



# Implementation of Public-Private Partnerships for Transit

**Cal Marsella**  
**RTD General Manager**

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# The Regional Transportation District

- Created in 1969
- Eight county service area
  - 37 municipalities
- Service area: 2,410 square miles
- 2.5 million population
- 1,071 buses
- 83 light rail vehicles
- 175 routes
- 66 park-n-rides
- 10,366 bus stops
- 2,510 employees
- 35 miles of light rail
- 36 light rail stations
- 104-million+ annual boarding
- 8 operating & admin. facilities



# General System Update

- Increase in ridership:
  - 104-million annual boardings compared to same time year before
- More riders, but more costs
  - Sales tax revenues down
  - Each .01 increase in diesel fuel = \$100,000/annually

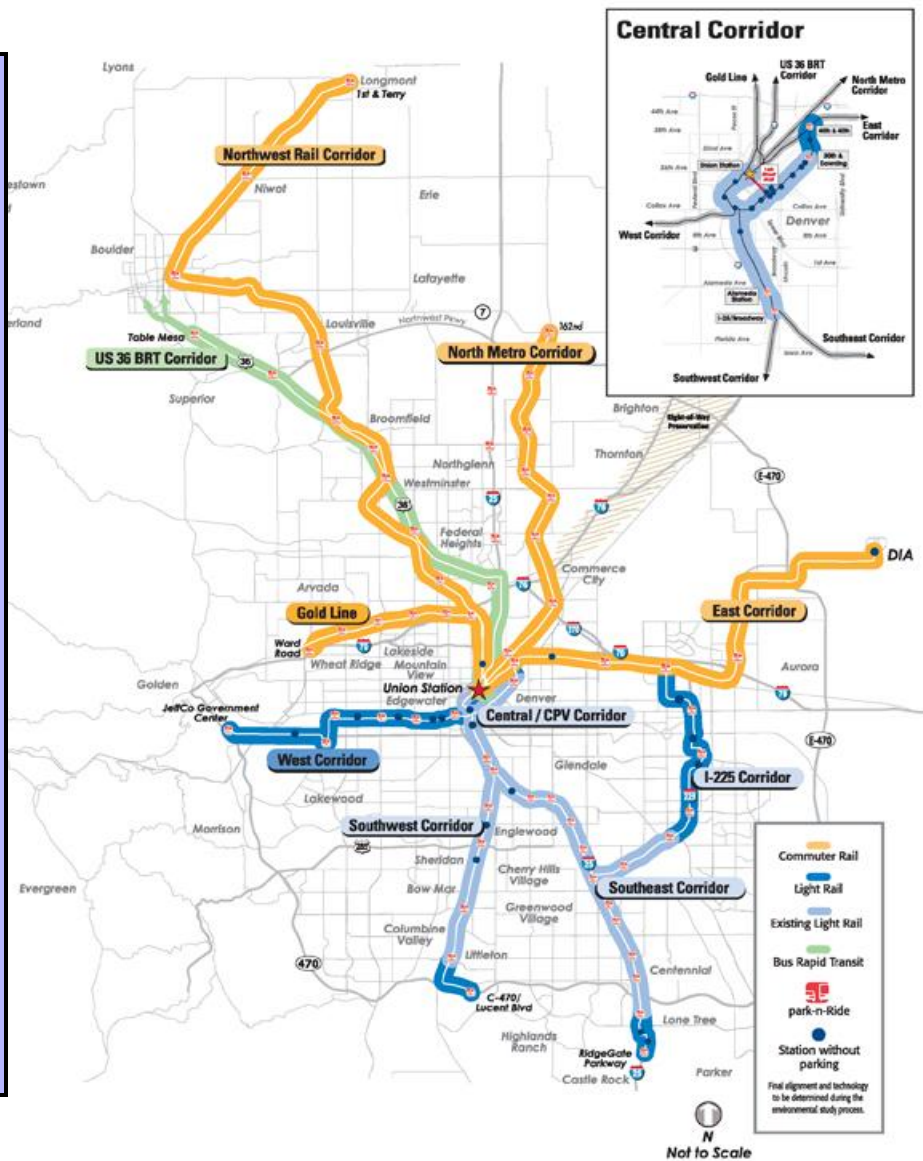


# The FasTracks Program

- By 2001, RTD Board and local communities wanted a comprehensive, region-wide transit plan
- 100% RTD Board support
- Public vote in 2004 to fund the program
- 0.4% sales tax increase (\$ .04 on \$10 purchase)
  - 0.6% was existing tax for base system
- Passed 58% to 42%
- Regional political support
  - All metro mayors unanimously supported FasTracks
  - Strong support from Denver Metro Chamber, industry, and business community
- Professional campaign team
  - \$3.6 million raised for campaign

# The RTD FasTracks Plan

- 122 miles of new light rail and commuter rail
- 18 miles of Bus Rapid Transit (BRT)
- 31 new park-n-Rides with over 21,000 new spaces
- Enhanced Bus Network & Transit Hubs (FastConnects)
- Redevelopment of Denver Union Station



# Financial Challenge

- \$2.2 billion funding gap to complete FasTracks by 2017
- RTD Board and local/regional elected officials have worked together to identify how to move FasTracks forward
- Determination made that an additional 0.4% sales tax increase is necessary to complete whole FasTracks program on schedule
  - No decision yet on when to pursue sales tax increase

# Public-Private Partnerships

- PPPs offer an innovative approach to efficient project delivery
  - Design-Build-Finance-Operate-Maintain (DBFOM) mechanism being pursued
- Focus is on Gold Line, East Corridor, and commuter rail maintenance facility
- PPPs allow RTD to spread out large upfront costs and preserve cash in early years
- Similar to the concept of 30-year versus a 15-year mortgage
- RTD retains ownership of all assets

# Public-Private Partnerships

- RTD makes lease payments to the private partner
- Transfers certain construction and operational risks to the private sector
- PPPs have reputation for delivering projects on time and on budget
  - Often accelerates delivery and reduces costs
- RTD selected for FTA Penta P Program
  - Offers RTD an expedited federal New Starts review process and grant process
- T-REX was delivered through a Design-Build method
  - Completed on time and on budget, 22 months ahead of original schedule



# The T-REX Project

- Partnership between RTD, CDOT, FTA, FHWA
- \$1.67 billion design/build project
- On time, on budget
- 19 miles of new light rail
- 13 stations
- 17 miles of highway expansion
- Feeder bus system
- 6,000 parking spaces



# The T-REX Project

## •OPENING DAY:

➤ November 17, 2006

## •SYSTEM RIDERSHIP:

➤ 70,000 trips/day now

➤ 16,000 trips more than projected ridership



# Benefits of PPPs

- PPPs have reputation for delivering projects earlier and less expensively than conventional methods
  - Design-Build – 10-25% savings
  - Operate-Maintain – 10-30% savings
- Finance – Private sector investment provides RTD more debt capacity
- Tax Exemption – Allows private entity to issue tax-exempt private activity bonds and depreciate the asset during concession period

# Establishing Requirements

- RTD sets all operating requirements including:
  - Fares
  - On-time performance
  - Schedule
  - Cleanliness
  - Maintenance
  - Others

# Funding Challenges

- Finalizing location for commuter rail maintenance facility – modifying design to minimize impacts to property owners
- Lawsuit against DUS Record of Decision on master plan of site
- Uncertainty on timing of a new federal transportation spending bill, that will establish the new pot of money from which all Full Funding Grant Agreements will be funded
- For these reasons, RTD holding off on release of P3 RFP

# Funding Challenges cont.

- Some questions raised about whether TABOR law will potentially apply to P3 financing
- RTD is working through this issue with the P3 teams
- Board fully committed to the Eagle P3 Project and the release of the RFP once some of these matters are resolved

## **For FasTracks Information:**

Surf FasTracks at  
[www.RTD-FasTracks.com](http://www.RTD-FasTracks.com)

## **Questions?**