

Colorado Rail Project Overview

Review of Joint Service



Governor Polis Rail Agenda

- **Governors Rail Team:** Led by Lisa Kaufmann, Branden Shafer, CDOT Division of Transit and Rail, and Colorado Transportation Investment Office
- **Mountain Rail - 3 New Daily Round Trips from Denver to Winter Park, to Steamboat Springs.**
- **1a: 1 new** daily RT from DUS to Granby by November 2026
 - ◆ Future phases to start by 2030 with new low-emissions equipment and expanded service and frequency, and additional stops along the route
 - ◆ Executed May 1st, 2025 25-Year Mountain Rail Access Agreement with options to expand service
- **Joint Service:** 3 daily RTs from DUS to Ft. Collins by 2029
 - ◆ Designed to maximize mutually beneficial infrastructure improvements that paves the way for Front Range Passenger rail and increased frequency
 - ◆ Building blocks to Phase I of FRPR
- **Burnham Yard:** Colorado's oldest railyard predates Colorado statehood and has the potential for transit-oriented development. Currently somewhat "rail locked" by two heavy rail lines on both sides of the property.

Rail Opportunities and Challenges

→ Challenges:

- ◆ Voters are skeptical government can deliver big rail projects- from unfinished FasTracks projects and negative press surrounding California High Speed Rail
- ◆ Currently multiple public entities charged with delivering rail projects with independent governing Boards and no cohesion on vision and resource allocation to deliver rail projects
- ◆ Regulations, state laws on insurance and indemnification all present challenges and barriers
- ◆ Colorado voters have historically been skeptical of increasing taxes at the ballot

→ Opportunities:

- ◆ Governor Polis is steadfast on investing in policies that lead to smart growth across Colorado, including expanded transit and rail
 - Political leadership and political will matters. For example, without Mayor Hickenlooper, FasTracks would have never passed, nor would Denver Union Station been revitalized, which included Diane Barrett's leadership
- ◆ Governor and Legislative leadership in Speaker McCluskie and Pres. Fenberg, created dedicated State revenue to invest in rail projects for both Mountain Rail and Joint Service
- ◆ Coloradans do support expanding passenger rail, support prioritizing investments in transit and rail over roads and bridges in concept.

A majority of voters would prioritize expanding public transit over building more roads.



45%

Building more roads and
expanding existing roads



55%

Expanding public transit
options like train, light rail,
and bus options

Thinking about transportation for a moment – Which ONE do you want the state of Colorado to focus more on?



COLORADO
POLLING
INSTITUTE



Aspect
Strategic

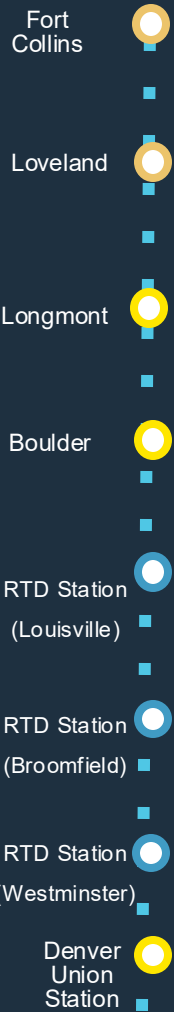
NEW BRIDGE STRATEGY

What is Joint Service?

- **A collaborative effort between RTD, FRPRD, and CDOT to develop starter passenger rail service by Jan 2029:**
 - a. Maximizing existing resource: **No** new tax revenue needed
 - b. One operator: Likely Amtrak
 - c. One Access Agreement with BNSF
 - d. Maintain intercity passenger rail classification, not commuter

- **Proposed Station Location Localities:**
 - a. Denver Union Station
 - b. Westminster
 - c. Broomfield
 - d. Louisville
 - e. Boulder
 - f. Longmont
 - g. Loveland
 - h. Fort Collins

Joint Corridor Service
3-5 daily round trips starting in 2029



Why was the Joint Service model chosen?

Joint Service streamlines the planning and project delivery processes and pools revenue and technical capabilities amongst CDOT, RTD, and FRPR.

- In 2004, Colorado voters passed FasTrack “new increase in sales tax” (57% - 43%) tied to a list of projects including a commuter rail line between Denver, Boulder and Longmont - Northwest Rail.
- In 2021, the General Assembly created the Front Range Passenger Rail District to establish a passenger rail system from Fort Collins to Denver to Colorado Springs and Pueblo.
- In 2024, RTD released their *Peak Service Feasibility Study* which studied 3 trains a day and concluded they did not have enough resources alone in the near term.
- FRPR and RTD pursuing separate, siloed rail projects will lead to natural inefficiencies:
 - ◆ Larger budgets due to increased capital projects
 - ◆ Multiple access agreements leading to higher annual operations and maintenance costs
 - ◆ Impacted rider experience
- **Through collaboration, joint financing, and creating a hybrid system between commuter and intercity passenger rail, Joint Service can deliver a more cost efficient service by 2029 without any new taxes needed to commence service.**

What are the financials behind Joint Service?

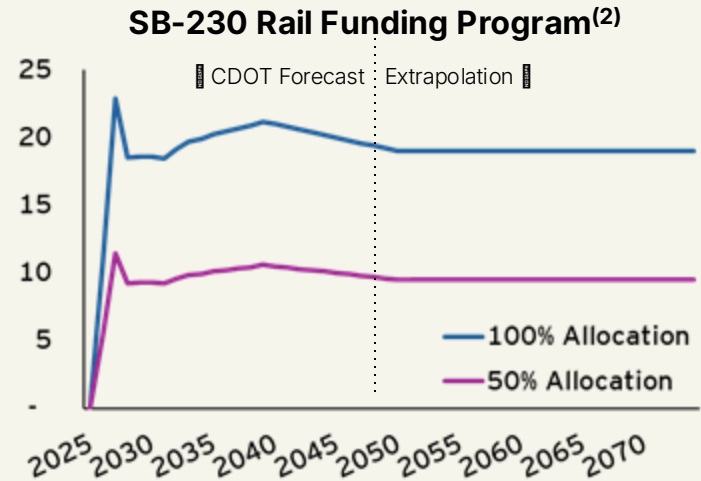
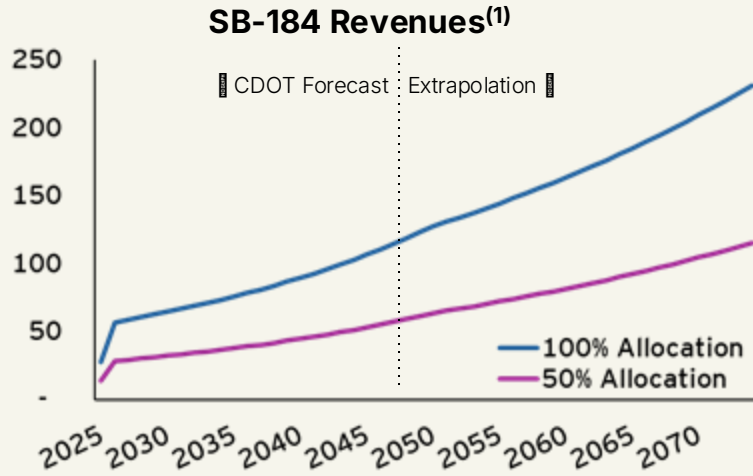
- **Great News:** Between the three revenue streams – SB 184 Rental Car Fee, SB230 Oil and Gas Fee, and RTDs existing FasTracks Sales Tax – there are enough financial resources to commence a starter passenger rail service *without needing a vote to increase revenue.*

- **Revenue Projections:**
 - ◆ **FasTrack Sales & Use Tax Budget:**
 - FY25: \$361M
 - FY29: \$437M* *Projected*
 - ◆ **SB184 Rental Car Fee:**
 - FY25-26: \$57.3M
 - By 2050, revenue from the rental car fee will be ~\$110M
 - ◆ **SB230 Oil and Gas Fee:**
 - FY25-26: \$116.3M

- **Joint Service Costs:**
 - ◆ Cost efficiencies are achieved through intercity passenger rail: better costs for insurance and access to indemnification.
 - ◆ Cost efficiencies with Mountain Rail in Denver with a shared maintenance facility, heavy maintenance, potential shared spare rolling stock and crossed train staff with Mountain Rail.
 - ◆ More potential for federal funding.

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.



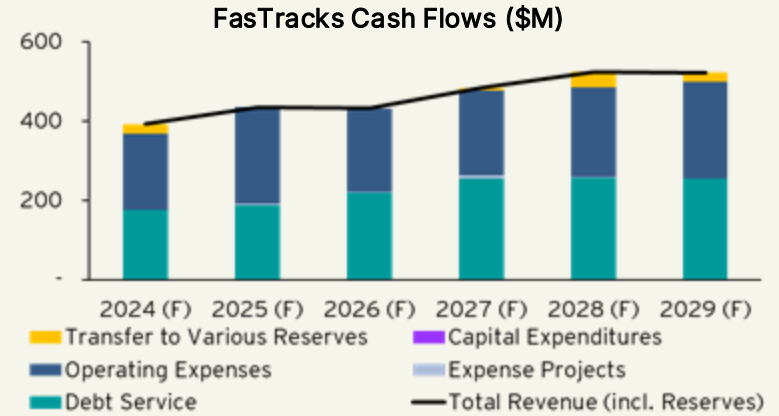
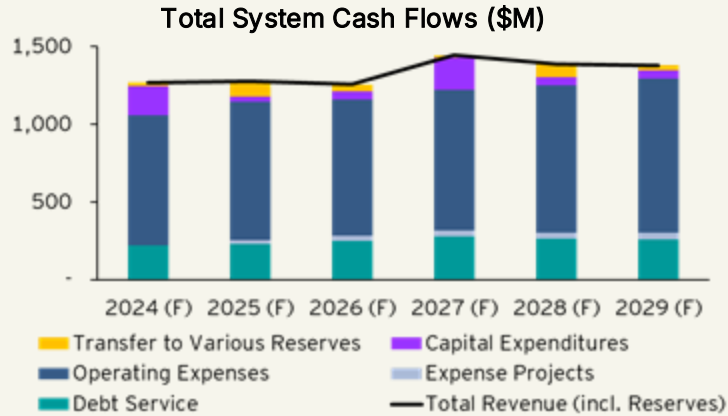
SB-184 imposes a daily rental car fee up to \$3 commencing on January 1, 2025, adjusted annually for inflation. Receipts are estimated at \$57m in FY26, growing to \$110m by FY50.

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.

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

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

RTD Five-Year Financial Forecast



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

Joint Service Progress to Date



Front Range Passenger Rail accepted into Phase II Corridor ID Program.

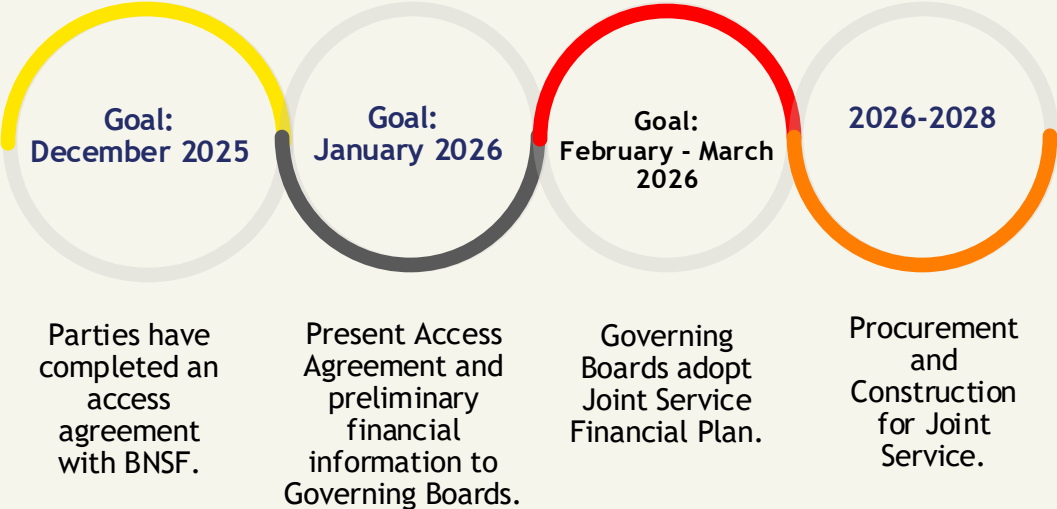
Governor Polis signs two new revenue streams to support passenger rail efforts into law. (SB24-184, SB24-230)

Joint Service Principals from CDOT, RTD, and FRPR convene to begin collaborating towards Joint Service.

Governing Boards at CDOT, FRPR, and RTD enter into an IGA to advance Joint Service.

Access Agreement negotiations commence amongst BNSF and Joint Service leadership.

Joint Service Lookahead



What will the corridor likely learn from final access agreement?

→ Core Details

- ◆ Agreement on route and stops
- ◆ Initial schedule and meets
- ◆ Structure of the relationship between Class I Railroad, State of Colorado, and Operator
(*Important cost savings*)

→ Economics

- ◆ Access Fee
- ◆ Annual Operations & Maintenance Cost
- ◆ Insurance and Indemnification requirement
- ◆ Performance Incentives

→ Construction

- ◆ Needed capital projects
- ◆ Process for future service changes, or increased frequency

What will the corridor *NOT* likely learn from final access agreement?

→ Economics:

- ◆ Annual operating costs for the *operator* and associated maintenance costs
- ◆ Purchasing and/or leasing rolling stock options

→ Timeline:

- ◆ Expansion of service for full buildout of FRPR

Conclusion // Question and Answer

- We are on a path to deliver an initial starter passenger rail service from Denver to Fort Collins with no new taxes needed to commence service by 2029.
- Joint Service is the starter service and Governor Polis remains committed and supportive of the full vision of Front Range Passenger Rail from Fort Collins to Pueblo and onto Trinidad.
- Providing this proof of concept is critical to future expansion and show voters that the State can deliver on large projects.

