

SUBJECT TO CHANGE - RELIANCE
RESTRICTED

SB-184 Preliminary Financial Analysis

Front Range Passenger Rail Project

March 19, 2025



Agenda

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



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.

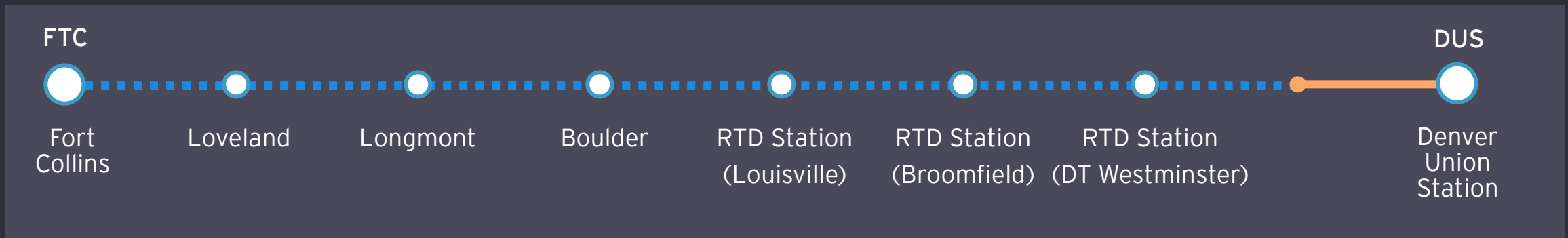
Analysis outputs are generally dependent on the maturity and accuracy of the technical analysis supplying the model inputs as well as the funding assumptions used therein. The project is at an early stage of planning and design, and therefore the model outputs are subject to refinement.



2. Key Service Assumptions

Joint Corridor Service

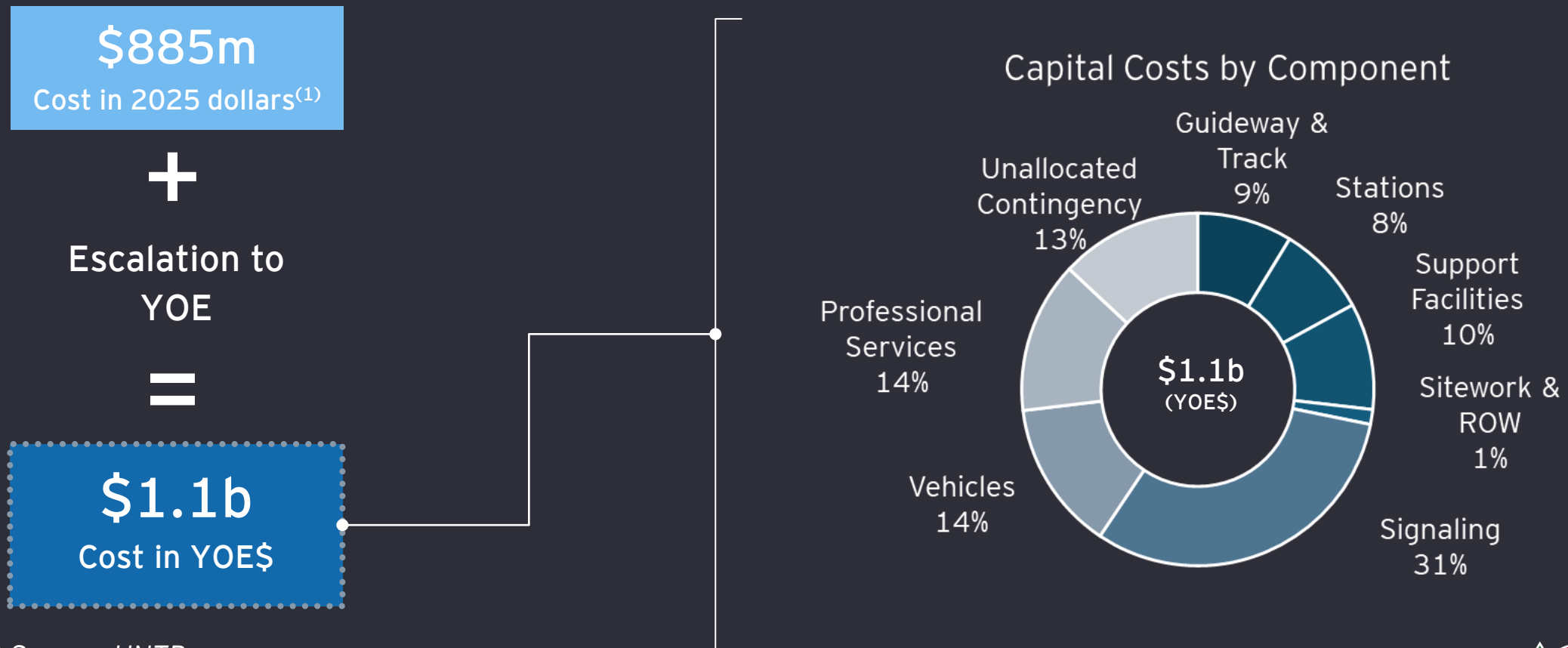
Analysis assumes 3 round trips commencing in 2029



- ▶ 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.⁽¹⁾
- ▶ **Stations:** includes full build of generic, medium sized stations; corridor comprises service at 5 stations plus 3 new RTD stations.

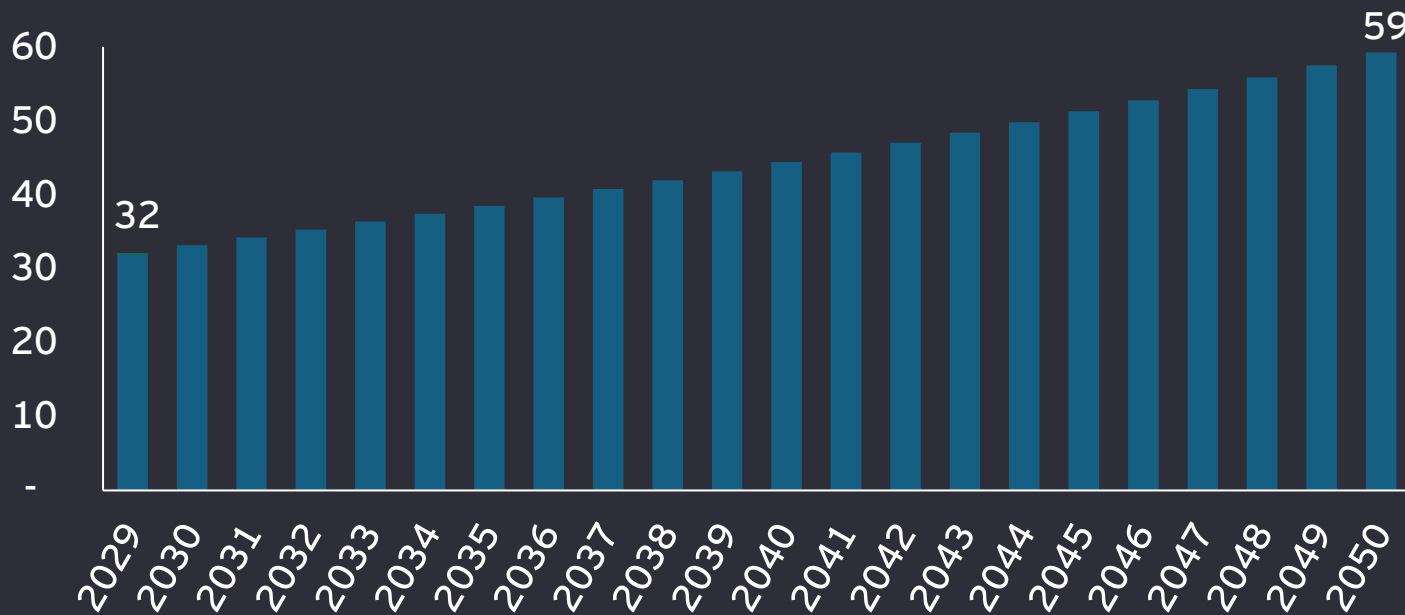


(1) Source: HNTB



4. Annual Operations and Maintenance for 3 Round Trips: \$32M (YOE\$)

Projected O&M Costs, 2029 2050 (YOE\$, Millions)



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

Note: O&M costs inclusive of inflation, assumed to be 2-3% per year over the operating term



5. Capital & Operating Funding Sources

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	■	■

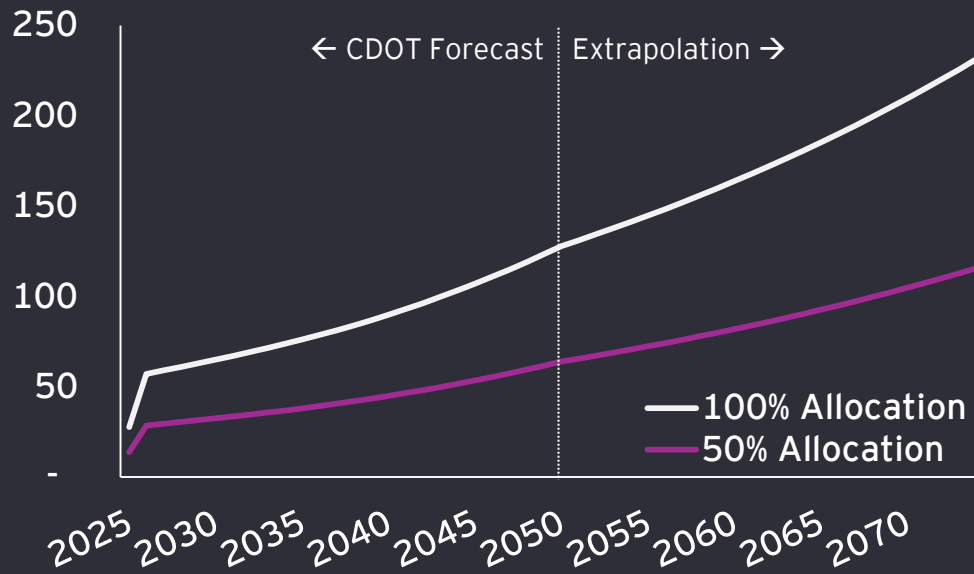
- ✓ Source included/eligible use
- X Source excluded/ineligible use
- Potential future source



5. SB-184 & SB-230 Revenue Forecast

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⁽¹⁾

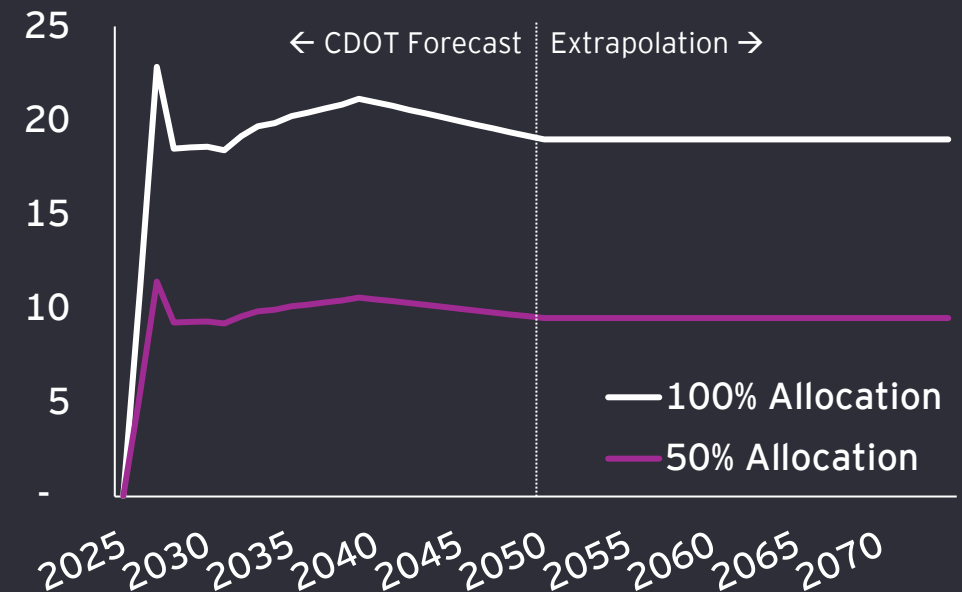


SB 184 imposes a daily rental car fee up to \$3 commencing on January 1, 2025, adjusted annually for inflation. Receipts are estimated at \$57m in FY26, growing to \$110m by FY50.

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

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

SB-230 Rail Funding Program⁽²⁾



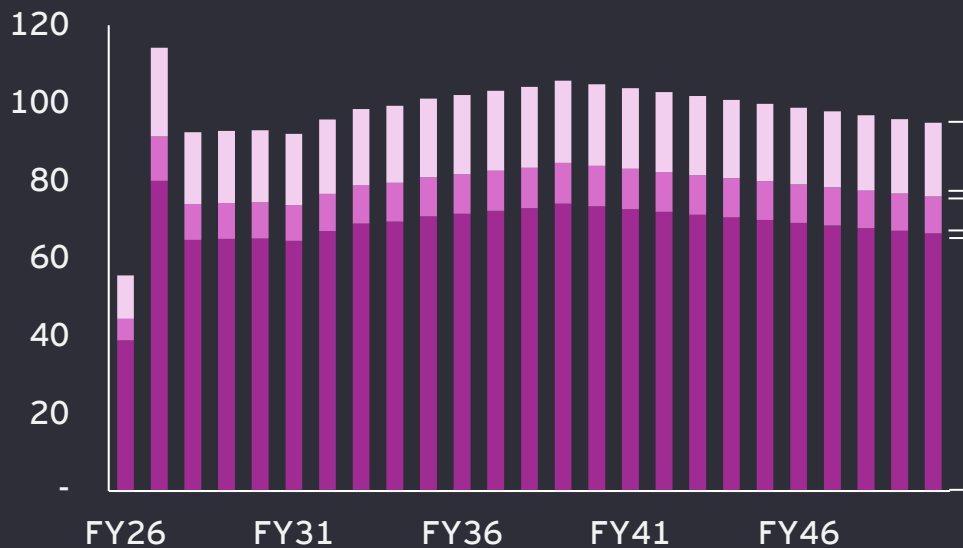
SB 230 imposes an incremental oil and gas production fee, commencing on July 1, 2025, to be allocated to a Clean Transit Enterprise (CTE) Sub Fund, 20% of which will be dedicated to the Rail Funding Program.



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)



- Rail Funding Program Cash Fund
- Local Transit Grant Program Cash Fund
- Local Transit Operations Cash Fund

Rail Funding Program Cash Fund

20%

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

Local Transit Grant Program Cash Fund

10%

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

Local Transit Operations Cash Fund

70%

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

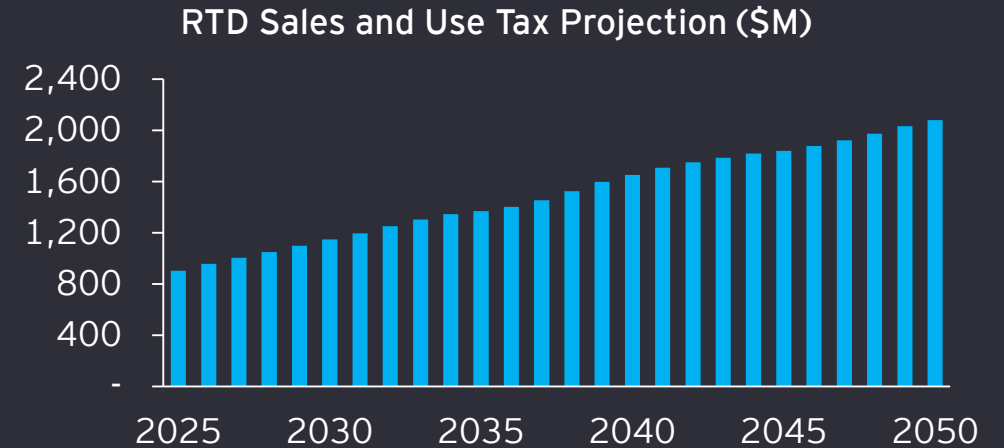


5. RTD Financial Snapshot

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

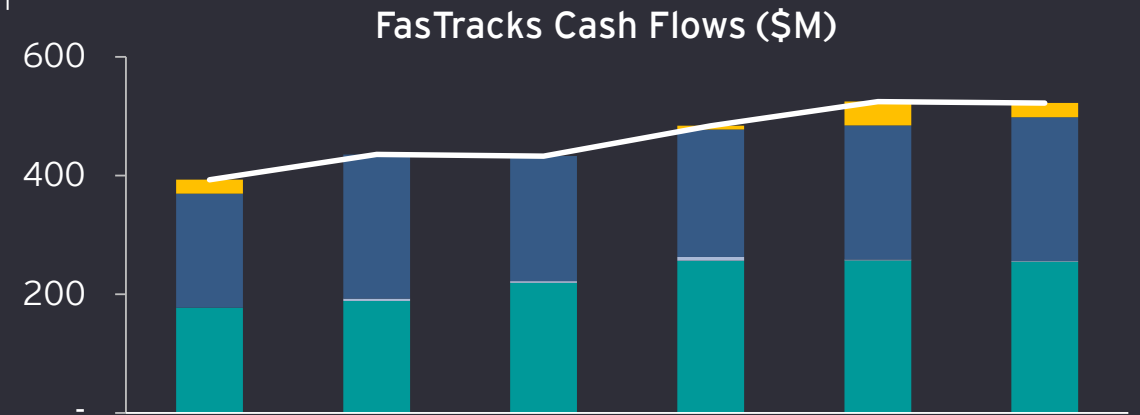
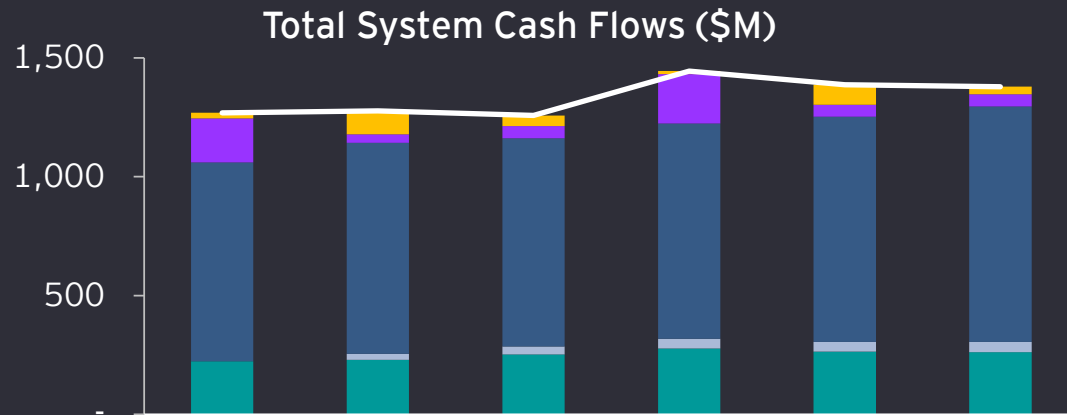
- ▶ Long term debt secured by the FasTracks sales tax is subject to three voter mandated constraints:
 - ▶ Total principal amount capped at \$3.48m
 - ▶ Maximum annual debt service of \$309m
 - ▶ Total debt service limit of \$7.13b
- ▶ In addition, RTD financial policies require a minimum net DSCR of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

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

(1) Source: COPs Official Statement, Series 2024



5. RTD Five-Year Financial Forecast



- Transfer to Various Reserves
- Capital Expenditures
- Operating Expenses
- Expense Projects
- Debt Service
- Total Revenue (incl. Reserves)

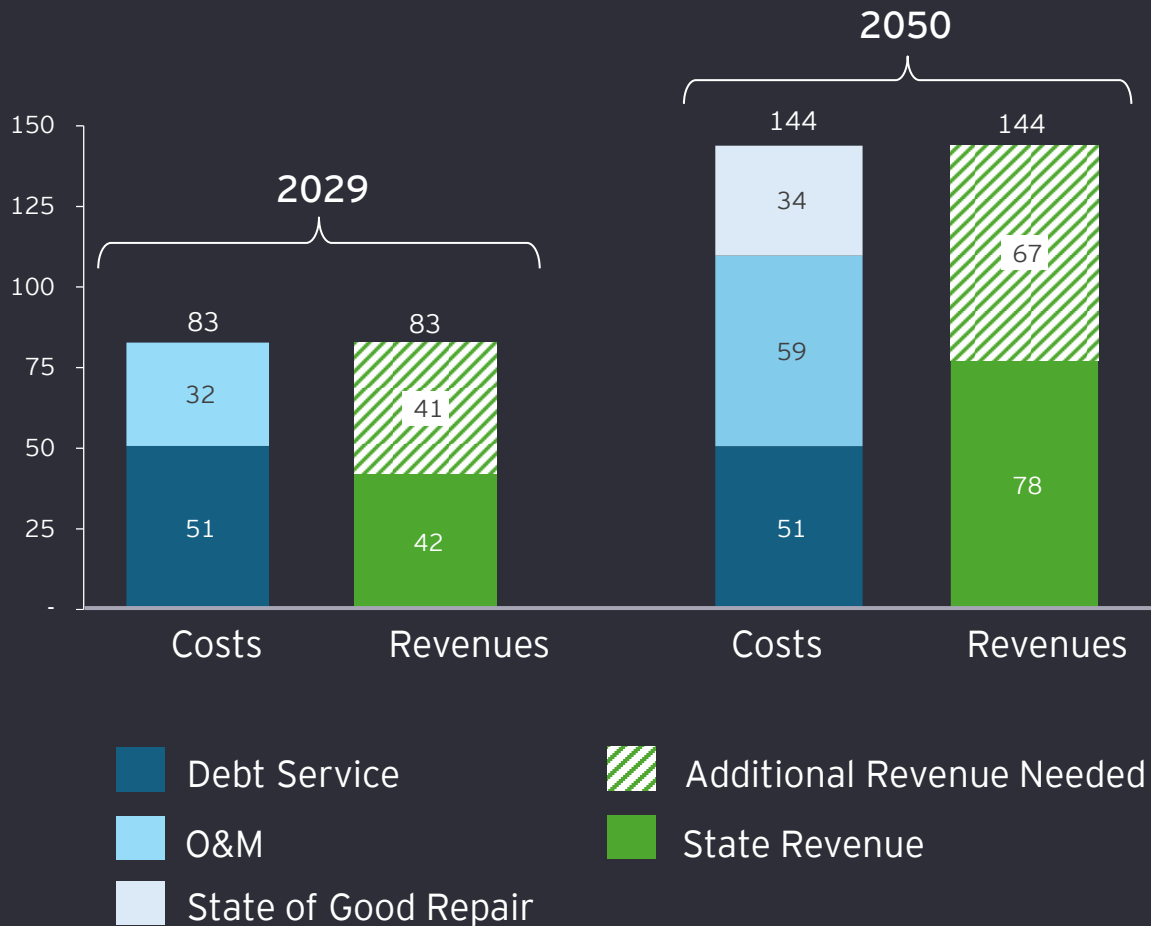
Projected Reserve Balances (\$M)	2024F	2025F	2026F	2027F	2028F	2029F
Annual Deposits to Reserves (Operating, Capital, FISA)	24	98	44	13	85	32
Annual Draws on Unrestricted Reserve	(12)	(84)	(33)	(182)	(86)	(35)
Operating Reserve	196	218	226	233	240	249
Capital Replacement Reserve	185	261	298	298	335	335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

Source: RTD Five Year Financial Forecast



6. Preliminary Scenario Output - 3 Round Trips

2029 & 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





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