



“A P3 Success Story”

RTD’s EAGLE P3 Project

Overview of the EAGLE P3

■ *East Corridor*

- 22.8 miles of commuter rail between Denver Union Station and Denver International Airport

■ *Gold Line and Northwest Electrified Segment*

- 12.5-mile rail commuter rail line running from Denver Union Station to Wheat Ridge and South Westminster

■ *Commuter Rail Maintenance Facility*

- Facility to repair, maintain, clean, fuel and store transit vehicles and two miles of access track

■ *Denver Union Station Infrastructure*

- Denver Union Station is the major hub for rail and bus transportation in the Denver metro area



Why P3 For EAGLE?

■ *FTA Penta-P Program*

- Opportunity for streamlined federal process
- Opportunity for consideration of private funding in calculation of cost effectiveness (“CEI”)

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Pub. L. No. 109-59, § 3011(c); 72 Fed. Reg. 2583, Jan. 19, 2007

■ *Funding Needs of the Project*

- Opportunity for private sector efficiencies
- Duration of financing

■ *Risk Transfer*

- Construction risk
- Long-term operations

Key Concession Elements

- **Scope:** Design, construction, financing, operations and maintenance (“DBFOM”) of the EAGLE P3 Project
- **Concession Payments**
 - **Construction:** Approximately \$1.1 billion in Construction Payments provided by RTD
 - **Operations:** Annual Service Payments subject to construction completion and ongoing operating performance
- **Term:** 34 years
- **Security:** Pledged revenues through RTD’s Sales tax indenture and non pledged (annual appropriation) obligations

Eagle Project Procurement Process

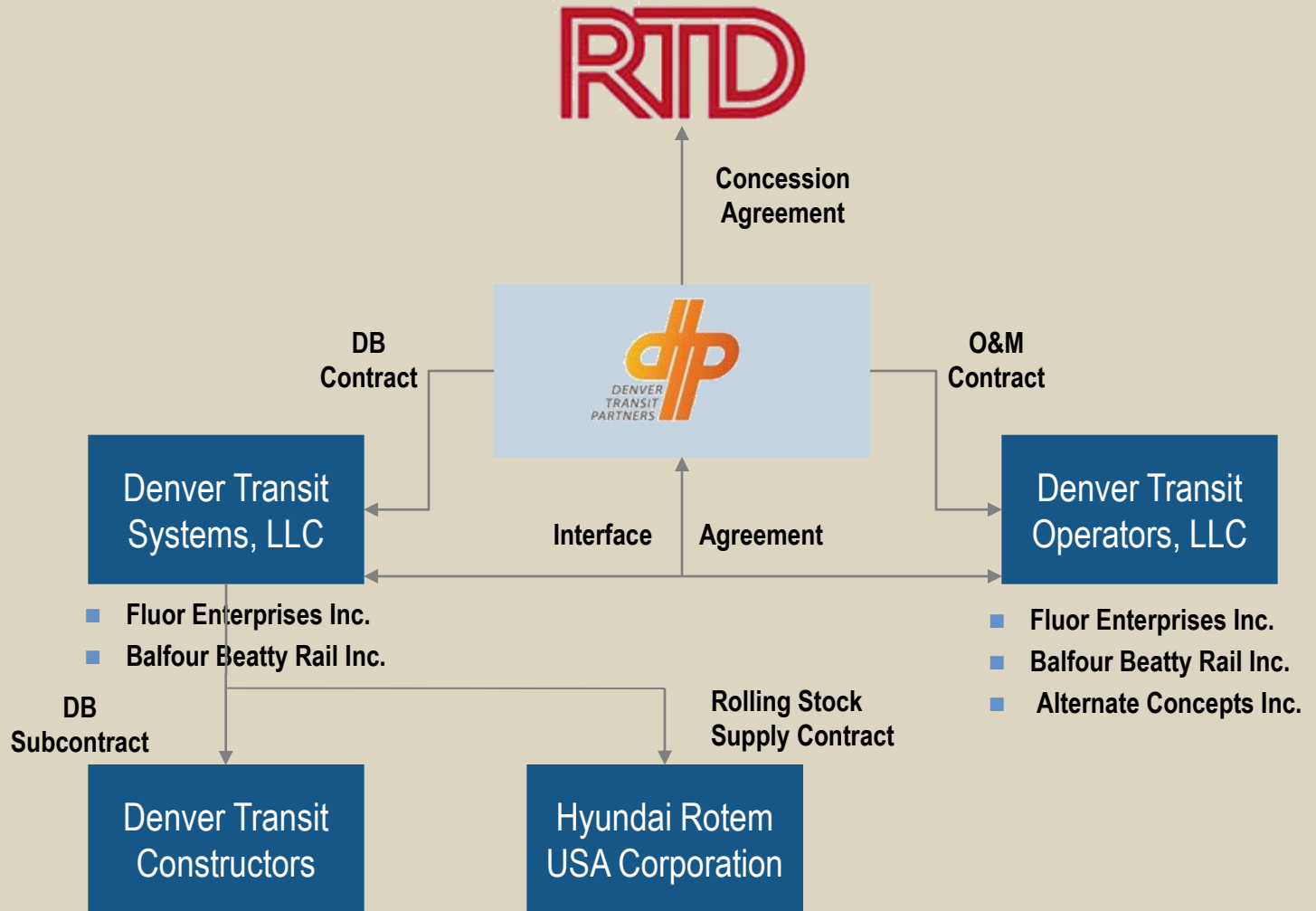
RFQ Process

<i>Milestone</i>	<i>Date</i>
RFQ released	■ August 4, 2008
Deadline for receipt of communications	■ September 2, 2008
Final RFQ addendum issued	■ September 15, 2008
Qualification statements due	■ October 3, 2008
Notification of qualified teams	■ December 2, 2008

RFP Process

<i>Milestone</i>	<i>Date</i>
Issuance of RFP	■ September 30, 2009
Issuance of final addendum to the RFP	■ March 18, 2010
Technical proposal due date	■ April 14, 2010
Final proposal due date	■ May 14, 2010
Selection of best value proposal and notice of award	■ June 15, 2010
Execution of Concession Agreement	■ July 8, 2010
Phase I conditions precedent satisfaction date	■ August 12, 2010
Phase 2 effective date deadline	■ December 31, 2011

Denver Transit Partners (“DTP”)



Financial Analysis – Concession Agreement Value

Inflated \$s	RTD Estimate		
	September 2009	Revised February 2010	DTP
Progress Payments During Construction¹	\$ 1,234,317,648	\$ 1,171,536,000	\$ 1,135,936,288
Service Payments²	\$ 12,004,677,523	\$ 8,659,322,139	\$ 6,001,002,680
Estimated Concession Value	\$ 13,238,995,170	\$ 9,830,858,139	\$ 7,136,938,968

Present Value of Service Payments³	\$ 1,995,690,064	\$ 1,481,769,703	\$ 1,124,528,337
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¹ Progress payments during construction (years 1-6) from FFGA and excess sales tax revenues. Assumes award of both Phase 1 and Phase 2 and receipt of FFGA under 49 U.S.C. § 5309. See Fed. Rail Admin., Circular No. C 5200.1A, Full-Funding Grants Agreement Guidance (2002).

² Payments made upon commencement of operations (years 7 to 46). A portion of the service payments is indexed per the concession agreement. Assumes RTD's current inflation assumptions.

³ Present Value to 2010 of future RTD service payments. Does not include progress payments during construction.

DTP Financing Sources

- The final capital structure included a \$398mm Private Activity Bond Issuance

DTP Financing Sources	
Construction Payments	\$1,139,110
Series 2010 Bond Proceeds	396,118
Equity	54,250
Service Payments	44,040
Interest Income	4,486
Total Sources of Funds	1,638,004

Source: Denver Transit Partners EAGLE P3 Project, Series 2010 Official Statement

Key Investment Highlights

- **Core Infrastructure Development Project:**

- Congestion reliever, economic development & voter-approved

- **Public Sector Support:**

- FTA grants, USDOT PABs allocation & RTD sales tax

49 U.S.C. § 5309 (FTA New Starts Funding); SAFETEA-LU, Pub. L. No. 109-59, § 11143 (USDOT PABs); 26 U.S.C. § 142(m).

Key Investment Highlights

- **Experienced Sponsors and Investors:**
 - Fluor, Macquarie, John Laing & Uberior
- **Strong Contractor Team and Support**
 - Fluor, Balfour Beatty Rail, Ames, HDR
- **Bankable Concession Structure**
 - No ridership risk, TABOR security, termination payments & performance deductions pass through

What Challenges Did RTD Face?

- Impact of financial crisis
- Railroad agreements
- Environmental work
- Timing of P3 procurement & Federal New Starts processes
- Bidder unfamiliarity with local legal construct
e.g. TABOR

Colo. Taxpayers' Bill of Rights – 1992 constitutional amendment. (codified at Colo. Const. Art. X, Sec. 20(1)). Limits a governmental entity's ability to enter into multi-fiscal year obligations without voter approval.

Legal Issues RTD Faced

■ Legal Authority to enter into design-build-finance-operate-maintain

Regional Transportation District Act, Colo. Rev. Stat. § § 32-9-101 et seq.

Broad contracting authority

Not subject to state procurement code

Not in conflict with other obligations including bond and payment obligations (coverage tests)

Voter approved authority for multiple year fiscal obligation

Authority to allow use of public property for long term concession - tax and pledge/mortgage issues

Authority to enter into service contracts –not obligated under any existing Collective Bargaining Agreement

Legal Authority RTD Obtained

- Legislation authorizing RTD to be a conduit issuer of Private Activity Bonds
Colo. Rev. Stat. § 32-9-128.5
- Legislation to limit amount of performance and payment bonds on a public project to 50% of annual - not total - project costs
Colo. Rev. Stat. § 38-26-106
- Opinion from county and State tax assessors that concessionaire use of property did not create a possessory interest

Why Was RTD Successful?

- Project brought together outstanding teams/creative ideas
- Open and transparent process
- Ongoing communication with teams
- RTD willingness to adapt process
- Well developed technical and financial project
- Security structure