



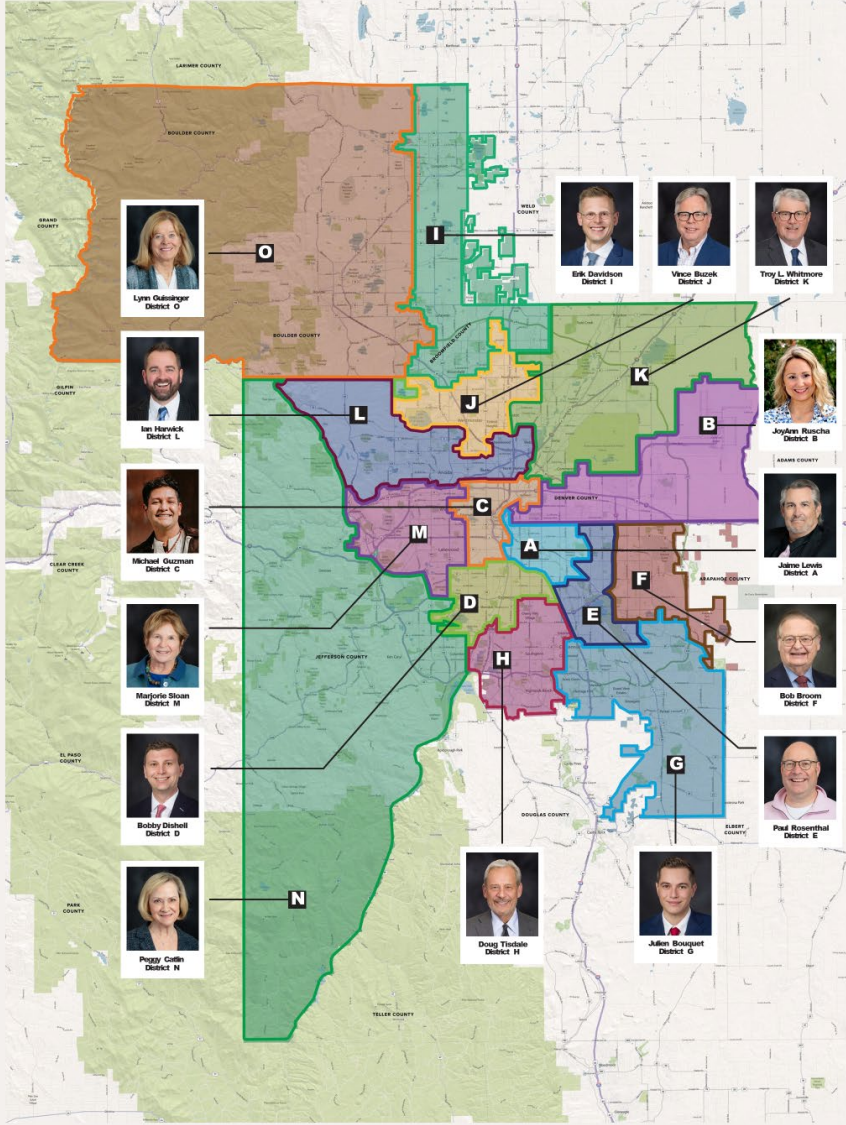
We make lives better through connections.

# 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**

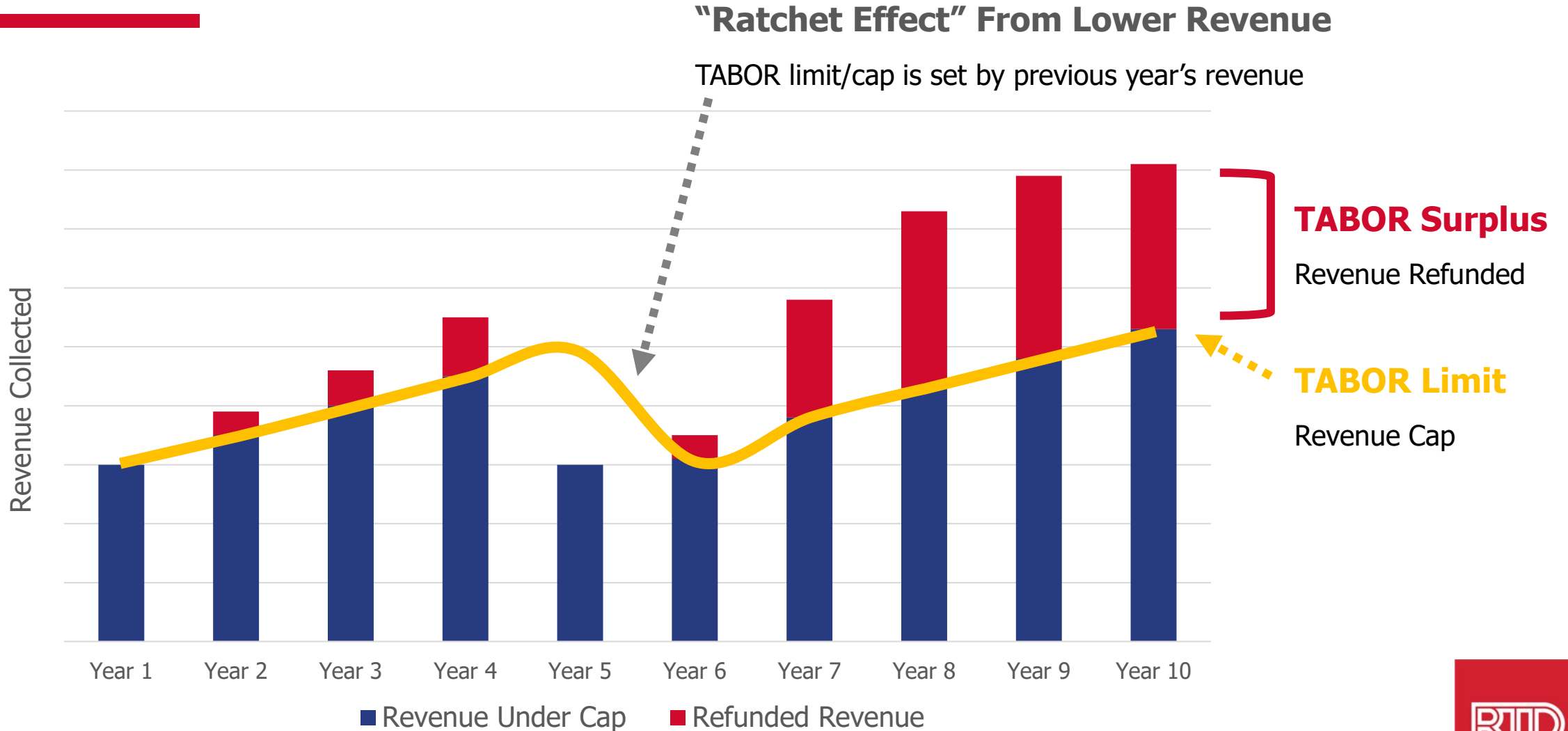
# TABOR Impact Research

- **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

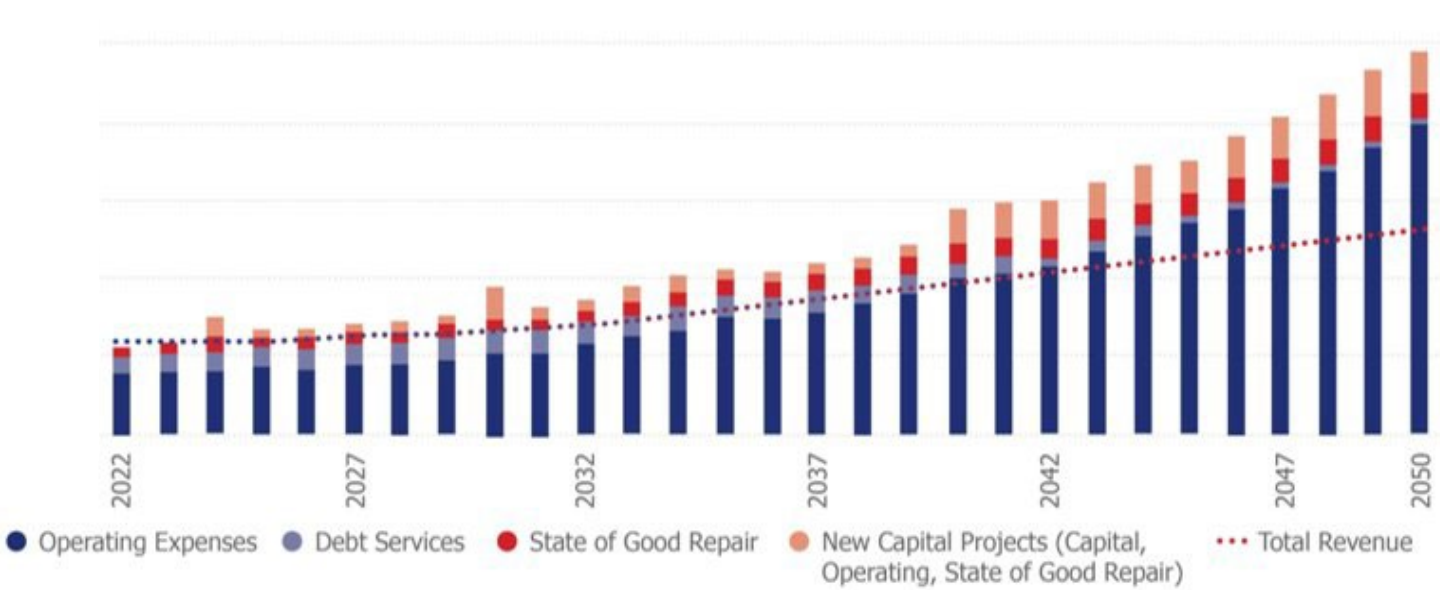
- **Limited financial capacity** for additional or expanded service
- **75% of revenues are from one source** of revenue subject to consumer spending volatility
- **Long-term forecasts** show growth in expenses will outpace growth in revenues
- Base System (50% of revenues) will be **subject to TABOR 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
<b>Total Revenue</b>	<b>1,184,221</b>	<b>1,219,368</b>	<b>1,247,153</b>	<b>1,311,511</b>	<b>1,342,823</b>	<b>1,369,972</b>	<b>1,405,097</b>	<b>9,080,144</b>
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)
<b>Total Expenditures</b>	<b>(1,138,719)</b>	<b>(1,143,734)</b>	<b>(1,208,882)</b>	<b>(1,248,102)</b>	<b>(1,323,609)</b>	<b>(1,390,035)</b>	<b>(1,456,111)</b>	<b>(8,909,192)</b>
<b>Net Cash Flow</b>	<b>\$ 45,502</b>	<b>\$ 75,634</b>	<b>\$ 38,271</b>	<b>\$ 63,409</b>	<b>\$ 19,214</b>	<b>\$ (20,063)</b>	<b>\$ (51,015)</b>	<b>\$ 170,952</b>
(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%

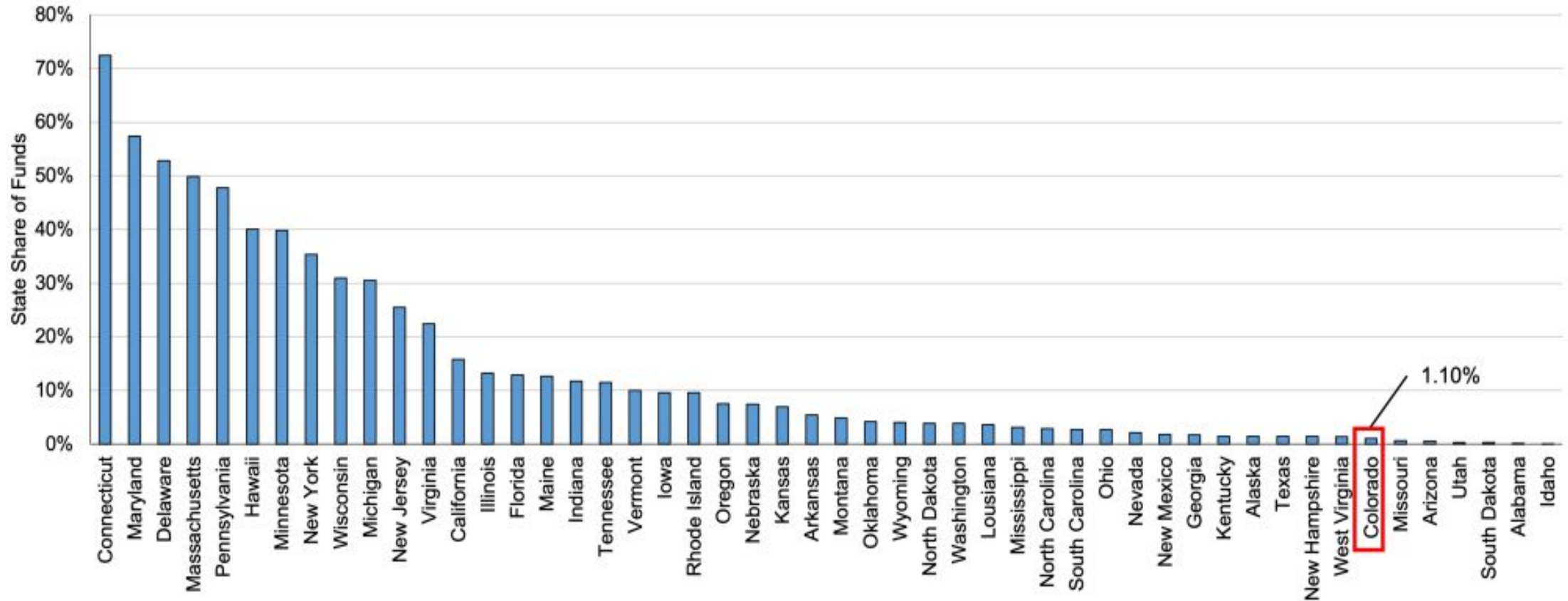


## FARES

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
<b>3-Hour Pass</b>	<b>\$2.75</b>	<b>\$10</b>	<b>\$1.35</b>	
<b>Day Pass</b>	<b>\$5.50</b>	<b>\$10</b>	<b>\$2.70</b>	
<b>Monthly Pass</b> (Multiple of 3-Hour Pass)	<b>\$88</b> (32x Local / Regional)		<b>\$27</b> (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.**

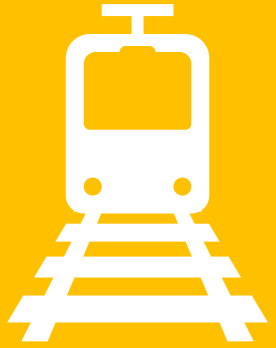




# Backup

---





# **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.



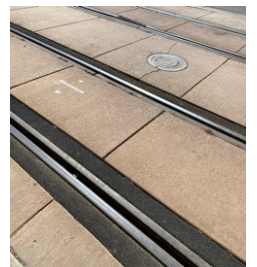
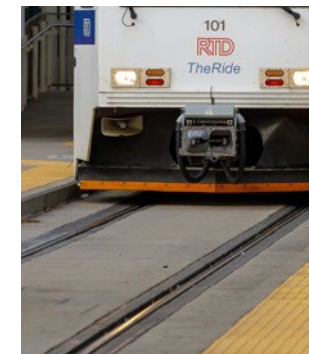
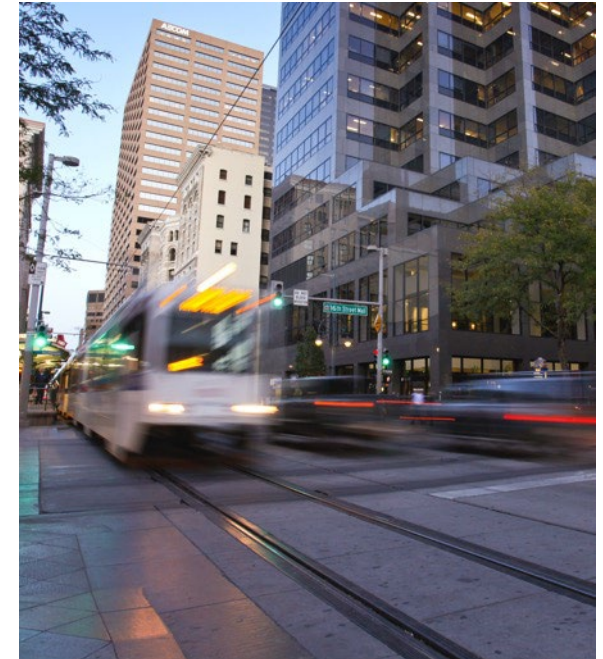
# RTD's First Reconstruction Project (Downtown Rail)

- 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



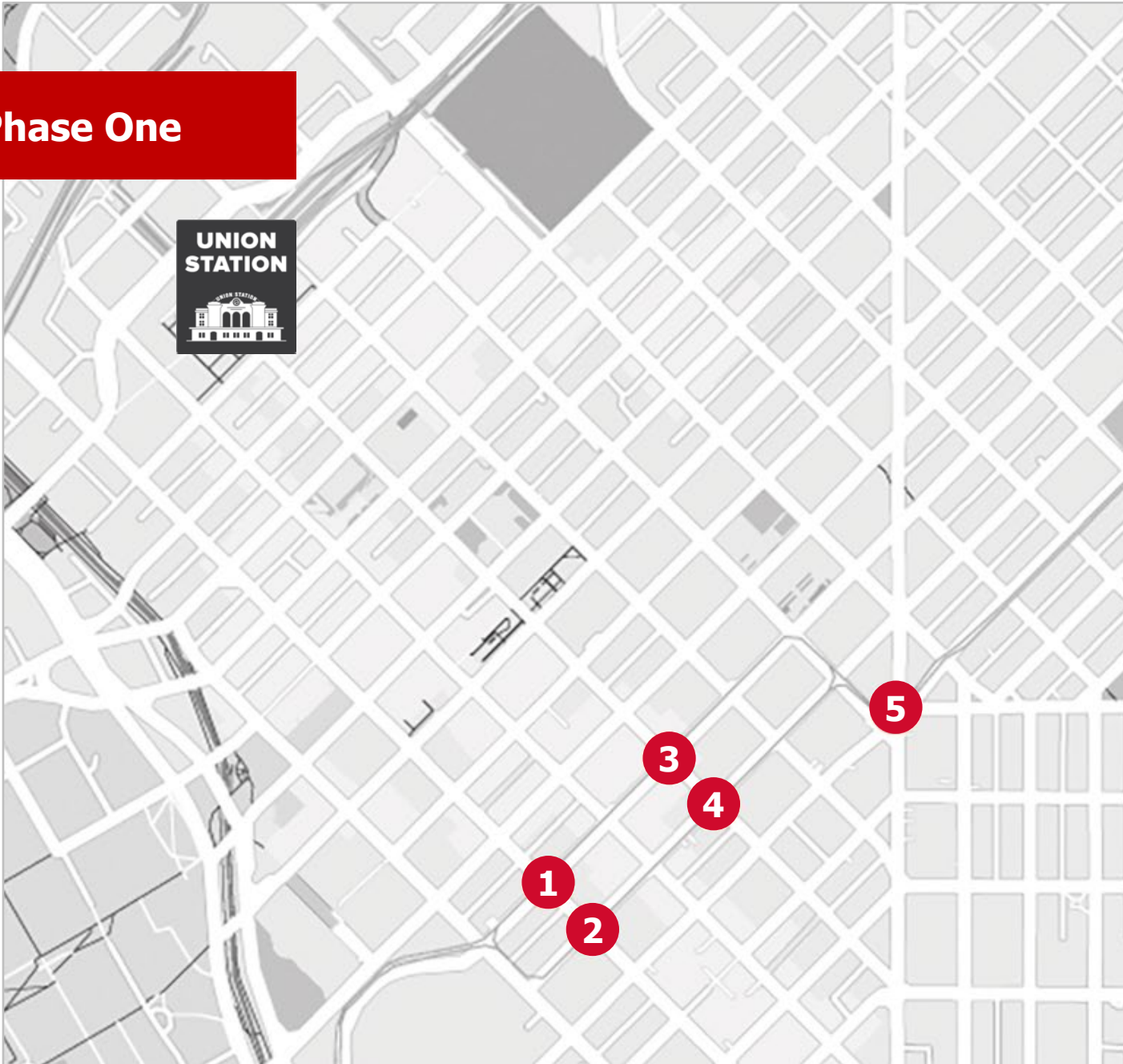
# Reconstruction Project Overview

- **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 15<sup>th</sup>



**2**  
California and 15<sup>th</sup>



**3**  
Stout and 17<sup>th</sup>



**4**  
California and 17<sup>th</sup>



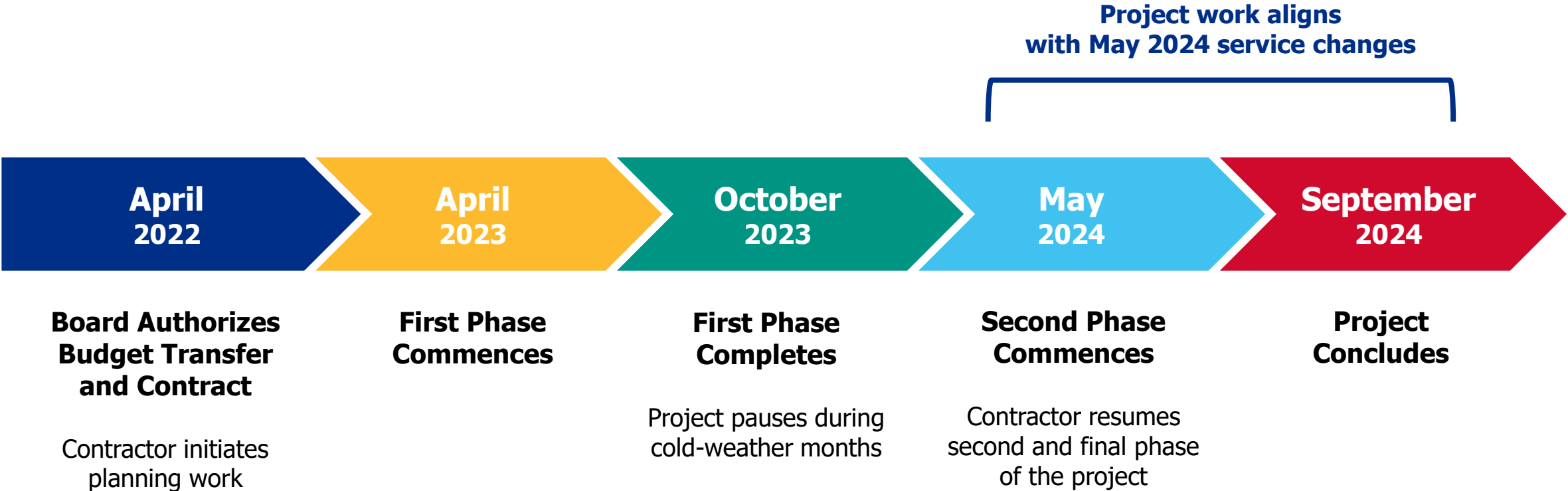
**5**  
Broadway and Welton

# 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

