



**FASTTRACKS TASK FORCE  
JANUARY 28, 2010  
MEETING NOTES**

## **Metro Mayors Caucus FasTracks Task Force January 28, 2010 Meeting**

### **Notes:**

- RTD Presentation on APE Recommendations (see attached PowerPoint)
- RTD Board reaction
  - Board concerned that ridership numbers be as accurate as possible
  - PCAs not popular with the Board
  - Some of the headways can be maintained with single track so more work needs to be done to look at that
  - RTD tends to over project
  - Reduced headways late at night are okay but during peak and through the day maintain the headways
  - Maintain the headways promised in 2004
  - Board has not decided on 2010 (Director Busck not in favor of 2010 as of now)
  - Shouldn't cut the amount asked for of the voters — if it is too much we can give it back
  - Need to get the FFGA from the feds — if the feds buy into this plan the voters will too
  - 2011 will have a low turn out but for something like this we need a big turn out
  - Federal government may cough up some extra money — not putting much into that but it could happen
  - Cannot bump headways to 30 minutes should be 15 or 20 at most
  - Many challenges — example the problem with moving sidewalks at Union Station
- Task Force Discussion
  - We want to make sure all possibilities have been exhausted before going to voters
  - Does the rest of the Board share these feelings on headways
    - RTD-believe that at least a majority and probably close to unanimous feels the same way
    - Straw poll indicates Board did not support PCAs
    - RTD Board knows we will have to knock on every door and turn over every rock to make sure the voters know everything is being done — we need to do this together
  - Have to look at PCAs through the filter of cost effective
  - When looking at single track you will buy ROW for double track
    - RTD-Yes, ROW for double track
    - PCAs were not a staff recommendation but an analysis of all options
  - In some cases bypass tracks could make it possible to avoid buying the extra ROW

- If this goes to the ballot JeffCo is really crucial — those voters are looking for congestion mitigation so reducing headways would be a killer
- People in the North area are worried that other areas that have service won't support the election
  - In the South that hasn't been a problem — they still want the whole system
  - People live and work in different places — only 18% of Broomfield population work there and only 30% of Denver population work there
- If we don't go in 2010 it will give us a year or more to sort out some of the questions like how to guarantee service to the North — could be a good thing
- People who want the system so others will get off the road just points out the interconnectivity of the entire system — transit and highways are one system
- Plans for Field Research — MGB
  - Maria is in fundraising mode
  - Planning on conducting research in February and early March and will have results by RTD Board meeting in March
  - Cannot do any of this with public dollars
  - Sonderman will do focus groups
  - Need to gauge voter/taxpayer tolerance
  - National mood does permeate local attitudes
  - Need to have a conversation with the voters to know what they are thinking
  - Focus groups will inform what the polling should ask
  - Odd year election — voters don't feel as informed or as motivated
  - What is happening with John Huggins group
    - Maria meeting with them — fundraising
  - RTD Board is aware that some of the mayors will not be around in 2012 and the RTD board may change this November — we need to find candidates that will keep this mentality going
    - Transit Alliance is important to this having graduated three RTD Board members already
  - John Huggins group wants to add two mayors
    - FTTF suggests Bob Murphy and Pat Quinn

### **Next Meeting**

- Next meeting date will be set when there is information about the research



**2010 Annual Program Evaluation (APE)  
Follow-Up Presentation**

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

January 26, 2010

# Tonight's Presentation

- **Response to Follow-Up Questions Concerning the 2010 Annual Program Evaluation (APE)**
- **Additional Analyses on Potential Critical Adjustments (PCAs)**
- **Financial Plan Approval – Next Steps**

# **2010 APE Financial Analyses – Follow-Up Questions**

- 1. Assuming no additional revenues for the FasTracks program, how long (after 2035) could the program be completed?**
- 2. In the financial plan, what is assumed for the length of bonds?**
- 3. Assuming the new sales and use tax cannot be combined with the existing sales and use tax for debt coverage purposes, how long would it take to complete the FasTracks program?**
- 4. How accurate have Moody's Economy.com forecasts for CPI been historically?**
- 5. What have other transit agencies' experiences been with ridership predictions versus actual ridership?**
- 6. What are the additional costs and risks associated with waiting until a 2012 election?**

# **Q 1 – Date the Program Can Be Completed (No Additional Revenues)**

**2042 – The date the FasTracks program would be completed and operated if no additional revenues are identified**

## Q 2 – Length of Bonds Assumed in the Financial Plan

- **RTD assumed 35-year bonds for the 2010 financial plan**
  - This is reasonable due to the very long life of the assets that are being financed

## Q 3 – Date the Program Can Be Completed Assuming 0.4% in 2010

- This scenario assumes that the new sales and use tax can only be applied to projects that are not currently committed to or under construction (e.g., DUS, West, Eagle Project, US 36 BRT Phase 1, existing corridor enhancements, etc.)
- 2017 – Date the entire FasTracks program can be built out and operated if the existing 0.4% can be shared and cross collateralized with the new tax
- 2025 – Date the entire FasTracks program can be completed and operated assuming the coverage is not blended, but excess revenues from the original tax can be used to build the remaining corridors
  - If the existing and new sales and use tax can not be blended from a debt coverage perspective, initial bonding capacity is reduced by approximately \$900 M

# Q 4 – Accuracy of Moody’s Economy.com Forecasts for CPI

- The following table compares Moody’s Economy.com’s forecast made in December, 2003 vs. actuals for the period between 2004 – 2008
- In general, Moody’s forecasts were close to the actual growth in CPI during this period

	12/03 Forecast for 2004 - 2008	Actual CPI Growth
National CPI – Excluding Food and Energy (% Change)	2.0%	2.2%

# Q 5 – Other Transit Agencies’ Experiences with Ridership Predictions

- The following table identifies forecasted and actual ridership for commuter rail corridors that are comparable in length, ridership and demographics to the FasTracks corridors

Name	Year Open	Actual Ridership (Daily)	Forecasted Ridership	Difference from Forecast
North Star Commuter Rail (Minnesota)	2009	5,600	3,400	65%
Rail Runner Express (New Mexico)	2006	4,500	3,500	29%
FrontRunner (Utah)	2008	4,800	7,450	-36%
Souder (Washington)	North: 2003 South: 2000	9,900	17,200	-42%

# Q 6 – Additional Costs/Risks Associated With Waiting Until a 2012 Election

- **Results in a minimum of \$200 M increase in costs due to escalation**
  - Does not allow RTD to take advantage of the current favorable bidding environment
  - Reduces the short-term economic benefits of building out the full program
- **Adds additional risk to the program due to**
  - Potential for higher than anticipated cost escalation
  - Potential need to revise and update environmental studies
  - Potential loss of institutional knowledge and experienced personnel
  - Additional costs for eventual re-mobilization of staff and projects
  - Uncertainty as to the future of the program – could impact regional support
  - Turn-over in majority of local elected officials could impact future support

# Results of 2010 APE Analyses – Overview

- **The capital funding gap by 2017 for the FasTracks program has grown from \$2.2 B to \$2.4 B**
  - Projected sales and use tax revenues do not change significantly among the three growth scenarios in the short term (i.e., through 2017), resulting in little change in the funding gap during this period
  - An O&M funding gap also exists through 2035 and beyond for the FasTracks program absent additional revenues
- **The full FasTracks program can be completed by:**
  - **2017:** Assuming a successful election in 2010 that increases sales and use tax by 0.4% (under the high, medium and low sales tax growth scenarios)
  - **2019:** Assuming an election in 2012 that increases sales and use tax by 0.4%
  - **2025:** Assuming a successful election in 2010 that increases sales and use tax by 0.4%, but no federal funding for the East and Gold Line corridors; or assuming the new revenues can only be applied to certain corridors
  - **2042:** Assuming no additional revenues

# Potential Critical Adjustments

# Potential Critical Adjustments – Follow-Up Questions

- 1. What is the population and employment around the peer transit agency corridors that were identified as PCA examples?**
- 2. What are the specific capital cost savings and ridership impacts for each PCA?**
- 3. What are the corridor-by-corridor O&M savings from the PCAs?**
- 4. How would RTD address short-term capacity issues that might arise on corridors after PCAs have been applied?**
- 5. Assuming 100% of the PCAs, what additional sales and use tax would be needed to complete full build-out of the FasTracks program by 2017?**
- 6. What decrease in capital costs (from PCAs) would be required to reduce the needed additional sales tax from 0.4% to 0.3%?**

# Q 1 - Population & Employment Around Peer Transit Agency Corridors

Name	Estimated Ridership	Demographics
North Star Commuter Rail - Minnesota	5,600 per day	<ul style="list-style-type: none"> <li>-150,000 jobs (97% located in CBD)</li> <li>- Average population density near each of the five stations is 2,000 persons/square mile</li> </ul>
Rail Runner Express - New Mexico	4,500 per day	<ul style="list-style-type: none"> <li>-Almost 50% of New Mexico's residents live in the 4-county Albuquerque/Santa Fe urban area</li> <li>- More than 50% of all wage and salary jobs are located in this four county area</li> </ul>
Heritage Corridor - Illinois	2,800 per day	<ul style="list-style-type: none"> <li>-Corridor contains a variety of attractions such as a casino, museum, and recreational opportunities</li> <li>-Terminus city Joliet is the fastest growing city in the Midwest and among the fastest growing in the United States. As such, the area includes a high number of residential projects</li> <li>- Joliet also has a NASCAR and NHRA track, nearly doubling the population of the city due to the influx of fans</li> </ul>

# Q 1 - Population & Employment Around Peer Transit Agency Corridors (cont)

Name	Estimated Ridership	Demographics
West Coast Express - Vancouver to British Columbia	- 10,500 per day - Opening Year Ridership was 5,000 (1995)	-Vancouver metro area is home to nearly 60% of the population of British Columbia  -578,041 people live in the City of Vancouver; 2.11 million live in the metro area  -Rail service provides travel time advantage to the vehicle
FrontRunner - Utah	4,800 per day	-Population along Corridor: 1,340,522  -Employment along corridor: 864,323
Sounder - Washington	9,979 per day	-North Line: 63,424 pop  -North Line: 131,425 jobs  -7% Pop in CBD  -31% Jobs in CBD



# Q 2 - Capital Savings and Ridership Impacts From Implementing PCAs

	Opening Day Service Plan	Opening Day Projected Ridership (per day)	Capital Cost Savings (YOE, Millions)
Northwest Rail	<p><u>Current:</u> 30 minute peak and 60 minute off-peak</p> <p><u>Potential:</u> 4 trains per peak period and no off-peak service</p>	<p><u>Current:</u> 4,400</p> <p><u>Reduction of:</u> 3,500 (80%)</p>	\$191
SE Extension	<p><u>Current:</u> 4.3 minute peak and 6 minute off-peak</p> <p><u>Potential:</u> 30 minute peak and off-peak</p>	<p><u>Current:</u> 8,500 (53,900 full corridor)</p> <p><u>Reduction of:</u> 5,500 riders (64%) for the extension (10% drop for all of SE Corridor)</p>	\$12
SW Extension	<p><u>Current:</u> 7.5 minute peak and 10 minute off-peak</p> <p><u>Potential:</u> 30 minute peak and off-peak</p>	<p><u>Current:</u> 3,500 (19,500 full corridor)</p> <p><u>Reduction of:</u> 2,600 riders (75%) for the extension (5% drop for all of SW Corridor)</p>	\$23
I-225	<p><u>Current:</u> 10 minute peak and 15 minute off-peak</p> <p><u>Potential:</u> 30 minute peak and off-peak</p>	<p><u>Current:</u> 17,300</p> <p><u>Reduction of:</u> 6,800 (39%)</p>	\$96
North Metro	<p><u>Current:</u> 15 minute peak and 30 minute off-peak</p> <p><u>Potential:</u> Ranges from 30 minute peak, 90 minute off peak to 30 minute all day service</p>	<p><u>Current:</u> 11,200</p> <p><u>Reduction of:</u> 4,900 (44%)</p>	\$172
15	<b>Estimated Capital Cost Savings</b>		<b>\$494</b>

## **Q 3 – Annual O&M Cost Savings From Implementing PCAs (2017 \$'s)**

- **O&M cost savings in 2017 for the full FasTracks program = \$25.7 M**
- **Decrease in farebox revenues due to reduced ridership from implementing PCAs = \$11 M**
- **Total O&M savings in 2017 = \$14.7 M**

## **Q 4 – Short-Term Capacity Issues From Implementing PCAs**

- **If RTD implements PCAs, and finds in the short term that additional capacity is needed, additional cars can be added to the trains**
  - This would increase the capacity for each train, but not the frequency of service
- **Light rail vehicles have already been ordered, so no additional procurement would be necessary**
- **Accelerating the purchase of additional commuter rail vehicles would be necessary to provide this flexibility**

# **Qs 5 & 6 – Additional Tax % Needed To Complete the Program in 2017**

- **Assuming 100% of the PCAs, an additional 0.35% of sales and use tax would be needed to complete full build-out of the FasTracks program by 2017**
  - 0.35% works under the low, medium and high sales and use tax growth scenarios, but it is tight under the low scenario
  - This scenario assumes full restoration of all PCAs by 2035
- **Restoration of the PCAs will be dependent on demand and funding. If demand and funding do not require the restoration of PCAs, then a decrease in capital costs by 2017 of \$600 M would reduce the needed additional sales and use tax from 0.4% to 0.3%**

# Financial Plan Approval – Next Steps

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- **February 1, 2010 – RTD Board Feedback Requested on PCAs**
  - Should RTD staff formally incorporate PCAs into the 2010 APE?
  - If so, which specific PCAs should be included (i.e., all of the PCAs, or just certain corridors)?
- **February 9, 2010 – FasTracks Monitoring Committee Recommendation for Approval of the 2010 Financial Plan**
  - RTD staff will review the various financial plan scenarios that have been presented to the RTD Board and will provide a staff recommendation
  - Given the fact that the research needed to determine the viability of a 2010 election will not yet be complete, the RTD Board may chose to approve both a “primary” and a “back-up” financial plan for 2010

# Financial Plan Approval – Next Steps (cont)

- **February 16, 2010 – Formal RTD Approval of the 2010 Financial Plan**
  - Approval of the financial plan will allow RTD staff to move forward with completion of the DRCOG Senate Bill 208 report
  - DRCOG must approve the 2010 financial plan prior to RTD placing an initiative on the ballot

# Financial Plan Approval – Next Steps (cont)

- **February/March, 2010**
  - Ongoing coordination with Metro Mayors Caucus Task Force and Coalition for Smart Transit
  - Continue to seek feedback from region's elected officials and civic leaders
  - Outside group to complete research/polling based on 2010 APE findings
  - Outside group to analyze private sector's capacity to support campaign
- **March/April, 2010**
  - Complete the analysis of a potential campaign
  - RTD Board provides direction on timing of ballot initiative
- **June, 2010**
  - Board decision on contract award of for Eagle P3 Project
- **No Later Than August, 2010**
  - Approval of official ballot language (assuming a 2010 election)

# Questions?