



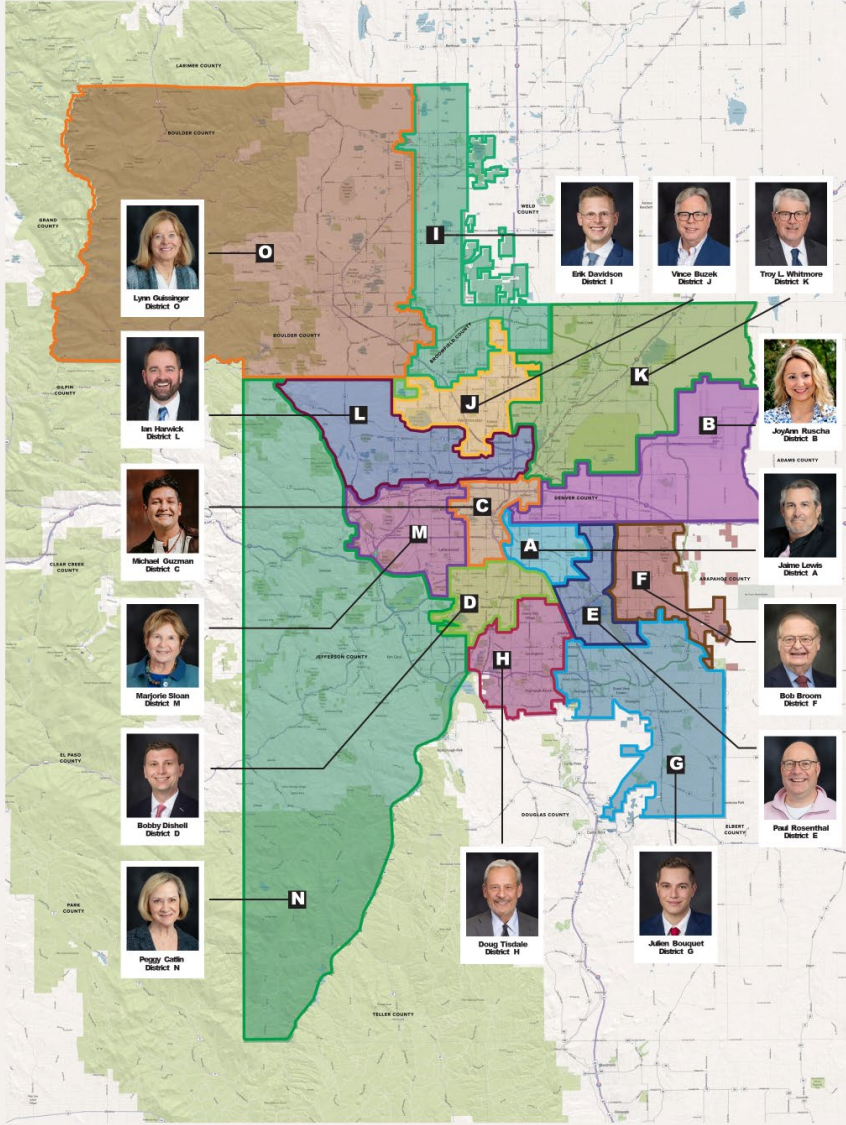
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RTD Update

DRCOG April 17, 2024

Erik Davidson
RTD Board Chair and Director District I

BOARD OF DIRECTORS DISTRICT BOUNDARIES



Outline



- **TABOR Impact and Mitigation**
- **RTD's Financial Outlook**
- **Recent Agency Successes**





TABOR Impact and Mitigation: A Major 2024 Priority

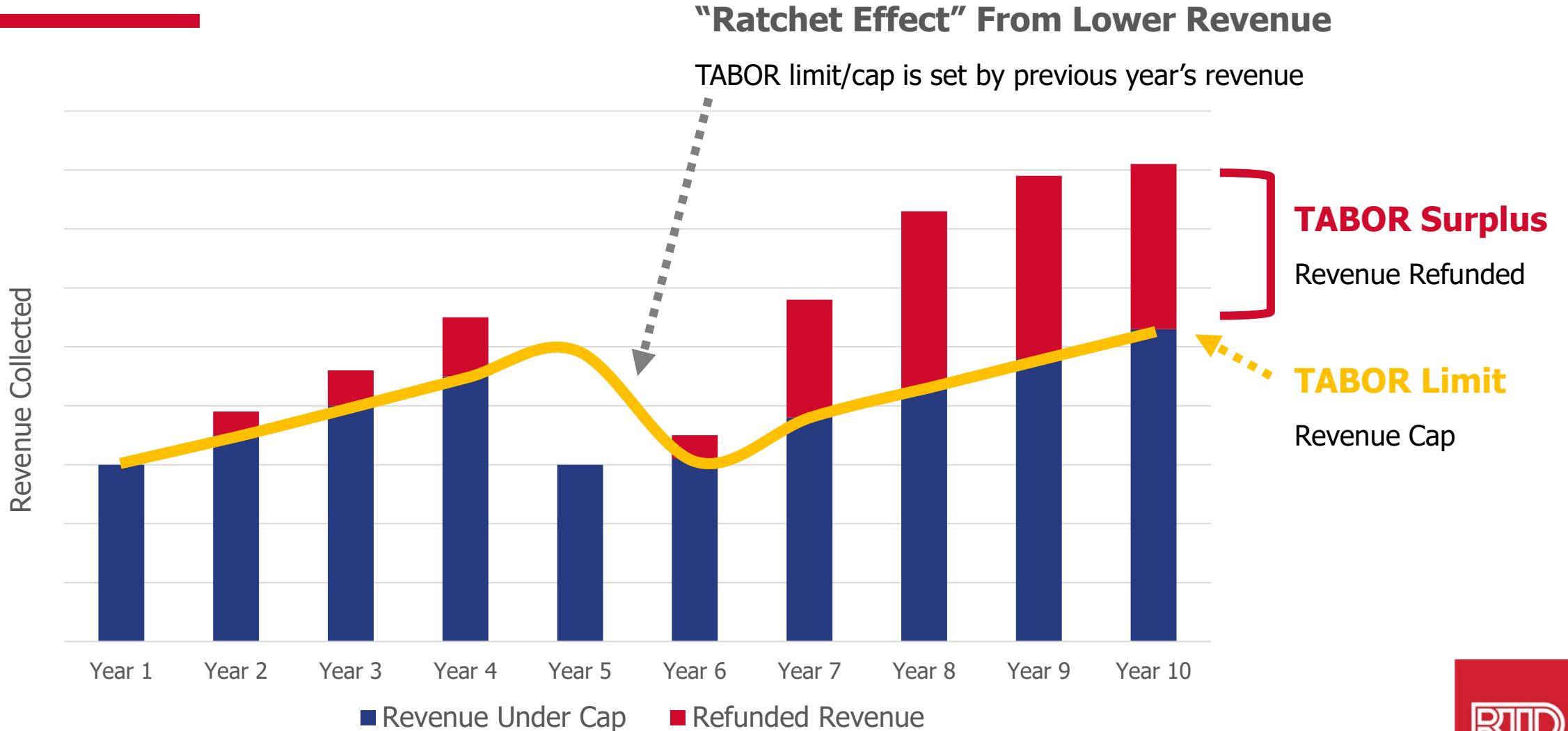
TABOR Impact Research

- **Approximately 50%, or \$600 million of RTD's revenues will be subject to TABOR in 2025**
- Includes virtually all revenue except 0.4% tax, federal funding and investment income from federal funding
- "Ratchet-down" impact can further lower annual TABOR caps
- Limited TABOR mitigation options other than voter approval for relief



Other government agencies subject to TABOR typically return 7-10% of annual revenue

TABOR Impact Visualized



TABOR Mitigation Efforts

- Enterprise fund for fares (fees) – *limited benefit from this option*
- Potential for non-cash TABOR refunds – *option under investigation*
- **Voter approval to extend de-Brucing – *best option***
 - Limited opportunities to exempt revenue from TABOR
 - De-Brucing seeks voter approval to retain and spend revenues beyond the limitations imposed by TABOR





RTD's Financial Outlook

Stability and Challenges

Stability

- Despite challenges facing many U.S. transit agencies, RTD maintains a **strong mid-term financial outlook**
- In July 2023, the Board of Directors approved plans to refund and refinance a portion of the FasTracks debt
- Following that Board decision, S&P Global Ratings **upgraded RTD FasTracks bonds to AAA**
 - AAA is the highest rating issued by S&P Global Ratings

Challenges

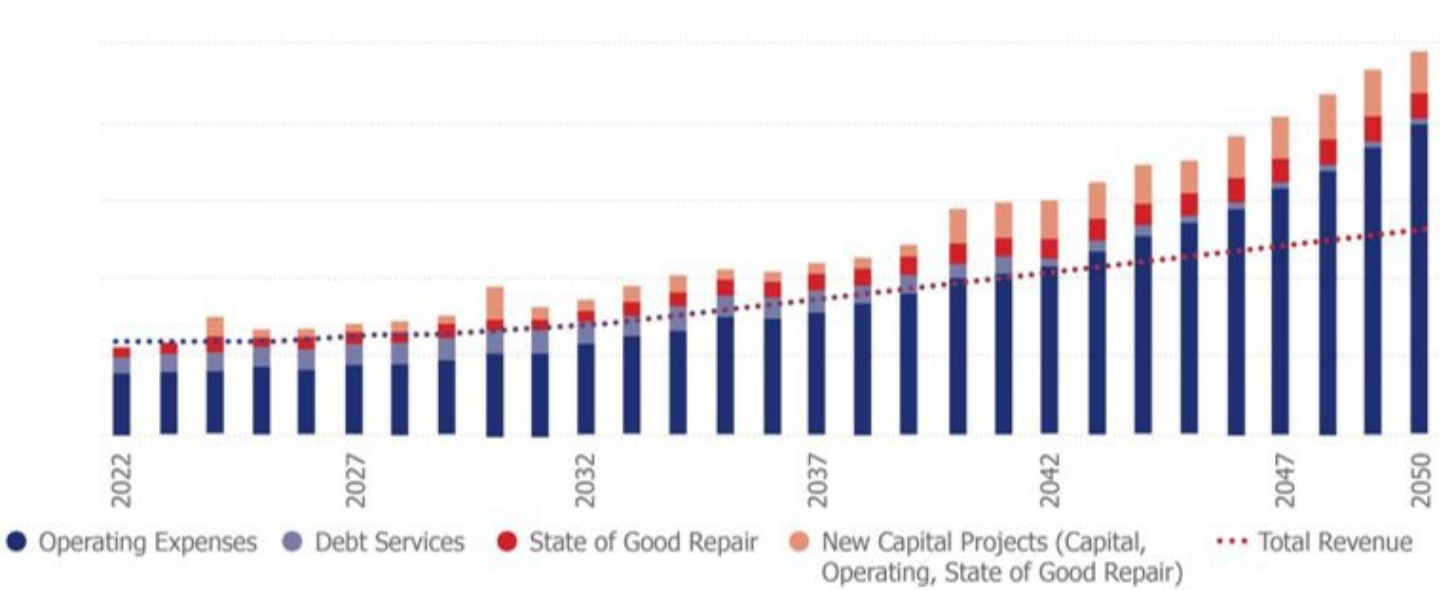
- **Limited financial capacity** for additional or expanded service
- **75% of revenues are from one source** of revenue subject to consumer spending volatility
- **Long-term forecasts** show growth in expenses will outpace growth in revenues
- Base System (50% of revenues) will be **subject to TABOR growth limitations in 2025**

Mid-Term Outlook

	Total							
	Amended Budget							
	2023	2024	2025	2026	2027	2028	2029	2023-2029
Fares	\$ 74,882	\$ 63,930	\$ 67,416	\$ 70,465	\$ 77,205	\$ 78,749	\$ 80,324	\$ 512,971
Sales and use taxes	888,095	923,479	949,047	975,544	1,000,373	1,026,141	1,054,758	6,817,437
Grant revenue and other income	221,244	231,959	230,691	265,502	265,245	265,081	270,015	1,749,737
Total Revenue	1,184,221	1,219,368	1,247,153	1,311,511	1,342,823	1,369,972	1,405,097	9,080,144
Operating expense less depreciation	(855,356)	(856,400)	(923,538)	(930,048)	(975,777)	(1,030,397)	(1,083,752)	(6,655,268)
Debt service	(225,760)	(223,284)	(229,054)	(252,169)	(282,264)	(268,209)	(259,338)	(1,740,078)
Cap Ex/State of good repair	(57,603)	(64,050)	(56,291)	(65,884)	(65,567)	(91,429)	(113,021)	(513,845)
Total Expenditures	(1,138,719)	(1,143,734)	(1,208,882)	(1,248,102)	(1,323,609)	(1,390,035)	(1,456,111)	(8,909,192)
Net Cash Flow	\$ 45,502	\$ 75,634	\$ 38,271	\$ 63,409	\$ 19,214	\$ (20,063)	\$ (51,015)	\$ 170,952
(Contribute to)/use of reserves	-	11,513	(35,000)	(26,000)	(41,000)	(47,000)	(53,000)	(190,487)
Reserves	\$ 391,926	\$ 731,895	\$ 770,166	\$ 833,574	\$ 852,789	\$ 832,726	\$ 781,711	



Long-Term Threat and Key Question



Long-Term Threat

RTD will face a shortfall without funding diversity

Key Question

How will shortfalls impact service delivery in the future?

Source: Mobility Plan for the Future



RTD's Primary Revenue Sources



SALES-AND-USE TAX

Approximately 70%



FEDERAL OPERATING GRANTS

Approximately 25%

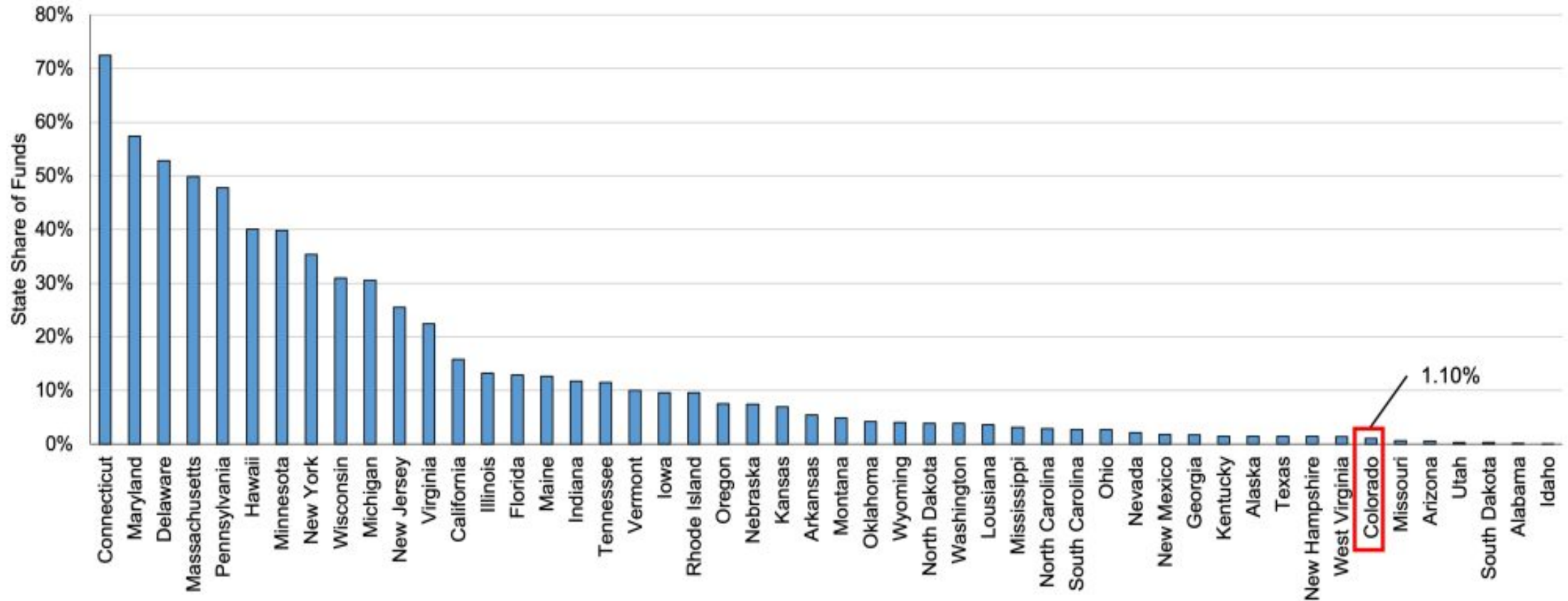


FARES

Approximately 5%



State Share of Funds for Transit



Source: National Transit Database (2021)





Recent Agency Successes

Updated Fare Structure

	FULL FARE		DISCOUNT FARE*	
	Standard	Airport	Standard	Airport
3-Hour Pass	\$2.75	\$10	\$1.35	
Day Pass	\$5.50	\$10	\$2.70	
Monthly Pass (Multiple of 3-Hour Pass)	\$88 (32x Local / Regional)		\$27 (20x)	

***DISCOUNT FARE** includes seniors 65+, people with disabilities, Medicare recipients, and customers enrolled in LiVE



Zero Fare for Youth

- Focused on welcoming a future generation of customers to public transit
- Ensures that transportation is not a barrier for youth to access education, employment, or other community services
- The one-year program launched on September 1, 2023, and runs through August 31, 2024
- Individuals 19 years of age and younger can access all RTD services at no cost, including Access-a-Ride (for eligible customers)
- Youth just need to hop on board the bus or train
 - As requested, participants should be prepared to show a bus operator or fare inspector a current school ID, valid government-issued ID, alien registration/permanent resident card, Military ID/dependent card, or RTD-issued youth special discount card

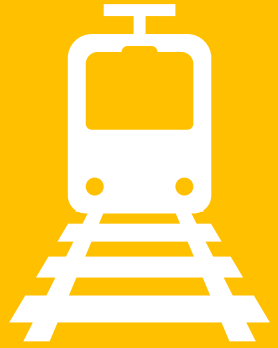


Thank you.



Backup





Investments Into RTD's State of Good Repair

Agency Assets

- **RTD has more than \$9 billion in fixed assets**
 - Guided by the Federal Transit Administration's mandated Transit Asset Management (TAM) Plan
 - Assets are at varying ages and useful life
 - Regularly monitored and inspected
 - Includes facilities, vehicles, rail track, signals, bridges, stations, etc.

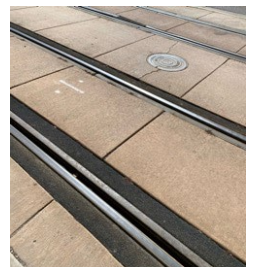
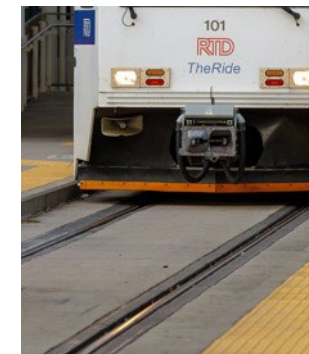
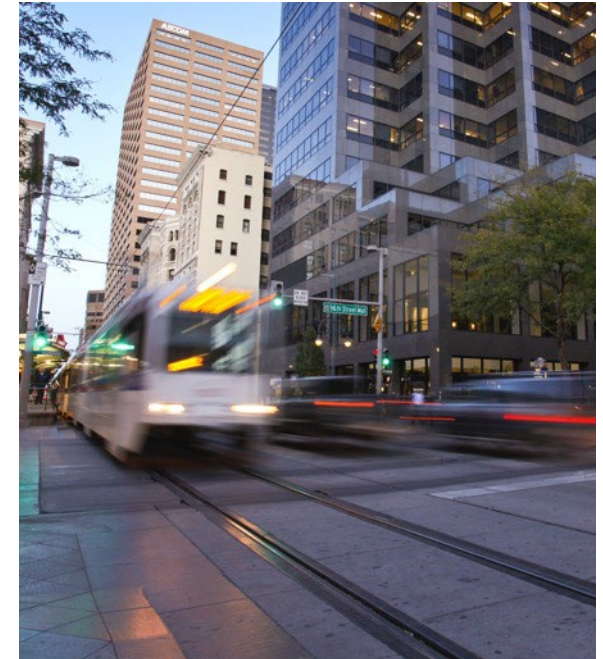
RTD's First Reconstruction Project (Downtown Rail)

- For nearly 30 years, RTD primarily focused its efforts on building and expanding its rail system
- This is the first time the agency will undertake a major reconstruction project of this nature
 - Previous rail-related construction projects were aimed at specific segment enhancements and repairs
 - Reconstruction improves the customer experience by mitigating service disruptions and unscheduled maintenance

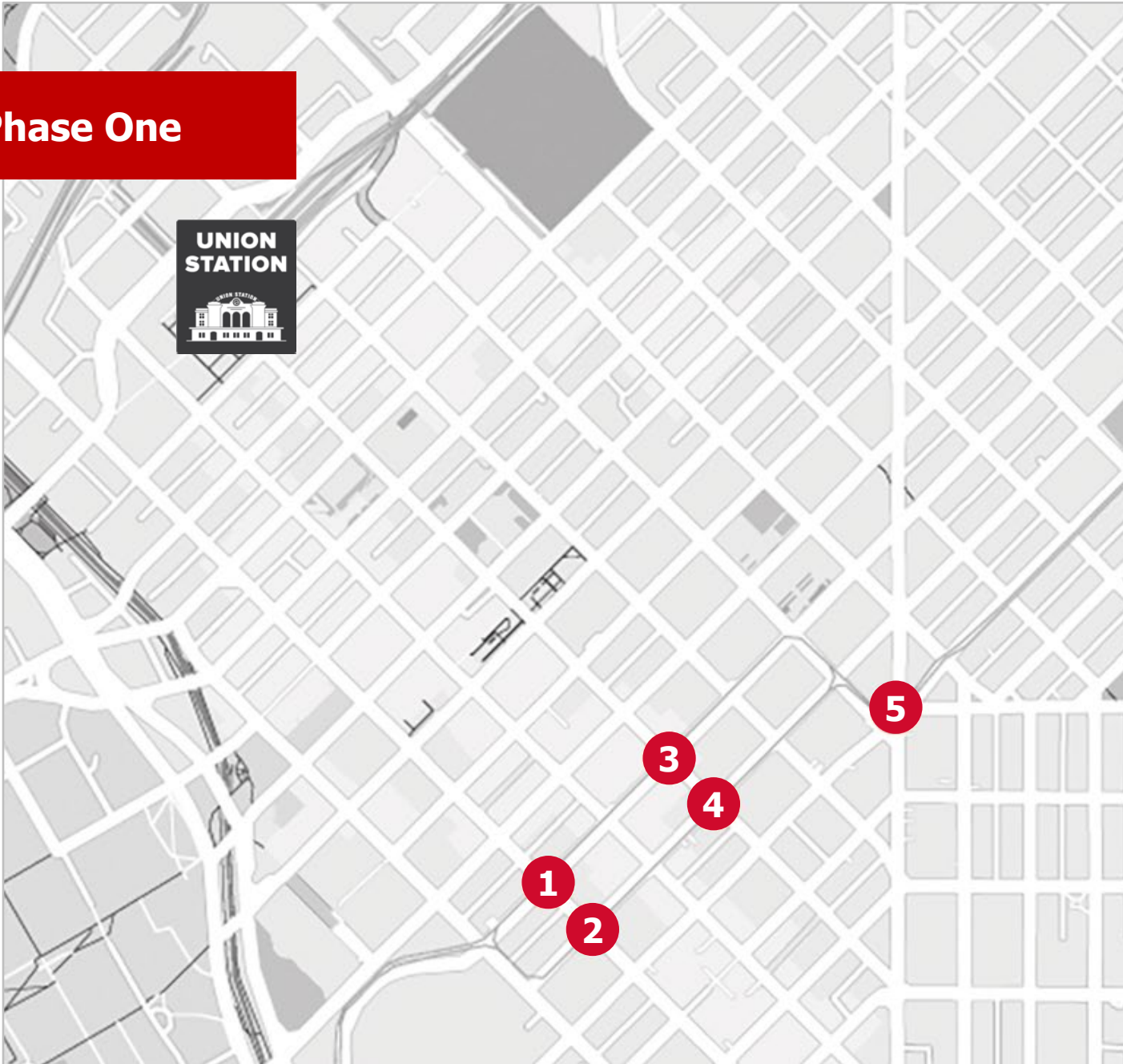


Reconstruction Project Overview

- **The project was prioritized to maintain assets in a state of good repair**
 - Work emphasizes planned closures versus unplanned service disruptions
 - Time-specific closures to minimize inconvenience to customers
- **Near-term reconstruction will be completed in four phases**
 - First phase is a full-depth reconstruction of five at-grade rail/street intersections
 - Downtown rail service will be impacted during each phase
- **Phase One: Five Intersections (May – September 2024)**
 - Five intersections in the Downtown Loop will be reconstructed in 2024
 - RTD has been meeting with the City and County of Denver (CCD) to discuss potential street closures and develop traffic detour plans



Phase One



1
Stout and 15th



2
California and 15th



3
Stout and 17th



4
California and 17th



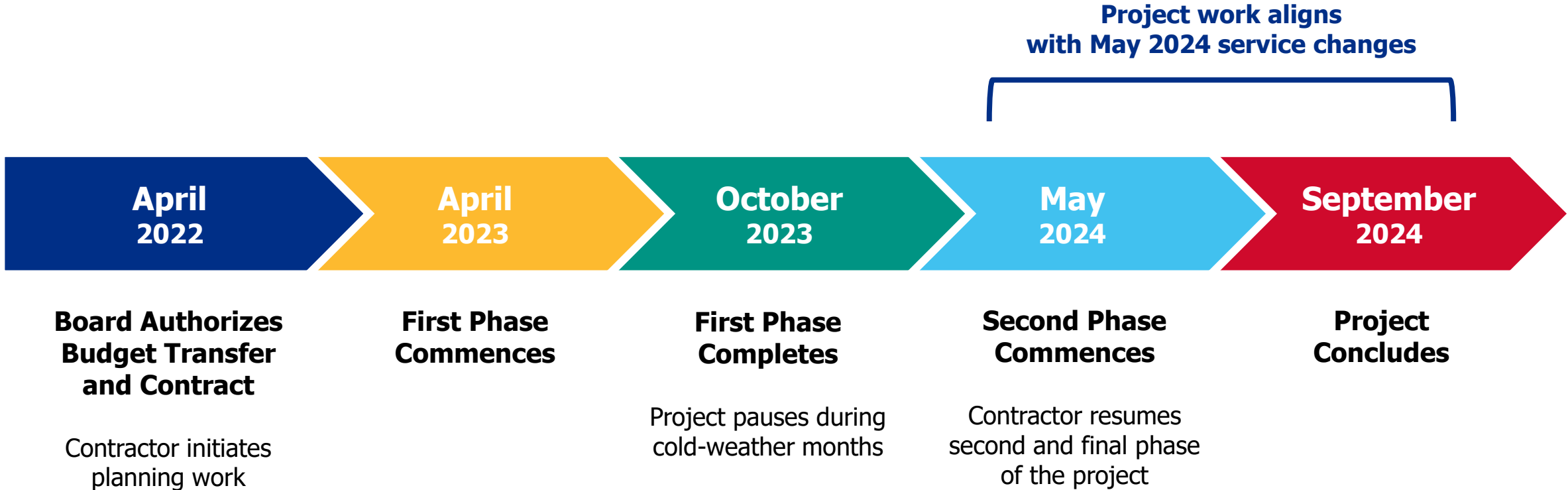
5
Broadway and Welton

Impacted Rail Lines

- **D Line will be rerouted to Denver Union Station**
 - Littleton-Mineral Station to Union Station
- **H Line will be rerouted to Denver Union Station**
 - Florida Station to Union Station
- **L Line service will be suspended**
 - Bus Route 43 is an alternative



Project Timeline



Coping Panels Project Overview

- The two-year project to repair the caps on top of retaining walls along I-25 began in April 2023
 - In 2023, approximately half of the maintenance work was completed
 - The project will resume in May and has been separated into nine segments
 - Trains must single-track around work crews
 - The sealant can only be applied during warm weather months
- Train headways will be adjusted between May and September
 - Impact to E, H, and R lines

