



Public Works Committee Summary

Oct. 20, 2009

10:30 a.m.

Conference Room 391

Committee Members Present: Johnson, Lehmann, Nevitt

Committee Members Absent: Lopez

Other Council Present: Garcia, Hancock, Robb

Agenda:

1. Rocky Mountain Rail Authority
2. Gateway Village GID
3. Transit Amenities Program

1. Rocky Mountain Rail Authority High-Speed Rail Feasibility Study

Harry Dale, Chairman of the Rocky Mountain Rail Authority (RMRA); Councilman Rick Garcia, Denver's representative on RMRA; and Janice Finch, Denver Public Works, briefed the Committee on the Authority's study of the technical, financial and economic feasibility of high-speed rail service in Colorado.

RMRA is a multi-jurisdictional government body created to explore passenger rail as part of a viable transportation system for Colorado. Members include 53 counties, municipalities and other organizations along the study corridors. Denver pays annual membership of \$10,000, which is in the Public Works budget.

The feasibility study, which began in July 2008, considered various technologies, alignments and station locations within the I-25 (Trinidad to Cheyenne) and the I-70 (DIA to Utah) corridors. Based on the results, RMRA developed an investment-grade business plan for implementation. The most feasible alternatives will be submitted to the Federal Railroad Administration (FRA) with request for designation as High-Speed Rail Corridors, making them eligible for FRA funding. The presentation included the following information:

- Study information and comment opportunities are at www.rockymountainrail.org.
- At this point, high-speed rail appears to be feasible in Colorado, but that is only the first step in the process.
- FRA defines "high-speed rail" as lines that can travel at over 90 mph.

- RMRA is collaborating with ongoing planning studies, including the I-70 Coalition's land-use planning; CDOT's Railroad Relocation study; and FasTracks.
- Six technologies were evaluated with a total of 13 configurations.
- Four types of routes were considered: within highway ROW, within rail ROW; on existing rail; and totally new alignment.
- The risk of operating on or next to freight rail lines must be evaluated.
- Forty potential stations were identified for evaluation purposes, some identified as primary, some secondary. It is highly unlikely all 40 are feasible.
- FRA requires positive operating ratio (revenue over cost); all alternatives meet this, with high speed electric and maglev technologies generating the best ridership and revenue.
- FRA requires a positive cost-to-benefit ration (the system is not intended to be subsidized); all full-network options fail, meaning a reduced system is needed.
- The study identified the following as most feasible:
 - I-25: Diesel trains on existing rail to E-470 for new rail alignment east to DIA and then west to I-25 north; and
 - I-70: Electrical multiple unit trains (EMU) on highway ROW with some deviation where necessary due to consideration for grade.
- Study indicates the following trip times: DIA to Downtown = 12 minutes; DIA to Avon = 2.5 hours; Denver to Ft. Collins = 1.3 hour.
- Rail must be priced competitively with autos for trips of up to 150 miles; longer trips compete with air travel.
- The most feasible pricing between Denver and Ft. Collins is 32 cents/mile, making the on-way trip cost \$22; Roundtrip between Denver and Copper Mt. is estimated at \$50.
- The process is still two years away from a Record of Decision.
- The NEPA study (a 7-10 year process) should start by 2020.
- Denver is the hub and the trip generator of the system and must be included to make the numbers work.

2. Gateway Village General Improvement District (GID)

Committee Action

The Committee approved filing the following actions, which Council will consider on Nov. 16 when it sits as the Board of Directors of the Gateway Village General Improvement District:

- a resolution approving restructure of the District's debt;
- a resolution amending the 2009 Budget; and
- a resolution approving the 2010 work plan and budget; and
- certify the 2010 bill levy at the rate of 32.5 mills

Summary of Discussion

Brendan Kelly, Public Works; Jo Ann Weinstein, Assistant City Attorney; Andrew Johnston, Finance; Harvey Duetch, Gateway Village developer; and Jackie Murphy, District Counsel, presented the request. City Council sits annually as the ex-officio Board of Directors of the Gateway Village General Improvement District (GID). The GID was created in 1994 to build and then maintain streets, landscaping and parks in the now-built-out residential and commercial development located north of I-70 and west of Chambers Road. It encompasses 243 acres and 1,100 households plus commercial development. The District has historically provided financial support to the homeowners association (HOA) for the maintenance of entryway landscaping. Using one contractor for all maintenance is financially advantageous to both entities.

The proposed actions have been approved by the Advisory Board, composed of developer and City representatives. This year, the District needs to refinance its \$2.2M debt by issuing refinancing bonds in an aggregate principal amount not to exceed \$2.4 million to lower the interest rates and alter the payment schedule. This is necessary because the assessed valuation dropped 23%, from \$22.6 million to \$17.6 million, and the current debt structure includes a lump sum payment in debt service, which is soon due.

The current mill levy is 32.5. By restructuring the debt, the District can maintain both the mill levy and its financial support to the HOA. Otherwise, the mill levy will have to increase to 48. The proposal is to restructure the debt by combining two debt issuances (with an average interest rate of 4.84%) into one with an interest rate of 3.76%.

Councilman Nevitt pointed out that while the interest is going down, the overall cost of debt is going up due to the extended time.

3. Transit Amenities Program Discussion

Committee Action

The Committee directed Public Works to move forward with a draft Request for Proposals (RFP) for a single vendor for the Transit Amenities Program (TAP) and return to Committee with the draft and the data supporting the revenue projections.

Summary of Discussion

Rob Duncanson, Public Works, and Steve Sander, Denver Director of Marketing, presented alternatives to the way the City has been administering the TAP program. In 2001, the ordinance regarding provision of benches at bus stops was amended in an effort to improve the streetscape at bus stops by replacing the old concrete and wood advertising benches with the City's new standard green metal benches. In exchange for being allowed to sell advertising space associated with benches or shelters at some bus stops, vendors are supposed to install non-advertising benches at other locations deemed less lucrative for advertising. These other locations were to be identified by public requests for benches.

Mr. Duncanson said this is a successful program that pays for itself. RTD has 3400 stops in Denver, and it provides shelters at 220 stops. All 1500 concrete benches have been replaced. All requests for non-advertising benches have been fulfilled, although the City is currently "owed" 316 benches. Public Works is no longer receiving requests.

The vendors, small local companies, currently pay a permit fee of \$200 annually to renew their permits. They have invested \$2M in infrastructure, but there is little incentive for the vendors to provide shelters, which cost \$20,000 to \$30,000 to provide and install.

The fees cover the City's cost of administration and inspection (approximately \$40,000), but there is interest in possibly changing the program to general more revenue to the City. Public works has identified four options.

Option A – No change.

Option B – Make the permits good for multiple years so the vendor sees more return on investment. Re-examine the fee structure to find ways to incent vendors to provide a wider

variety of amenities (trash cans, bike racks, etc.) while providing and more revenue to the City, possibly to \$200,000.

Option C – Single vendor model. Denver is one of two or three major markets that do not have a single vendor for right-of-way amenities. Under this model, the City would issue a request for proposals for a company to take over the entire program.

Advantages of Option C include that a single vendor could sell space to national advertisers for multiple locations, making it more lucrative. The City could ask for \$250,000 per year upfront. A revenue sharing-program could be established. Negotiating with a single vendor is less time-consuming. The vendor could be required to provide more amenities.

One potential disadvantage, depending on the perspective, would be more advertising kiosks, although the City could require that advertising only be available at bus shelters.

Revenue projections indicate \$250,000 to \$750,000 could be generated annually. This estimate is based on discussions with prospective bidders and experiences in other cities and the anticipation of adding 100-200 advertising kiosks on the right-of-way.

Councilwoman Johnson asked if our current vendors know we are discussion this. Mr. Duncanson said yes, and the smaller ones are concerned because they could not participate in such a program. He added that there are benefits to having multiple vendors.

Councilman Garcia said that the benefit to the passengers is paramount. He supports whatever provides the most amenities for the riders.

Councilman Nevitt expressed concern that some vendors would be driven out of business and suggested dividing the geographically for multiple vendors. He supported the single vendor option, saying that the details could be worked out as we write the RFP. He suggested space should be reserved for public services messages.

Councilwoman Robb said she wants trash cans at bus stops and regular trash pick-up. She supported option C but wants more information on the revenue projections.

Councilwoman Lehmann said we should figure out what we need and want and craft the RFP around those. Women and minority-owned businesses should be able to compete in our program.

Councilwoman Johnson said she had heard that Public Works was removing shelters that encroach onto private property. Also, benches are often too close to the street in order to keep them within the ROW. She asked if there isn't a way to acquire the property or secure an easement so that shelters can remain and benches can be moved back from the curb.

Mr. Sander said that the current permits renew in July. If we start writing the RFP now, we should have a vendor selected by April 1, allowing three months for the new vendor to work with the current vendors.