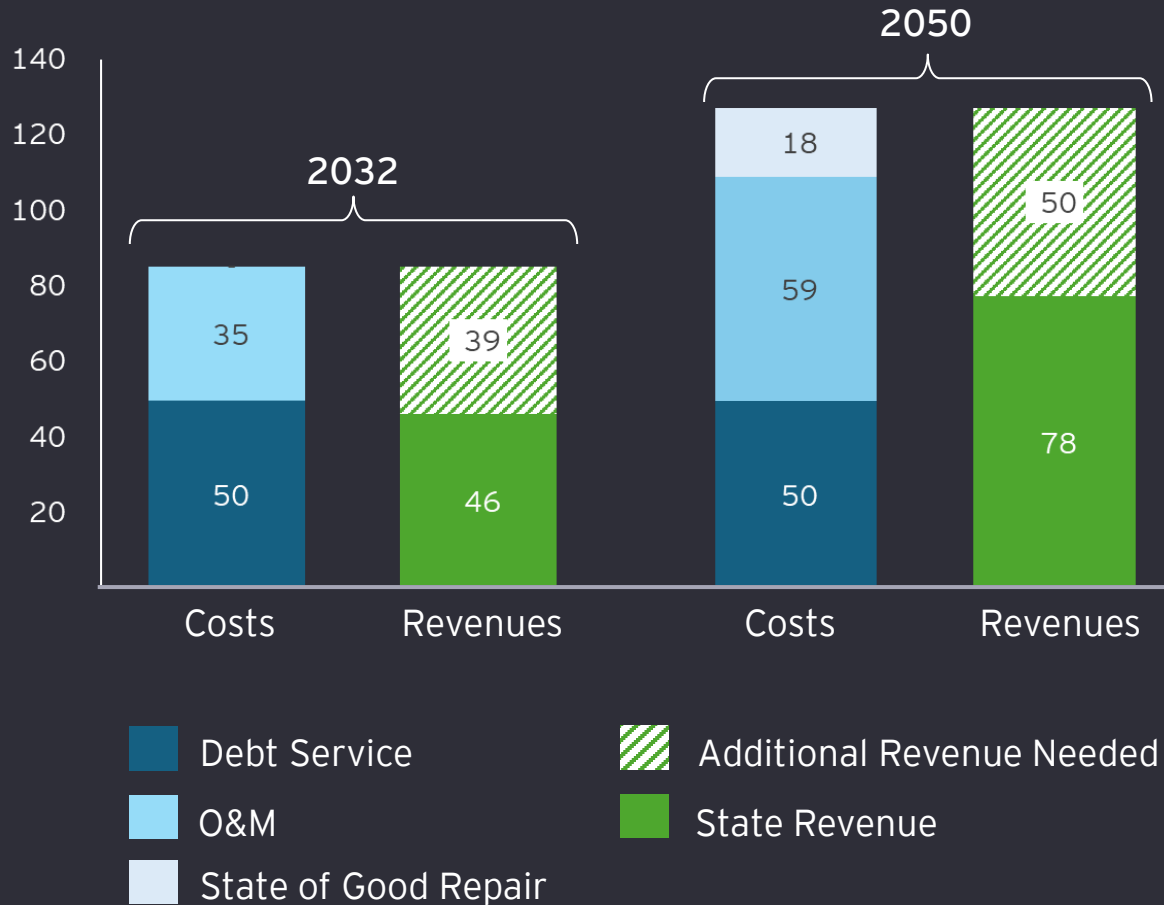
Projected Reserve Balances (\$M)	2024F	2025F	2026F	2027F	2028F	2029F
Annual Deposits to Reserves (Operating, Capital, FISA)	24	98	44	13	85	32
Annual Draws on Unrestricted Reserve	(12)	(84)	(33)	(182)	(86)	(35)
Operating Reserve	196	218	226	233	240	249
Capital Replacement Reserve	185	261	298	298	335	335
FasTracks Internal Savings Account (FISA)	190	190	190	196	236	260
Unrestricted Reserve	422	338	305	123	37	4
<b>Aggregate Reserve Balance</b>	<b>994</b>	<b>1,008</b>	<b>1,019</b>	<b>850</b>	<b>849</b>	<b>848</b>

Source: RTD Five-Year Financial Forecast

## 6. Preliminary Scenario Output - 3 Round Trips

7.1.c

2030 & 2050 Costs & Revenues (YOE, \$M)



### Scenario Assumptions

- ▶ State revenues:
  - ▶ SB-184 & SB-230 Rail Program Funding
  - ▶ Farebox, food & beverage, ancillary revenues
- ▶ Cost estimates include:
  - ▶ Preliminary allocation for state of good repair (SOGR) to be refined with further analysis of asset rehabilitation needs
- ▶ Funding sources could include:
  - ▶ CRISI grant and state match
  - ▶ SB-184 and SB-230 revenues
  - ▶ Financing secured by state revenues
  - ▶ RTD capital and/or operating contribution