

**Denver Union Station
Final Environmental Impact Statement**



CHAPTER 7—FINANCIAL ASSESSMENT

Denver Union Station

Final Environmental Impact Statement



7.0 Financial Assessment

This Chapter identifies the financial components and sources of funding the Build Alternative and Phase I Alternative (as evaluated in the Draft Environmental Impact Statement (Draft EIS)).

7.1 Build Alternative

Capital Funding Plan

Prior to Regional Transportation District (RTD) placing the FasTracks program on the ballot in 2004, Denver Regional Council of Governments (DRCOG) prepared a financial assessment to determine whether the sales tax increase would provide sufficient funding to implement the program, including improvements to Denver Union Station (DUS). The assessment examined the following financial parameters:

- The amount and percentage of non-Federal funding for capital projects sought;
- The strength of the local capital financing plan, including the current financial condition of the sponsoring agency, bond ratings, debt coverage ratio, the stability and reliability of local funding sources, reasonableness of cost estimates and revenue forecasts, and the ability of localities to fund unanticipated cost overruns from local resources;
- The financial capability of local transit agencies to operate and maintain the transit system once the proposed projects are built and operating. This includes the sensitivity of local financial projections to changes in ridership, fare revenues, operating costs, fleet size, service levels, inflation, local economic conditions, and other related issues;
- Basic assumptions behind the financial plan, such as inflation rates and other general economic assumptions;
- Overall cash flow, such as the correct application of inflation rates to cost and relative timing of the construction costs, operating and maintenance (O&M) cost, project farebox revenues, and inclusion of base system costs in the overall cash flow; and
- Resulting cash balances and debt coverage ratios.

With regard to implementation of the capital program, continuing operations, and system recapitalization, the DRCOG analysis concluded that RTD has the financial capacity to:

- Implement the FasTracks Program as scheduled;
- Operate and maintain the existing RTD system, including the FasTracks improvements; and
- Continue recapitalization of the RTD system (e.g., replacement of buses, etc.) as needed to maintain ongoing transit services.

Based on these findings, funds will be available for implementing the FasTracks program, including construction of the Build Alternative improvements for DUS. Following voter approval of the ballot measure, RTD retained the services of a Program Manager to oversee implementation of the FasTracks improvement program. A cash flow analysis was prepared to



Denver Union Station Final Environmental Impact Statement

review and revise the revenue projections, cost estimates and financing methods consistent with the program's cash flow requirements. This has been updated annually through the Annual Report to DRCOG on FasTracks required by Senate Bill 208.

7.1.1 Project Cost

Financing for the proposed Build Alternative is based on cost estimates prepared from conceptual engineering plans. Major project costs include the transportation elements described in Chapter 2. The public cost of the project is estimated at \$434.5 million (Year of Expenditure dollars) and includes costs associated with developing the major transportation features described in this document and the required public infrastructure. A summary of estimated costs (public and private) for the project is provided in Table 7-1. The full cost of the Build Alternative will be added to the fiscally constrained Long Range Transportation Plan (LRTP) prior to the Record of Decision (ROD).

**Table 7-1
Estimated Cost – Build Alternative**

Transportation Elements	
Element	Cost
Light Rail	\$18.5 million
Regional Bus Facility	\$158.7 million
Passenger Rail	\$129.8 million
Streets and Utilities	\$17.7 million
16th Street Mall Shuttle and Downtown Circulator	\$2 million
Street ROW Improvements	\$16 million
Parking Deck	\$4 million
Other Project Costs	\$87.8 million
Total Cost	\$434.5 million
Note: Based on 3% design, costs to be confirmed at 30% design.	

Source: DUS Project Team, April 2008.

7.1.2 Funding Sources

The expected revenue sources to construct the Build Alternative include a combination of federal, state and local monies. RTD's FasTracks plan commits \$208.8 million for this project. Approximately \$42 million is available from federal SAFETEA-LU (Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users) earmarks. Federal Transit Administration (FTA) has provided approximately \$7 million in Section 5309 Bus Earmarks for improvements to DUS. Colorado Department of Transportation (CDOT) has committed \$16.8 million from its Senate Bill 1 program for this project. The balance of the project cost is anticipated to be paid for by local funding sources.

Denver Union Station

Final Environmental Impact Statement



7.2 Phase I Alternative

7.2.1 Project Cost

Financing for the proposed Phase I Alternative transportation improvements at DUS were based on cost estimates prepared from conceptual engineering plans. The cost of the project was estimated at \$200 million (2003 dollars) and included costs associated with developing the major transportation features described in this document and the required public infrastructure. A summary of estimated public costs for Phase I Alternative is provided in Table 7-2.

Table 7-2
Estimated Public Cost - Phase I Alternative

Transportation Elements	
Element	Cost
LRT	\$154 million
Passenger Rail	\$30 million
Site Improvements	\$16 million
Total Cost	\$200 million
Note: Estimated costs in 2003 dollars.	

Source: *DUS Master Plan*, September 2004.



Denver Union Station Final Environmental Impact Statement

This Page Intentionally Blank