



**FasTracks Citizens Advisory Committee
Meeting #3
September 14, 2006
1600 Blake Street, Rooms T & D**

MINUTES

Committee Members Present: Tom Ashburn, Tom Burns, Melvin Bush, Charles Choi, Jim Hall, Anne Hayes, Jeff Holwell, Ken Hotard and Steve Ormiston.

Board of Directors Present: Lee Kemp and Dave Ruchman.

RTD Staff Present: Liz Rao, John Shonsey, Derek Crider, and Susan Altes.

Others Present: Kevin Flynn, Jeff Leib, Karen Morales and Roger Sherman.

1. Group Photo

2. Call to Order and Introductions

Melvin Bush called the meeting to order at 6:00 p.m.

3. Public Participation

None.

4. Approval of Minutes from June 22, 2006 Meeting

Motion by Steve Ormiston, seconded by Anne Haynes to approve minutes approved unanimously.

5. Updated 2006 FasTracks Financial Plan

Liz Rao presented information on the Updated 2006 FasTracks Financial Plan.

- Annual updates to the financial plan are required to meet FTA New Starts grant program requirements and for the annual Senate Bill 208 report to DRCOG on FasTracks.
- Starting in spring 2006, RTD staff undertook a reanalysis of the financial plan, resulting in the updated 2006 FasTracks Financial Plan.
- Reflect actual FasTracks program:
 - Progress
 - Expenditures
 - Revenue receipts through the first year (2005) of program implementation
- Take advantage of opportunities to:
 - Reduce program risks
 - Improve program financing mechanisms
 - Update projections based on the latest financial forecasts
 - Extend the time horizon from 2025 to 2030 consistent with regional planning efforts
- FasTracks program faces cost containment challenges due to spikes in materials and commodities prices in 2005 and 2006.

- Cost increase examples (versus 3.1% CPI from 2002-2005):
 - Rebar – 42.3%
 - Concrete ties – 45%
 - Copper – 160%
 - Gasoline – 156.5%
 - Diesel fuel – 220.5%
 - ROW – 25%
 - RTD staff has successfully identified measures to contain these cost spikes, for example:
 - Shortening bridge structures
 - Advanced procurement of vehicles
 - Identifying opportunities for corridors to share tracks
 - Value engineering items, example bridges vs. tunnels
 - All corridor budgets in the updated 2005 FasTracks Financial Plan remain the same as in the original 2004 financial plan.
 - Total program capital cost remains at \$4.7 billion in year of expenditure dollars.
 - The plan update also includes the issuance of \$600 million in bonds in late 2006.
 - Providing the District the opportunity to offset long-term financing costs over the life of this bond issue.
 - A result of lower interest rates available today.
 - Estimated at 5.0% - 5.25%
 - Compared with the conservative baseline assumptions in the original plan of 6.354%.
 - *Requires reasonable expectation that at least 85% of bond issue will be spent within 3 years.*
 - Opportunities to accelerate capital expenditures with the goal of lowering the interest expense cost due to the advantageous interest rate environment.
 - Recommendations on projects that will enter construction first requiring early acceleration of expenditures.
 - 3 Project recommendations:
 - West Corridor:
 - Project in Final Design.
 - Move the mid-point of construction for the West Corridor ahead by two years.
 - Advance the opening of the West Corridor by one year. This will assure the success of all FasTracks corridors by:
 - Allowing initial bonds to be issued at lower interest rates.
 - Contain costs of the West Corridor (savings by avoiding inflation and price escalation).
 - Assures budget adherence.
 - 2006 Plan opening date beginning of 2013 vs. original Plan opening date in 2014.
- Charles Choi asked if advancing construction would impact ridership? Liz Rao noted that ridership projections were modeled in two ways: planning horizon year (2030) and opening year.
- Denver Union Station
 - EIS/ROD to be completed in 2006.
 - Move up the opening date for Denver Union Station one year:
 - Allowing bonds to be issued at lower interest rates.
 - Helps contain construction costs due to price escalation.

- Is consistent to the region's approach to coordinate development at DUS at the earliest possible time.
- 2006 Plan opening date mid 2012 vs. original Plan opening date in mid 2013.

Anne Haynes noted that both master developer proposals estimated construction by 2011. Liz Rao noted both proposals were conceptual in nature and would be subject to intensive negotiations once a developer is selected.

- Light Rail Maintenance Facility
 - EA underway, Preferred Alternative selected.
 - Move up the construction of the locally funded Light Rail Maintenance Facility by one year:
 - Allowing bonds to be issued at lower interest rates.
 - Helps contain costs due to price escalation.
 - Positions the District for early vehicle procurement, a further opportunity to save funds.
- Revision to the FasTracks Plan is consistent with the Hold Harmless Resolution:
 - Provides an overall interest cost savings.
 - As the remaining corridors in the program finish their environmental process and enter into Final Design, these savings may allow for possible future acceleration of those corridors.
- Having DUS finished earlier will ensure that the corridors accessing DUS – North Metro, Northwest Rail, Gold Line and East will have the opportunity to be completed on an accelerated schedule.
- Changes do not negatively affect the opening of any other FasTracks corridor, rather they benefit all the other FasTracks corridors by providing an overall interest expense savings.
- Questions by Committee members:

Ken Hotard asked if any operational changes were anticipated as a result of cost containment measures? Liz Rao noted that the headways on the West Corridor between the Federal Center and Jefferson County Government end of line would be changed to 15 minutes.

Ken Hotard asked if there were any impacts on travel times? Liz stated none had been identified.

James Hall asked if any right-of-way changes were anticipated? Liz responded that the envelope stays the same, but land acquisition needs may change slightly. John Shonsey noted that the right-of-way envelope is generally 40 feet, but can be as little as 33 feet with a "bulge" at stations.

Anne Hayes asked if RTD foresees the ability to move up other corridors? Liz stated yes, based on planning, design, construction and ability to finance.

Melvin Bush asked if incentives for early completion were included in contacts? Liz noted that generally RTD does not include such incentives.

James Hall asked if the bonds RTD issues are tax exempt, 30-year bonds? Liz replied yes, but includes early payoff provisions.

Anne Hayes asked if how sales tax revenue was coming in? Liz noted that RTD ended 2005 slightly under budget (approximately 95% of budget) and is running slightly ahead of budget so far in 2006.

- Motion: Ken Hotard moved the support the Updated 2006 FasTracks Financial Plan. Tom Ashburn seconded the motion and it passed unanimously.

6. Update on SB 208 Annual Report to DRCOG

Liz Rao reviewed the draft SB208 Annual Report to DRCOG.

- SB208 requirements:
 - Passed in 1990
 - RTD may not take action relating to the construction of a regional fixed guideway mass transit system until approved by the Metropolitan Planning Organization (DRCOG).
 - Each component part or corridor of such system must be approved separately.
 - Approval must include method of financing and technology.
- Annual Review Guidelines:
 - Project definition and scope
 - Plan and corridor costs
 - Revenue projections
 - Implementation schedule
 - Operating characteristics
 - Level of bus service
- Previous DRCOG SB208 approvals:
 - Central Corridor (Metro Area Connection)
 - Central Corridor extension
 - Southwest Corridor
 - Southeast Corridor (T-Rex)
 - Central Platte Valley LRT
 - FasTracks (Adopted overall plan and individual corridors in 2004)
- Project definition and scope:
 - No changes in any FasTracks projects except West Corridor
 - Only West Corridor completed NEPA
 - West Corridor has proposed scope and schedule changes
 - All other corridors in NEPA process
- West Corridor
 - Value engineering and risk assessment studies in 2005
 - Cost-containment strategies proposed to manage material price escalation
 - Three strategies:
 - Accelerate construction
 - Increase peak hour headways in one segment
 - Shift the LRT alignment to eliminate costly tunnel
 - Environmental Assessment underway for cost containment proposals
- Revenue projections:
 - Based on actual sales and use tax collections
 - Includes actual program progress, expenditures and receipts
 - Issuance of \$600M in bonds at lower interest rates
 - Scheduled for Board adoption on September 19

- Implementation schedule
 - Updated schedule accelerates three projects
 - West Corridor
 - Denver Union Station (DUS)
 - Light Rail Maintenance Facility
- Level of bus service
 - FasTracks committed to 1% annual increase in Bus Service
 - 2006 to 2011 TDP and annual budget call for a 1.2% increase in bus service in 2006
 - 2006 adopted budget increased Bus Service hours to 3,030,707 per year (an increase of 1.2 percent)
- 2006 program milestones:
 - Lawsuit challenging FasTracks ballot issue dismissed
 - Commuter rail vehicle study to evaluate design and operating characteristics
 - Adopted Program Management Plan
 - Quality Management Oversight Program manual and procedures adopted
 - Quality of Life measurement program
 - Public Information/Involvement program
 - Established corridor liaisons
 - Developed Transit Technology Education Program
 - FasTracks Anniversary Event
 - Citizens Advisory Committee
 - Transit Oriented Development
 - Board adopted revised Transit Oriented Development (TOD) Policy
 - Board adopted TOD Strategic Plan
 - West Corridor TOD workshop
 - Partnered with local jurisdictions on developing new land-use plans at 27 station areas
- Questions by Committee members

Anne Hayes asked if DRCOG has ever turned down a change? Liz noted that DRCOG has never denied a request outright, but has asked for changes or additional analysis.

7. Review FasTracks 2006 Team Factbook

Karen Morales reviewed the FasTracks Team Factbook with the Committee and asked for feedback on other topics that might be included. Suggestions from the members included:

- Timeline for construction and update when changes are made
- Connect it to the annual report to DRCOG and updated financial plan
- List of standard meetings
- Delete phone extensions
- Basic financial information
- More operational/service features
- CAC contact information

The Committee also discussed possible distribution locations and methods.

8. Comments by Committee Members

Charles Choi expressed concerns about TOD along the West Corridor, specifically relating to land use issues around the station and asked if RTD can influence

jurisdictions to increase zoning? Liz noted that zoning decisions rest with the local government. Charles shared information he has been hearing regarding some zoning changes Lakewood is considering and the perception that RTD is forcing the city to do so. It was agreed that a comprehensive TOD workshop would be held in January.

Ken Hotard expressed his belief that the CAC should not spend a lot of time discussing/focusing on land use aspects of zoning.

9. Adjournment

The meeting was adjourned at 8:05 p.m.