



Traffic and Revenue Refinements

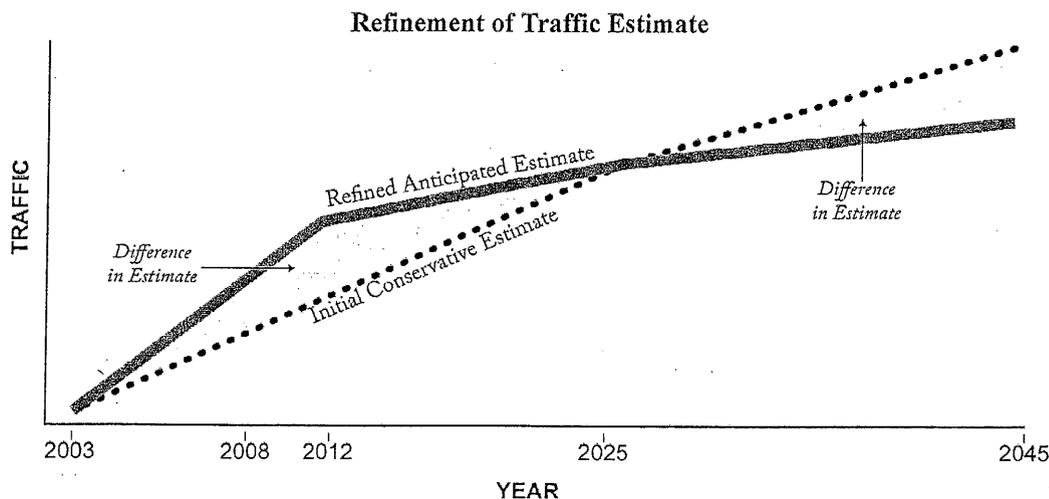
July 18, 2005

Initial Feasibility Estimates

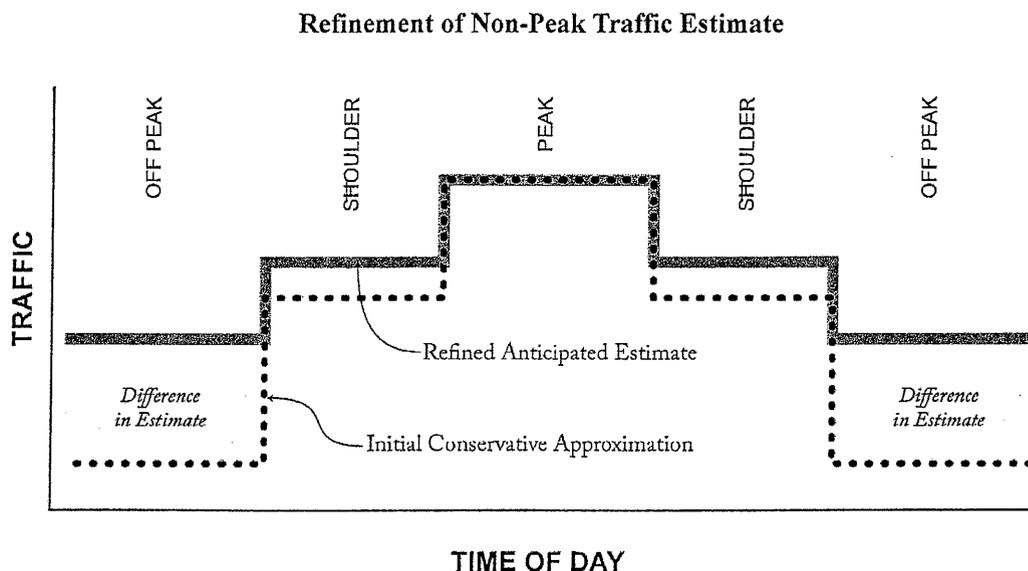
- Initial feasibility estimates cited to date have always been at the conservative end of the spectrum. Strategies to improve feasibility have also been presented which could increase the feasibility to nearly 100%
- Feasibility cited to date has been based on a relatively crude and highly conservative financial analysis. The recent addition of a financial advisor to the team has allowed specific, detailed financial analysis strategies to be developed, creating a more realistic financing plan

Refinements to Costs and Traffic

- *Construction Oversight Costs* – Initial cost estimates assumed traditional project delivery. Has been refined to allow Design/Build delivery system. Construction Quality Control and Assurance costs have been reduced in recognition that CDOT's construction oversight costs are much less with Design/Build
- *Traffic Growth Rate* – Initially modeled 2003 and 2025, conservatively interpolated interim years on straight-line basis. Refinement replicates anticipated future traffic growth by modeling years 2003, 2008, 2012, and 2025 to match the actual shape of traffic growth curve based on projected regional growth in population and employment.



- *Traffic Volumes in Non-Peak Periods* – Initial estimates of traffic volumes in shoulder and off-peak periods were rough approximations produced by factoring peak hour traffic by crude percentages. Refinement predicts anticipated future conditions by modeling actual traffic diversion into the express lanes



- The above refinements are reasonable and prudent, as they more accurately reflect the anticipated future conditions. Other opportunities to increase traffic and revenue still exist (e.g., optimize shoulder and off-peak toll rates). As the project continues to advance, the additional effort necessary to investigate these refinements becomes prudent and warranted