

Meeting Summary

FINANCIAL ANALYSIS & IMPLEMENTATION COMMITTEE

2nd Meeting

Community Room, Littleton City Center
2255 West Berry Avenue
Littleton, Colorado

June 10, 2005

This is a summary of the second meeting of the C-470 Financial Analysis and Implementation Committee.

Members Present: Susan Beckman, Gil Butler, Peggy Catlin, Shaun Cutting, Duane Fellhauer (for Melanie Worley), John McCuskey (for Ed DeLozier), Jack O'Boyle, Randy Pye, Craig Siracusa, Jim Taylor and Jeff Wasden.

Dennis Donald and John Huyler of The Osprey Group facilitated the meeting.

Meeting Goals

1. Share updated financial information about C-470 implementation alternatives.
2. Formulate the best possible conceptual scenario for each alternative (both Express Lanes and General Purpose Lanes) that can be refined prior to the third meeting.
3. Provide direction to the consulting team to complete their analysis.

Materials Available at the Meeting

In addition to the agenda, materials, available for discussion at the meeting, included:

- Updated List of Contact Information
- Executive Summary of Revenue Analysis
- Summary Table of Revenue Scenarios
- FAQs for Toll Revenue Bonds
- Factors for Creating a Stand-Alone Toll Financing Option
- Start-up Toll Facilities: Financial Considerations, PowerPoint Presentation

Preliminary Items

Ms. Pam Hutton, Region 6 Transportation Director for CDOT, opened the meeting by thanking the Committee members for their willingness to continue planning how the C-470 challenges can most effectively be addressed. Following her opening remarks, the meeting goals and agenda were reviewed. The Committee agreed to the proposed agenda.

Updates Since April 28th Meeting

Mr. Jim Brady of Wilson & Company described the consultant team meetings with the South Metro Chamber, the Southeast Business Partnership, and the staff of all three counties, to discuss the status of the C-470 Corridor Project, and gain insight into various revenue sources to be analyzed.

Mr. Gil Butler of Highlands Ranch Metro District #2 mentioned the meeting the Highlands Ranch Community Association and the Highlands Ranch Metro Districts Management Committee had with Duane Fellhauer and Melanie Worley of Douglas County to discuss the status of the C-470 Corridor Project.

Mr. Craig Siracusa of the Colorado Department of Transportation noted that the list of projects for Referendums C and D are almost finalized, and the C-470/Santa Fe interchange would receive \$30M if both referendums are passed by voters in November 2005.

Mr. Duane Fellhauer of Douglas County mentioned that the RTA Bill has either been signed or will be signed shortly by the Governor; it will not be vetoed.

Ms. Peggy Catlin of the Colorado Department of Transportation commented that the Governor did veto the private tolling legislation.

New Financial Analysis

Mr. Jim Brady of Wilson & Company then provided an overview of the current revenue analysis of the C-470 alternative solutions. Scenarios of financial funding were given for the General Purpose Lanes Alternative.

Ms. Lisa Fenner of RBC Dain Rauscher then provided a discussion on the revenue analysis and funding situation for the Express Lanes Alternative. Several scenarios were examined.

There were follow-up questions and comments regarding examples of financial plans for other tolling facilities around the country.

Factors Used to Evaluate Financing and Implementation Options

The facilitators led a discussion to get the Committee's thoughts about what the most important factors are, in their opinions, that ought to be considered in evaluating various financial and implementation options. The list of factors that was developed is included below:

- Mitigation of local traffic congestion
- Sooner the better
- Find the best long-term solution
- Equality among different jurisdictions
- Adequacy of the process to move from tolling to GPL in the future
- Financial risk assessment

- Regional equity throughout the state
- Precedent
- Economic impact to local businesses
- Competing local needs
- Sales tax fatigue
- Potential positive and negative economic, social and environmental effects
- Speed of implementation
- Ongoing O&M liability (extent to which user pays)
- Full life cycle costing
- Potential to manage congestion through pricing mechanism
- Seek win-win for jurisdictions and users of GP lanes and Express Lanes
- Public acceptance of tolling
- Public acceptance of a phased construction
- Transit compatibility
- Price difference
- Ability to compare apples to apples on pricing
- Perception that tolling pays for itself

New Financial Analysis and Possible Implementation Strategies for Both Alternatives

This was followed by a discussion to get the Committee's thoughts about further financial analysis that should be done in order to have reasonable and realistic funding scenarios, as well as a discussion on possible steps to take to implement the alternatives. It was determined that having the cities or the counties contribute toward a tolling solution did not seem politically realistic to the local governments. And, using sales taxes or other locally-generated revenues to support a local RTA, either along the corridor or in one or more counties, was seen as a challenge largely due to inter-jurisdictional equity issues. Two scenarios emerged from the discussion as being worthy of further exploration:

The GPL Alternative:

- New, locally-based sources of revenue (e.g. sales tax, vehicle registration fee) provide the most solid way to finance the GPL alternative.
- Duane and others indicated a willingness to take the necessary next steps to determine the feasibility of a Metro-wide RTA. The next steps will be Duane coordinating with Jim Brady from Wilson & Company and taking it to DRCOG.

The Tolling Alternative:

- If local revenue is not needed from local governments it becomes much more palatable to them.
- Even so, there remains a projected shortfall. Possibilities for removing this deficit include:
 - getting rid of the shortfall through project design and financing refinements
 - finding non-local sources of revenue
 - areas of financial strategies, including TIFIA loans
 - phasing of construction
 - full or partial privatization

There were additional comments about tolling. It was mentioned that the design of the tolling alternative does not help Highlands Ranch. Another concern that was expressed was that tolling imposes other costs and impacts on nearby local transportation infrastructure. The desirability of a sunset provision for tolling was also noted.

Direction to the Consultant Team & Next Steps

The Consultant Team will continue analysis of the financial scenarios for the Tolling Alternative, to refine and identify, if possible, sources that fully fund this scenario. The results of this analysis will be shared with the Committee in advance of its next meeting.

Mr. Fellhauer will explore, with the help of Wilson & Company, the potential near-term feasibility of a regional RTA. This additional work will also result in a product that can be shared with the Committee prior to its July meeting.

Adjournment

The meeting adjourned after the summary of next steps.

UPCOMING COMMITTEE MEETING

3rd Meeting – Friday, July 22, 2005, 3:00-5:30 pm