Southeast Rail Extension
Denver, Colorado
New Starts Engineering
(Rating Assigned November 2015)

Summary Description	
Proposed Project:	Light Rail Transit 2.3 Miles, 3 Stations
Total Capital Cost ($YOE):	$223.58 Million (includes $5.5 of financing costs)
Section 5309 New Starts Share ($YOE):	$92.00 Million (41.1%)
Annual Operating Cost (opening year 2019):	$4.14 Million
Current Year Ridership Forecast (2014):	4,400 Daily Linked Trips 1,308,900 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	6,600 Daily Linked Trips 1,974,000 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	High

Project Description: The Regional Transportation District (RTD) is planning a double-track, light rail transit (LRT) extension of the Southeast LRT line located in Douglas County, south of the Denver metropolitan area. The project begins at Lincoln Station and ends at RidgeGate Station and includes the purchase of eight vehicles. It is part of RTD's ongoing FasTracks transit expansion program. Service is planned to operate every six minutes during peak periods and every 7.5 minutes during off-peak periods in the opening year, and every five minutes during peak periods and every six minutes during off-peak periods in the horizon year.

Project Purpose: Development combined with a limited transportation network surrounding the corridor is causing congestion along I-25, which is the only major thoroughfare in the Southeast corridor connecting Douglas County with the Denver metropolitan area. The project will provide a more reliable alternative to automobile travel in the corridor, where connections can be made to the rest of the existing RTD system. The Project is expected to enhance regional connectivity by providing improved access to communities along the I-25 corridor, regional centers in the Aurora/Fitzsimons area, downtown Denver, Denver International Airport, Sky Ridge Medical Center and the City of Lone Tree.

Project Development History, Status and Next Steps: The locally preferred alternative (LPA) was included in RTD's FasTracks plan and then adopted into the region's fiscally constrained long range transportation plan in 2004. RTD completed an alternatives analysis on the Southeast Corridor in February 2012. The project entered New Starts Project Development in April 2013. FTA issued a Finding of No Significant Impact in October 2014. RTD re-adopted the LPA in February 2015 after costs increased. FTA approved entry into New Starts Engineering in April 2015. RTD anticipates receipt of a Full Funding Grant Agreement in spring 2016, and the start of revenue service in spring 2019.

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 New Starts	$92.00	41.2%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Funds)	7.50	3.4%
Local:		
Sales and Use Tax	$79.23	35.4%
Certificates of Participation: to be repaid with Sales and Use Tax revenues	$16.85	7.5%
Cash and In-Kind Contributions		
Cash Contributions - City of Lone Tree, Douglas County, Southeast Public Improvement Metropolitan District	$25.00	11.3%
In-Kind Donations – Private Development	$3.00	1.2%
Total:	**$223.58**	**100.0%**

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

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Factor	Rating	Comments
Local Financial Commitment Rating	**High**	
Non-Section 5309 New Starts Share	**+1 level**	The New Starts share of the project is 41.1 percent.
Project Financial Plan	**Medium-High**	
Capital and Operating Condition (25% of plan rating)	Medium	• The average age of the bus fleet is 9.4 years, which is older than the industry average. • Regional Transportation District’s (RTD) most recent bond ratings, issued in June 2014, are as follows: Moody’s Investors Service Aa3, Fitch’s A, and Standard & Poor’s Corporation A. • RTD’s current ratio of assets to liabilities as reported in its most recent audited financial statement is 3.6 (FY2014). • There have been no service cutbacks or funding shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of plan rating)	Medium-High	• 73 percent of the non-Section 5309 funds are committed or budgeted, and the rest are considered planned. Sources of funds include Congestion Mitigation and Air Quality Improvement Program funds, RTD’s 0.4 percent sales and use tax revenues, RTD Certificates of Participation proceeds repaid with sales tax revenues, local stakeholder contributions, and in-kind donations. • All of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted. Sources of funds include FTA Section 5307 Urbanized Area formula funds, farebox revenues, investment income, parking and other system-generated revenue, and local sales and use tax revenue.
Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of plan rating)	Medium-High	• Capital revenue growth assumptions are consistent with historical experience. • The capital cost estimate is reasonable. • RTD has the financial capacity to cover cost increases or funding shortfalls equal to at least 56.4 percent of estimated Project costs. • Operating revenue growth assumptions are consistent with historical experience, but operating cost growth assumptions are optimistic compared with historical experience. • Forecasted unrestricted cash balances are 36 percent of annual systemwide operating expenses.

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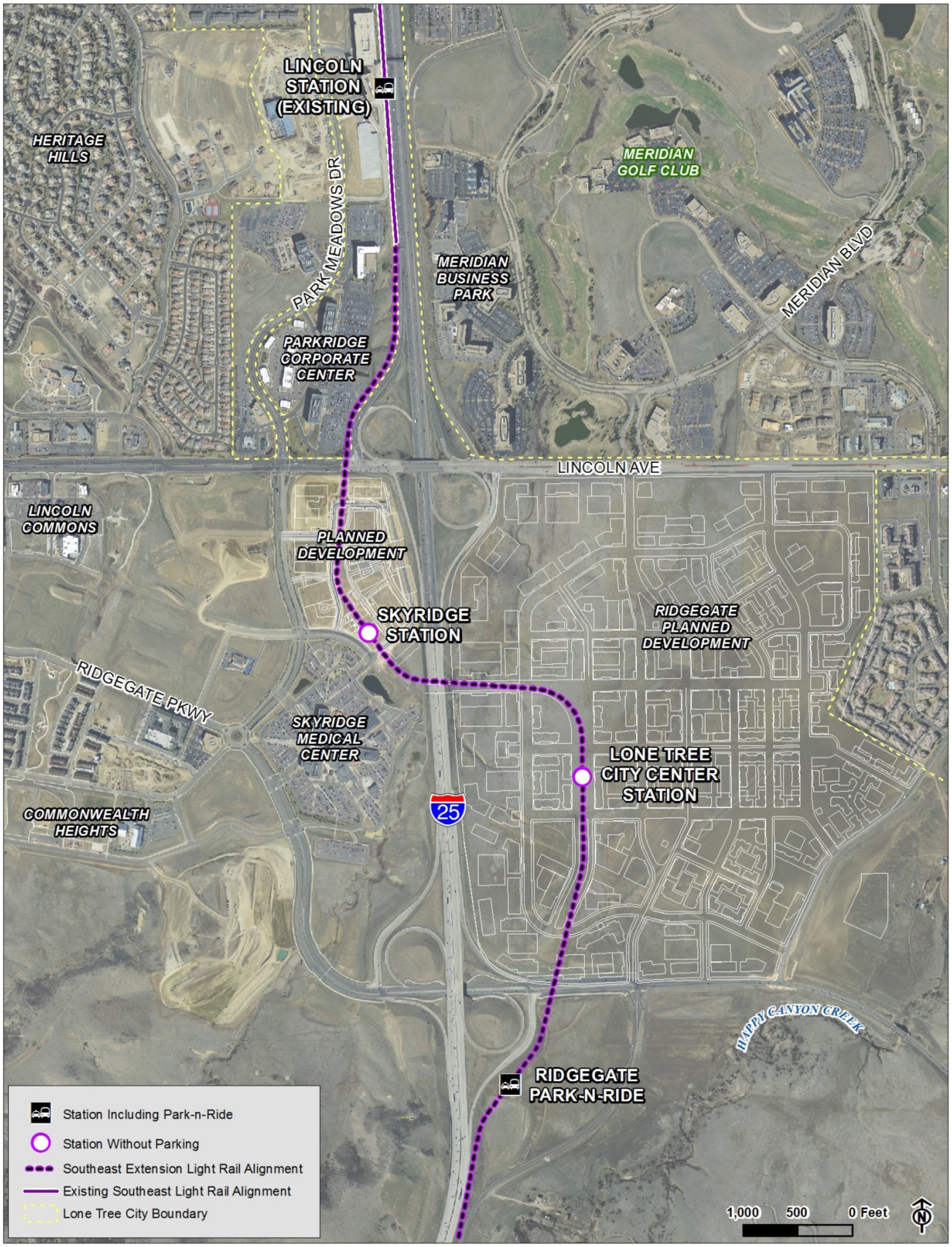
LAND USE RATING: Medium-Low
The land use rating reflects population and employment densities within ½-mile of proposed station areas, as well as the share of legally binding affordability restricted housing in the corridor compared to the share in the surrounding county(ies). • An estimated 106,000 jobs would be served by the project, which corresponds to a Medium rating according to FTA benchmarks. Average population density across all station areas is 1,900 persons per square mile, corresponding to a Low rating according to FTA benchmarks. • The proportion of legally binding affordability restricted housing in the project corridor compared to the proportion in the counties through which the project travels is 0.00, which corresponds to a Low rating according to FTA benchmarks. • The proposed station areas, all in the City of Lone Tree, are largely undeveloped with the exception of a medical center built in the early 2000's and a few smaller commercial properties. Some residential development is underway including a mix of multi-story apartment buildings and townhomes. Sidewalks have been built along the few existing feeder and thoroughfare streets.
ECONOMIC DEVELOPMENT RATING: Medium-High
Transit-Supportive Plans and Policies: High
• *Growth Management:* The Denver region has undertaken regional planning in support of growth management since the late 1990s. The Denver Regional Council of Governments (DRCOG) has developed the Metro Vision 2035 Plan and the Metro Vision 2035 Regional Transportation Plan to guide future growth for the region, including a balance between urban centers and open space. An urban growth boundary is intended to concentrate development and jobs in established and planned urban centers. Forty-eight cities and counties have signed the Mile High Compact, an intergovernmental agreement to develop and follow master plans consistent with the regional vision. • *Transit-Supportive Corridor Policies:* Lone Tree has adopted a master plan, the RidgeGate Planned Development, for a 3,500-acre area that encompasses the three station areas almost entirely. The master plan proposes a build-out of over 10,000 residences and 20 million square feet of commercial space. A City Center Planning Area, focused around one of the light rail stations, is intended to create an urbanized environment with street-fronting buildings, on-street and structured parking, and an interconnected street network. • *Supportive Zoning Regulations Near Transit Stations:* In Lone Tree's City Center Planning Area, minimum residential densities are 15 units per acre, and allowable commercial and mixed-use densities range from a minimum 1.0 to a maximum 20.0 floor area ratio (FAR). This area is envisioned for 10- to 30-story buildings. Commercial/mixed use districts cover most of the remaining station areas, and require an FAR between 0.35 and 6.0. More detailed plans for individual subareas will be approved as development progresses. • *Tools to Implement Land Use Policies:* Region-wide, the Regional Transportation District has undertaken a number of strategic planning, outreach, and technical assistance efforts to promote transit-oriented development (TOD). DRCOG has contributed to these efforts with funding for TOD planning, and other organizations have also done outreach in support of TOD.
Performance and Impacts of Policies: High
• *Performance of Land Use Policies:* Two recently completed high-density residential projects clearly demonstrate the transit-supportive design principles prescribed by the RidgeGate Planned Development master plan. The two projects have a gross density of about 40 units per acre and an outward orientation towards an emerging street grid. A substantial amount of TOD has been documented near Denver's existing light rail stations, especially downtown or around Union Station, but also along the Southeast and Southwest Corridors. • *Potential Impact of Transit Investment on Regional Land Use:* The master plan anticipates a

substantial amount of new development in the RidgeGate area, disproportionately concentrated within the proposed station areas. Assuming that future development occurs consistent with the plan, a very substantial impact on land use would be expected.

Tools to Maintain or Increase Share of Affordable Housing: Medium-Low

- Douglas County has some policies and a limited set of programs to support affordable housing, and has partnered with developers to develop five affordable projects since 2004 (including one near an existing LRT station). Some financing is also available through state programs, and a Denver fund to preserve affordable housing near transit stations is being expanded region-wide. However, no initiatives to create affordable housing were identified specifically in the new project station areas.



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