



COLORADO  
**Transportation  
Investment Office**

# Mountain Rail Program Update

February 19, 2025

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# I. Program Background

# Overview of the Mountain Rail Program

Launched in 2023 by CDOT's Division of Transit and Rail, the Colorado Mountain Rail Program ("Program") aims to improve connectivity in Central Rocky Mountains communities.

## Program Objectives:

- ✓ Provide reliable transportation alternatives for mountain communities
- ✓ Promote economic development through increased tourism and foot traffic
- ✓ Meet increasing demand for passenger rail service linking recreational and regional locations

## Program Status:

- Service Development Plan begun in 2024 and delivered in early 2025
- Closing of the Moffat Tunnel lease between CDOT/Union Pacific (UP) and establishing an Access Agreement on May 1, 2025
- Phase 1a service targeted before January 2027

## Program Funding:

- Program funding is partially secured through new revenue sources created under SB-184 (subject to pending litigation) and SB-230

# Program Overview

- The Program anticipates utilizing existing rail line between Denver and Craig
- CDOT is considering multiple factors to identify the most suitable sites for stations
- Future local service in the Yampa area would be a partnership with local providers, as well as state service to Steamboat
- Staff is currently focused on advancing:
  - Phase 1a and 1b: Denver to Granby (Round trip) and Granby to Denver (Round trip)



## II. Procurement Delivery Team

# Team Structure

## CDOT Executive Committee (EC)

**Shoshana Lew**  
Executive Director

**Sally Chafee**  
Chief of Staff

**Jeff Sudmeier**  
Chief Financial Officer

**Piper Darlington**  
CTIO - Director

**Kay Kelly**  
CDOT OIM - Chief

**Maux Sullivan**  
DTR Assistant Director

**Paul DesRocher**  
CDOT DTR - Director

**Lisa Kaufmann**  
Senior Advisor

**Branden Shafer**  
OEDIT

[Clean Transit  
Enterprise  
Representative]

## Project Team

### CTIO

- Mountain Rail Program management
- Procurement and market engagement
- Financial and commercial oversight
- Legal coordination with Attorney General's Office (AGO)
- Service Development Plan: Benefit Cost Analysis (BCA), Economic Impact Analysis (EIA), and Financial Plan

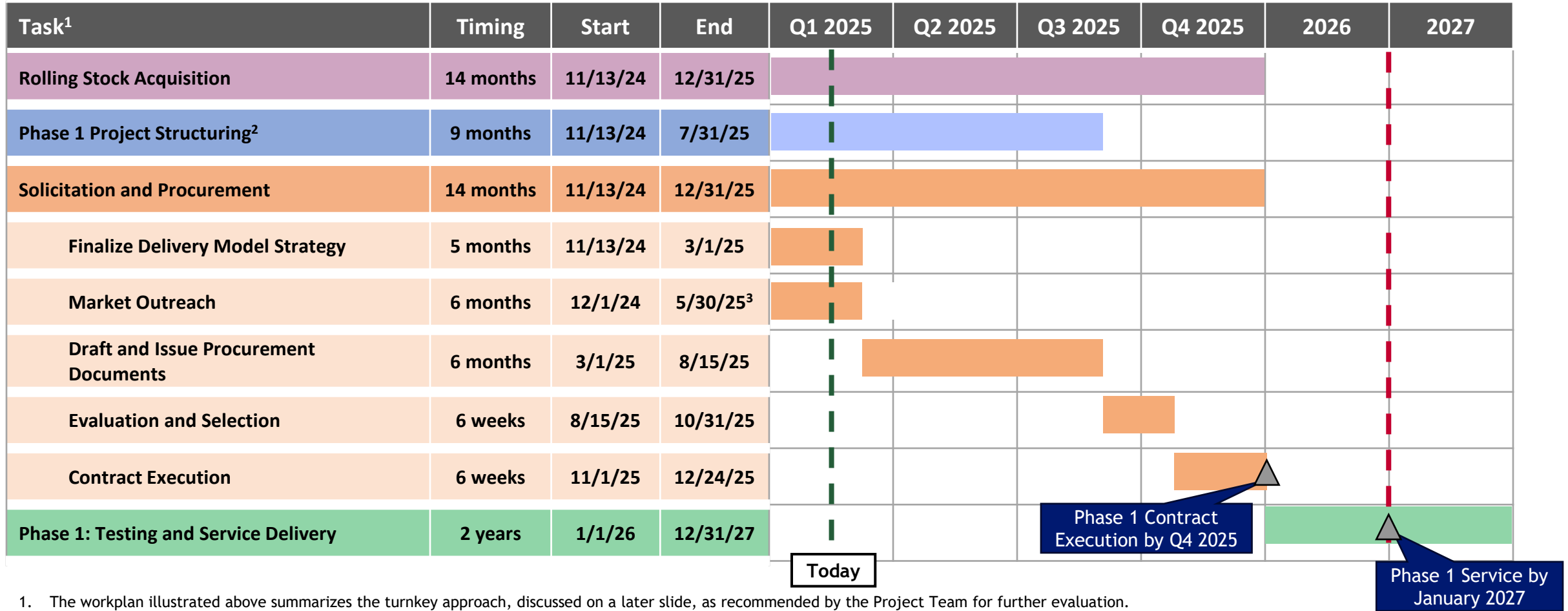
### CDOT / DTR

- Service Development Plan
- Cost estimating
- Technical oversight

# III. Program Procurement



# Procurement Schedule Overview



1. The workplan illustrated above summarizes the turnkey approach, discussed on a later slide, as recommended by the Project Team for further evaluation.
2. Phase 1 Project Structuring includes work to support the solicitation documents (e.g., defining technical specifications and KPIs, financial plan, risk assessment).
3. The Project Team will determine additional market outreach activities (e.g., Industry Days, 1:1 Meetings) following initial market outreach feedback.

# Phase 1 Procurement Approach Selection

- The Project Team is considering two approaches for Phase 1 procurement:
  1. Turnkey approach: Rolling stock and operator procured through single, bundled contract
  2. Separated approach: Rolling stock acquired separate from operator
- The Project Team is considering each approach's ability to address Program objectives, along with potential benefits and ability to mitigate risk

**Based on the Project Team's assessment of potential benefits and risk mitigation abilities, the turnkey approach is being further validation through informal market outreach.**

# Objectives of Informal Market Outreach

Market outreach will take the form of informal meetings with certain market participants to:

- Gauge market interest in participating in the upcoming Program procurement; and
- Collect feedback on various procurement considerations to expedite delivery of Phase 1 service, including:
  - Appetite in pursuing delivery via a turnkey (i.e., bundled) contract;
  - Availability of used rolling stock for Phase 1;
  - Acquisition of used rolling stock via purchase or lease; and
  - Implications on Phases 2-3 scope and delivery approaches.
- Market participants consist of a variety of rail operators, rolling stock providers/manufacturers and rail maintainers

# IV. Financial Plan

# Financial Plan

The Project Team is developing a financial model to inform the financial plan for the Program. Once finalized, the financial model will consider:

- Program costs and funding/financing sources for the **entire Program (i.e., Phases 1 - 3)**;
- Various funding sources, including potential funding contributions from **alternative sources, including private capital, Regional Transit Authorities, ancillary revenue streams, etc.**;
- **Multiple funding scenarios to account for uncertainty** in the availability of initially identified funding sources (e.g., congestion fee revenues enabled by SB-184);
- **Various financing alternatives**, including RRIF/TIFIA and private contributions; and

**CTIO and CDOT staff are actively considering the potential downstream impact on Federal funding availability under the new Administration**

# V. Next Steps

# Next Steps

Complete market outreach, summarize key takeaways and integrate feedback into procurement plan

Identify and advance a preferred procurement approach and develop a strategy for going to market with procurement solicitation materials

Execute the Access Agreements that will govern the relationship between Mountain Rail and Union Pacific's respective railroad operations by Spring 2025

Refine the financial plan, with consideration of new capital cost estimates from 10% design and the completed Service Development Plan (SDP)

CTIO and DTR staff anticipates providing a detailed update to the Board in spring 2025