

Joint Service: BNSF/CO Negotiation Update



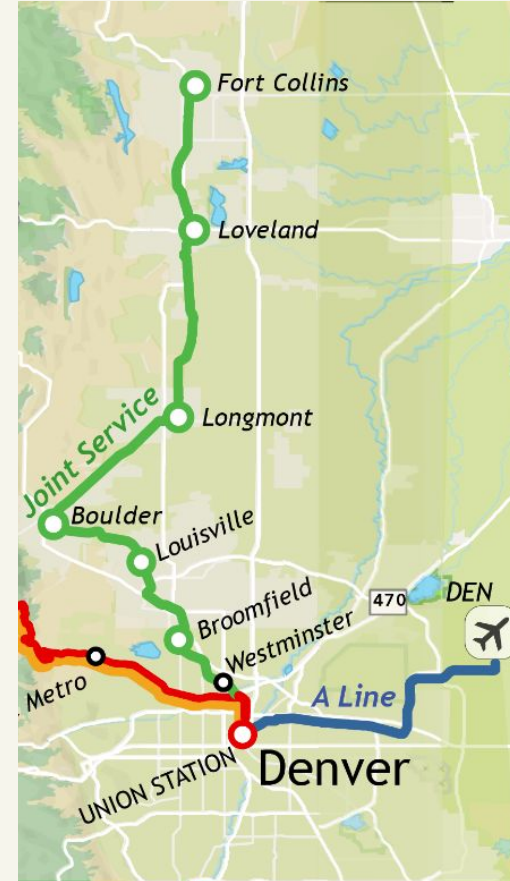
Joint Service Webinar Run of Show

I. Updates from:

- A. Joint Service Negotiation Team: BNSF Term Sheet Overview
 - 1. Senior Strategic Advisor to Governor Polis, Lisa Kaufmann
 - 2. RTD GM and CEO, Debra Johnson
 - 3. FRPRD GM, Sal Pace

Joint Service Foundational Review

- Joint Service is a collaborative effort by RTD, FRPR, CDOT [CTE, CTIO, TC], and the Governor's Office to initiate a starter service from Denver to Fort Collins by January 2029.
- Joint Service drives for key efficiencies:
 - ◆ **One operator** running the service between Denver and Fort Collins
 - ◆ **One access agreement** with BNSF, allowing for passenger rail service
 - ◆ **One route** between Denver and Fort Collins
- Guiding Principles for the Negotiation Team:
 - ◆ Cost efficient starter service
 - ◆ Service is designed as a building block for Front Range Passenger Rail
 - ◆ Agreement to drive towards as much certainty of costs as possible
 - Process for verifying costs before proceeding to construction phase.



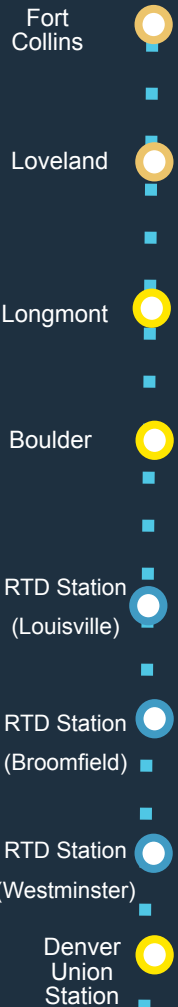
Joint Service Progress to Date



Agreed Upon Characteristics of Service

Schedule	Same schedule 7 days/week
Maximum Speed	79 MPH
Round Trip Frequency	3 daily round trips
Platforms	New Platforms, adjacent to BNSF Mainline
Route	RTD B-Line → BNSF Front Range sub
Station Stops	Eight station stops
Equipment	1 Revenue consist, 1 spare
No Pax Meets	No passenger train meets
Access Agreement Term	25 Years

Joint Corridor Service
3 daily round trips starting in 2029



Joint Service Schedule: Southbound

→ **Schedule Overview:**

- 80 min pure run time
- Published schedule not to exceed 108 min run time

→ **Subject to change:**

- ◆ Based on station location
- ◆ Testing completed after track and speed improvements made
- ◆ Changes to dwell time

	<u>SB Train #1 (AM)</u>	<u>SB Train #2 (AM)</u>	<u>SB Train #3 (PM)</u>
Fort Collins	6:27 AM	10:53 AM	6:27 PM
Loveland	6:44 AM	11:10 AM	6:44 PM
Longmont	7:06 AM	11:32 AM	7:06 PM
Boulder	7:20 AM	11:46 AM	7:20 PM
Louisville	7:35 AM	12:01 PM	7:35 PM
Broomfield	7:45 AM	12:11 PM	7:45 PM
Westminster	7:59 AM	12:25 PM	7:59 PM
Denver	8:15 AM	12:41 PM	8:15 PM

Joint Service Schedule: Northbound

→ **Schedule Overview:**

- 80 min pure run time
- Published schedule not to exceed 108 min run time

→ **Subject to change:**

- ◆ Based on station location
- ◆ Testing completed after track and speed improvements made
- ◆ Changes to dwell time

	<u>NB Train #1 (AM)</u>	<u>NB Train #2 (PM)</u>	<u>NB Train #3 (PM)</u>
Denver	8:39 AM	4:23 PM	8:39 PM
Westminster	8:58 AM	4:42 PM	8:58 PM
Broomfield	9:11 AM	4:55 PM	9:11 PM
Louisville	9:22 AM	5:06 PM	9:22 PM
Boulder	9:36 AM	5:20 PM	9:36 PM
Longmont	9:51 AM	5:35 PM	9:51 PM
Loveland	10:13 AM	5:57 PM	10:13 PM
Fort Collins	10:27 AM	6:11 PM	10:27 PM

What are the differing costs we know today?

	<u>RTD Peak Service Study</u>	<u>State's March 1st SB24-184 Financial Study</u>	<u>Term Sheet Estimated Joint Service Costs:</u>
Release Date	September 2024	March 2025	Early 2026
Service/ Region	3 In and 3 Out Trains Denver to Longmont	3 Round trips Denver to Fort Collins	3 Round trips Denver to Fort Collins
One Time & Capital Construction Costs	\$650M	\$885M	\$333M (Term Sheet Estimate)
Estimates Operations & Maintenance	\$12M - 16M <i>(Easement Access, annual O&M, dispatching and track maintenance)</i>	\$32M <i>(Included access fee, annual O&M, an operator's operations, and insurance)</i>	~\$25M-35M <i>(estimate Inclusive of BNSF Access Fee, Amtrak costs, and insurance and assumes leasing rolling stock)</i>

BNSF/CO Term Sheet Key Details

→ **Core Cost Efficiencies:**

- ◆ **Schedule designed to minimize unnecessary infrastructure:**
 - Less sidings, basic station infrastructure
- ◆ **Schedule design to have efficient rolling stock strategy:**
 - Peak Service Feasibility Study assumed 5 train sets to achieve the 3 in and 3 out service. In coordination with BNSF, Joint Service will require only 1 revenue set and 1 spare
- ◆ **Cost efficiencies achieved through having only one passenger rail service on this freight line:**
 - BNSF is being very efficient with needed project list as this proposal is predicated on having only 1 passenger rail service on their line. In the past, BNSF assumed both RTD and FRPR would need to share tracks with their freight trains
- ◆ **Cost efficiencies achieved through non-federal 209 service and contractual KPIs:**
 - This direct access agreement achieved efficiencies through non having federal jurisdiction over performance management, this is done instead through the contract with state law governing the contract.
 - Allows coordination for occasional freight long trains, versus spending millions in infrastructure for occasional long trains.
- ◆ **Cost efficiencies achieved through minimal station development for starter service:**
 - This proposal includes all needed track work, platforms and ADA access - it does not include full build out that would happen after FRPRD passes
 - This proposal focuses on platform placement to utilize existing RTD parking

Financial Plan

	<u>Termsheet Estimate Costs/ One time Investments</u>	<u>Design Costs</u>	<u>Estimate Operating Costs</u>
RTD Costs	\$156M <i>May be financed by RTD, dependent upon Board action.</i>	\$5.58M <i>(\$156M includes Design cost)</i>	\$10M-12M Annually
CTIO Costs	\$176M <i>Financed with SB184 revenue.</i>	\$3.83M <i>(\$176M includes Design cost)</i>	\$10M-12M Annually
CTE	-	-	\$10M-12M Annually <i>Financed with half of the rail set aside SB230 revenue.</i>



Important Notes

- ◆ RTD's FastTrack Savings Account has a balance of \$190M
- ◆ This financial plan would leave a nest egg in place for remaining unfinished FasTrack projects.
- ◆ The State is paying 53% of all-in, one-time costs
- ◆ Operating costs would be split between CTE, CTIO and RTD, or would be shared by FRPRD shall they pass a ballot initiative
- ◆ CTE would retain at least 50% of the rail set aside that is called out for the N Line completion

RTD Region: Capital Construction Project List

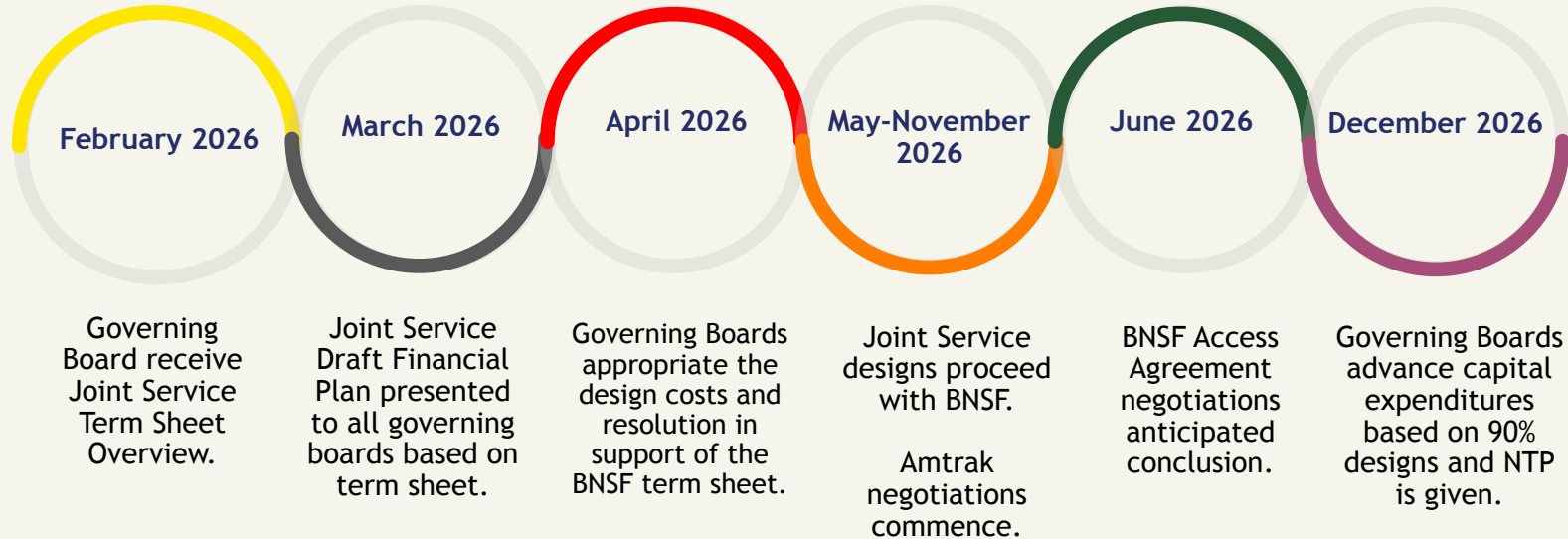
<u>Baseline Projects</u>	<u>Milepost</u>	<u>Milepost</u>
CTC/PTC Installation	3.4	43.5
Track Speed Improvements	5.8	43.5
Curve Speed Improvements	5.8	43.5
<i>RTD Tie-In Connection**</i>	5.8	5.8
Homestead Siding	10.1	11.8
Denver Layover Tracks	-	-
RTD Region Stations		
<u>Station Municipalities:</u> Denver, Westminster, Broomfield, Louisville, Boulder, Longmont		

Non-RTD Region: Capital Construction Project List

<u>Baseline Projects</u>	<u>Milepost</u>	<u>Milepost</u>
CTC/PTC Installation	43.5	77.2
Track Speed Improvements	43.5	76.0
Curve Speed Improvements	43.5	76.0
Ft. Collins Station Tracks	72.2	72.7
North Yard Switches	75.9	77.3
Owl Canyon Switch	90.7	92.2
Ft. Collins Layover Facility	72.2	72.7
Non-RTD Stations: Loveland and Fort Collins		

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Joint Service Progress & Look Ahead



Negotiation Principles and Progress Report

→ Guiding Principles for the Negotiation Team:

◆ **Cost efficient Starter Service**

- Hybrid between commuter service and intercity passenger rail
- Starter service schedule designed to meet transit demand and minimize infrastructure needs
- Direct Access Agreement and contractual on-time performance metrics allows for legal approach to performance and minimize infrastructure
- Efficient strategy for rolling stock
- Maximizing use of existing RTD parking structures

◆ **Service is designed as a building block for Front Range Passenger Rail**

- Front Range Passenger Rail will benefit from Joint Service's investments in PTC/CTC, siding(s), and both speed and curve improvements
- Access Agreement to have a transfer provision to transfer Joint Service access agreement from the JSEOC to FRPRD

◆ **Agreement to drive towards as much cost certainty as possible**

- Process for verifying costs before proceeding to construction phase
- Locked in one-time payment for annual operations and maintenance
- Locked in access fee rate for 25 years with defined inflation index

Word of Warning: More Work to Continue

- Term Sheet agreement achieved between JSEOC & BNSF
 - ◆ April:
 - Boards Consideration Resolutions in Support of Term Sheet and Appropriation for Design Phase

- Need negotiations with Amtrak to confirm annual costs and rolling stock strategy (including maintenance)

- Design Phase: May - December
 - ◆ Capital improvement project list are estimated costs based on 2% - 30% design, depending the project.
 - ◆ **These numbers WILL change based on further design**
 - ◆ **All Boards to Vote for Appropriation after design work that refines costs estimate**



Estimated Project Timeline

Timeline:

- **Spring 2026**
 - ◆ Term sheet / board adopt resolution to support BNSF/CO Term Sheet
- **Spring 2026 - End of the Year**
 - ◆ Projects move through design until 60-90%
 - ◆ Platform design proceed through PUC preliminary design process
 - ◆ Negotiations with Amtrak to get operating costs
- **Summer 2026**
 - ◆ Finalize Access Agreement with BNSF
 - ◆ Finalize station development plans with local governments
- **November/December 2026**
 - ◆ Leases for platforms negotiated with BNSF
 - ◆ Boards make appropriation decisions based on further design work and updated costs
 - ◆ Boards make appropriations decisions based on result of Amtrak negotiations
 - ◆ Notice to Proceed with construction
- **January 2027 - January 2029**
 - ◆ Construction
 - ◆ Rolling stock secured, Amtrak crews hired, trained, qualified on route
 - ◆ FRA New Starts Matrix
 - ◆ Testing, lock in end-run and OTP metrics
- **2029**
 - ◆ Start service

Official Next Steps Action Timeline

→ **Approval of Term Sheet :**

- ◆ **April 9th-** Public Rollout of Term Sheet
- ◆ **April 28th:** RTD, TC, CTIO and CTE Governing Boards to consider resolutions in support of the BNSF/CO Term Sheet and appropriate funds for design phase

→ **Approval of Access Agreement :**

- ◆ **June 1, 2026:** Local Governments, JESOC and BNSF to agree on station locations
- ◆ **June 15, 2026:** Goal Date to Complete Access Agreement

→ **Notice to Proceed:**

- ◆ **December 2026:** Governing Boards vote to proceed and appropriate all one-time investments