

REGIONAL
TRANSPORTATION
DISTRICT

Serving the Eight County
Denver Metro Area



REPORT TO THE REGION
2009/2010



RTD FAST FACTS

Service Statistics

- Service area population: 2.8 million
- Cities and towns served: 40 municipalities in eight counties
- Square miles in service area: 2,348
- Weekday regular scheduled miles: 159,824 (includes light rail and FREE MallRide)
- Annual regular fixed-route service miles operated, including light rail: 48,862,622 (January 2010 service levels annualized)
- Active bus stops: 10,199
- park-n-Ride facilities: 74
- Total number of regular fixed routes: 150
 - Local: 67
 - skyRide: 5
 - Limited: 11
 - Boulder City Local: 15
 - Express: 20
 - Longmont City Local: 7
 - Regional: 16

Special Services

access-a-Ride, BroncosRide, BuffRide, call-n-Rides, CU vs. CSU Football Game at INVESCO Field at Mile High Bus Service, Komen Denver Race for the Cure Bus Service, RockiesRide, runRide, seniorRide, and vanpool (DRCOG's Commuter Services and North Front Range's VanGo)

Active Bus Fleet

- Total buses: 1,050
 - RTD-owned and operated: 612
 - RTD-owned, leased to private carriers: 438
- Average age of fleet: 6.5 years
- call-n-Ride vehicles: 34

Light Rail

- Total vehicles: 125
- Miles of track: 35
- Stations: 37

access-a-Ride

(Oct. 2008 – Sep. 2009)

- Vehicles: 325
- Annual service miles operated: 10,553,052
- Annual service hours: 725,672
- Annual boardings: 667,299

Ridership

(Oct. 2008 – Sep. 2009)

- Average weekday boardings: 331,121
- Annual boardings: 99,392,099

Financial

Total operating budget
2009: \$400,800,000
2010: \$391,800,000

Staff

Budgeted number of RTD employees
Salaried: 664
Represented: 1,802

Private contractors
access-a-Ride and
call-n-Ride: 593
Fixed-route: 1,127



REPORT TO THE REGION

INTRODUCTION

You may know RTD as the provider of your bus and light rail service, but the agency also does so much more for the eight-county metro area. This Report to the Region outlines many of the programs, services and projects that RTD conducts or participates in. This report is being provided only electronically to eliminate printing expenses and was completed at no net cost to the District.



OUR MISSION

To meet our constituents' present and future public transit needs by offering safe, clean, reliable, courteous, accessible, and cost-effective service throughout the District.

DESCRIPTION

The Regional Transportation District was created in 1969 by the Colorado General Assembly to develop, operate, and maintain a mass transportation system for the benefit of the 2.8 million people now in RTD's District. The 2,348-square-mile District includes all or parts of eight counties: the City and County of Denver, the City and County of Broomfield, the counties of Boulder and Jefferson, the western portions of Adams and Arapahoe Counties, the northern portion of Douglas County, and small portions of Weld County annexed by Brighton, Longmont and Erie. RTD's governing body is a 15-member directly elected Board of Directors, with each Director elected by district for a four-year term. Each Director District contains approximately 173,000 residents.



RTD BOARD OF DIRECTORS



Bill James
District A



Christopher Martinez
District B



Angie Malpiede
District C



Barbara Brohl
District D



William McMullen
District E



Tom Tobiasen
District F



Jack O'Boyle
District G



Kent Bagley
District H



Lee Kemp
District I



William Christopher
District J



Noel Busck
District K



Wally Pulliam
District L



Matt Cohen
District M



Bruce Daly
District N



John Tayer
District O

DIRECTING BUSINESS OPENLY



FROM THE BOARD CHAIR

Despite the serious economic challenges RTD and other agencies and businesses face, we have been able to move forward creatively on important programs that will benefit this and future generations. The most visible is the Eagle P3 Project, for which RTD created a Public-Private Partnership to design, build, finance, operate and maintain the Project, which includes the East Corridor commuter rail line that will run from Denver International Airport to Denver Union Station and the Gold Line that runs west to Wheat Ridge, as well as the commuter rail maintenance facility, and a short segment of the Northwest Rail Corridor – all as one large project. During the three years of developing the project, two teams actively competed for the contract and following an exhaustive procurement involving hundreds of reviews, in June RTD selected Denver Transit Partners, in part because their construction bid came in \$300 million below our estimate. The groundbreaking ceremony was held at DIA on August 26, 2010.

RTD has previous success with public-private partnerships, including our innovative T-REX light rail and highway project with the Colorado Department of Transportation that was completed in 2006, nearly two years ahead of schedule and about \$4 million below budget. The Eagle P3 is more extensive, as the private partner will stay on board for another 30 years to provide all the operation and maintenance of the Eagle commuter rail corridors. On top of that, the private team invests its own money and assumes much of the risk. This allows RTD to reduce its own upfront cash and spread out large initial costs to preserve cash for use in the early construction years. In return, RTD will make lease payments to the private team over 30 years to pay back its private investment to build and open the project elements, and to operate and maintain them – similar to the concept of paying back a home mortgage, along with the monthly expenses to maintain the home. It is important to note that RTD will retain ownership of the system, including complete control on criteria such as fares, cleanliness, service frequencies, maintenance, and performance standards, while shifting much of the risk of the project to the private partner, helping to protect the public's investment.

The Eagle P3 also allows RTD to stay on track to receive approximately \$1 billion in federal funds through the Federal Transit Administration (FTA) Full Funding Grant Agreement process, which we hope to be awarded next year. FTA Administrator Peter Rogoff was in Denver in February to announce that a total of \$120 million was in the President's budget for RTD projects, including \$40 million for the West Light Rail Line that is currently under construction and on target to open in 2013, and \$40 million each for the Gold Line and the East Line for the Eagle P3 project.

The RTD Board is committed to continuing to provide cost-effective service throughout the metro region. Our Financial Sustainability Committee is determined to work with our stakeholders to help us identify long-term revenue sources that will allow us to deliver the levels and quality of service the public has come to expect from RTD. The economic downturn has impacted our construction, service and capital budgets, and we are seeking innovative ways to address how we can continue to meet the needs of a growing population – just like we are doing with the unique Eagle P3 Project financing.



Lee Kemp
RTD Board Chair
District I



The RTD Board is committed to continuing to provide cost-effective service throughout the metro region.

ACCOUNTABLE AND TRANSPARENT LEADERSHIP



FROM THE GENERAL MANAGER

We are pleased to present to you the Regional Transportation District's 2009/2010 Report to the Region. This past year RTD has celebrated many accomplishments, faced challenges and continued our commitment to conducting business openly and efficiently.

Last year, the RTD Board of Directors conducted a national search for a new leader and I officially became RTD's general manager at the end of 2009. I am very thankful to have been chosen to lead the best transit agency in the country.

I am committed to working with our Board, employees, contractors, passengers and stakeholders to meet our constituents' present and future public transit needs by offering safe, clean, reliable, courteous, accessible and cost-effective service throughout the District. To do this we must continue to operate the safe and efficient bus and rail system our public has come to expect, while dealing with the economic challenges that we all face.

The state of the economy for the past several years has forced RTD, along with many other agencies, municipalities and businesses, to examine our operations for methods to cut costs and increase revenues. We have reviewed our current service and reworked many routes and schedules to operate as efficiently as possible. We have also asked our employees to make sacrifices by not receiving annual pay increases for the past two years, and limited hiring, which means employees have to do more work with less people. We have implemented many additional measures to address our budget challenges such as voluntary furloughs, possible fare increases, postponing capital improvements and delayed purchases of replacement vehicles. Each of our cost savings measures are needed to continue delivering our services, because RTD – like all public transit agencies – needs public funding, in our case in the form of sales and use tax revenues. With the economic downturn, tax revenues have fallen substantially and we continue to use innovative efficiencies to close the resource gap.

I will work hard alongside RTD's Board and leadership team to keep us on track and we will continue to conduct business openly and honestly, with a commitment to excellence. We value your trust in RTD, and it is important to me and all of us here that you know we are conducting the public's business responsibly. As you ride the buses, trains or even drive your own car and view the transit projects we have built and are building, I hope that you will understand and appreciate the value of this great investment. We are truly building a transit system that will be in use for the next 100 years. This great system will transport young people to school, elderly people and military veterans to medical appointments, working people to employment centers, and create thousands of good jobs.

Finally, it is important to let you know that our team is committed to operating the safest transit system possible. We are focused, passionate, and results-driven. We are also committed to completing the transit expansion program that we call FasTracks sooner rather than later. "Failure is simply not an option."



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A handwritten signature in black ink that reads "Phillip A. Washington". The signature is stylized and cursive.

Phillip A. Washington
RTD General Manager

ECONOMIC BENEFITS



TRANSIT BOOSTS THE JOB MARKET

RTD PROVIDES ECONOMIC BOOST

RTD provides an economic boost to the metro district by investing taxes locally and providing living-wage jobs for planning, building and operating bus and light rail services. Transit infrastructure projects are a proven path for economic stimulus because they create both operations and construction jobs which include long-term benefits. Research shows that every \$1 billion invested in public transit capital projects generates 30,000 jobs; the same amount invested in transit operations generates 60,000 jobs. That's a return on investment as high as nine to one. (source: American Public Transportation Association & Economic Development Research Group)

The number of jobs directly supported by the FasTracks program is more than five times what it was at the start of the program in 2005. Direct job creation is up by 30 percent from 2007. As the FasTracks program starts construction on multiple corridors, the number of jobs directly supported by FasTracks will continue to increase. Jobs will be generated to plan, design, construct, and operate the project. These jobs include RTD internal staff, contracted employees working directly on corridor studies, design, construction suppliers and workers, public involvement, and quality oversight staff. Completed transit projects will continue to efficiently move people, while promoting our community's economic health.

RTD is only a part of the region's transportation economy. Together with investments in state highways, city and county roads and local transit services, it's clear that the positive economic impact of public transportation is enormous.

REGIONAL WORKFORCE INITIATIVE NOW

The Regional Workforce Initiative Now program has been developed to identify individuals who will be trained for construction jobs, and when they complete that training, help them transition into construction jobs on FasTracks and other construction projects throughout the metro area.

The program is a unique collaboration between the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Regional Transportation District, the Colorado Department of Transportation, the Community College of Denver, the City and County of Denver, the regional Environmental Protection Agency, the regional Housing and Urban Development Office, the Denver Housing Authority and representatives from Denver's Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE), women, minority and construction communities.

- This effort began here locally when FHWA held a Workforce Development Workshop in Denver May 18-19, 2010. FHWA chose Denver as the first of six cities to hold a DBE Workforce Development Workshop, which is a very important first step in building a workforce program that will be a model for the nation.



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(APTA & Economic Development Research Group – based on full-time equivalent jobs)

- The Community College of Denver (CCD) will be the facilitator of the Regional Workforce Initiative Now program, working with faith-based and community organizations to identify candidates who will go through assessment and training for construction skills, and when they complete that training, will be able to transition into construction jobs in the Denver metro area.
- Officials with CCD and RTD signed a Memorandum of Understanding (MOU) at a July 22, 2010 DBE/SBE event, outlining each organizations role in implementing the Regional Workforce Initiative Now program.
- While the Regional Workforce Initiative Now program is set up for all of our regional partners to create job opportunities on their major projects, RTD's FasTracks program provides a starting point. The Eagle P3 project, which will build the East Corridor to the airport, the Gold Line to Arvada and Wheat Ridge and a short segment of the Northwest Rail Corridor to south Westminster, comes at the perfect time with a soon-to-be, living, breathing major construction project that provides a launching point for the Regional Workforce Initiative Now program. The Eagle P3 concessionaire team - Denver Transit Partners - is committed to making some of the jobs on the Eagle P3 project available for the Regional Workforce Initiative Now program.

The job impacts of FasTracks can be grouped into three categories:

DIRECT - FasTracks spending is used on capital investments such as purchasing trains, building stations and constructing railways. The direct effect of this spending keeps construction workers employed right here in Colorado.

INDIRECT – People are also employed through FasTrack spending because they supply goods and services such as train engines, steel for rails and concrete for stations. These indirect effects are a result of the direct spending on capital projects like FasTracks.

INDUCED – A wider group of people are also employed as construction workers, engineers and other professionals working on FasTracks who spend their paychecks on consumer goods at local retailers, restaurants, movie theaters and coffee shops. These are known as induced effects.

FEDERAL FUNDING AWARDS/REQUESTS FOR RTD AND THE DENVER REGION



FY '09 Appropriation Awards

- \$1,097,000 – Bus replacements
- \$1,021,000 – Southeast Corridor Light Rail
- \$59,400,000 – West Corridor Light Rail
- \$823,000 – Bus Maintenance Facility
- \$549,000 – Denver Union Station Multi-modal renovations
- \$1,919,000 – US 36 Corridor Bus Rapid Transit
- \$1,241,460 – Denver Union Station Inter-modal Center
- \$451,440 – Bus replacement

FY '10 Appropriation Awards

- \$90,000,000 – West corridor
- \$10,312,000 for close out of Southeast Corridor
- \$2,500,000 – East Corridor
- \$2,000,000 – Gold Line

FY '11 Appropriation Requests

- \$40,200,000 – West Corridor
- \$131,000,000 – East Corridor
- \$40,000,000 – Gold Line

American Recovery and Reinvestment Act (ARRA) Stimulus Package

Formula Funds....

- \$72,083,753 for RTD formula funds
- \$753,399 – RTD share of Fixed Guideway funds

Other ARRA Funds:

- \$40,000,000 – West Corridor (expedited funds – part of the existing FFGA)
- Transit Investments for Greenhouse Gas and Energy Reduction - 2009 (TIGGER)
(\$100 million set-aside nationwide for discretionary grants to reduce energy consumption or greenhouse gas emissions) RTD received:
 - \$1,095,000
 - \$770,000 – East Metro Heating System Upgrade
 - \$325,000 – Boulder Heating System Upgrade
- \$1.5 billion nationwide for discretionary grants, Transportation Investment Generating Economic Recovery (TIGER)
 - \$10,000,000 (not included in 2009) – US 36 Bus Rapid Transit build-out

Congestion Mitigation and Air Quality (CMAQ)

- DRCOG funds of \$60,000,000 available regionally for all projects
 - \$18,600,000 – Denver Union Station (DUS)

Transportation Infrastructure Finance and Innovation Act (TIFIA) [Loan]:

- \$151,600,000 – Denver Union Station (DUS)

Railroad Rehabilitation and Improvement Financing (RRIF) [Loan]:

- \$152,100,000 – Denver Union Station (DUS)

RTD is now the twelfth largest transit agency in the country. In 2009, RTD delivered on your public investment with projects and services throughout the District.

RTD FASTRACKS



RTD FASTRACKS AT WORK

The RTD FasTracks Program is a multi-billion dollar program to build 122 miles of new commuter rail and light rail, 18 miles of bus rapid transit service, 21,000 new parking spaces at rail and bus stations, and enhance bus service for easy, convenient bus/rail connections across the eight-county district.

The FasTracks team operates under the mantra “Build as much as we can, as fast as we can, until it’s all done.” In addition to jump-starting construction wherever possible, this also means continuing to seek every possible funding source to meet the financial challenges of the ongoing recession. Most of the planning processes on the corridors, which were a major effort in laying the foundation for FasTracks, are complete. Now, FasTracks is shifting into the construction phase of the program.

PROJECT DEFINITION AND SCOPE

The FasTracks Plan consists of nine rail corridors (new or extended); one bus rapid transit (BRT) corridor; redevelopment of Denver Union Station (DUS); a new Commuter Rail Maintenance Facility (CRMF) and an expanded light rail maintenance facility. At completion, the Plan will add 93 miles of commuter rail (East, Gold Line, North Metro, and Northwest Rail Corridors); approximately 28 miles of light rail (Southeast and Southwest Corridor Extensions, Central Corridor Extension, I-225, and West Corridor); and 18 miles of BRT (US 36 BRT – Phase 1 and 2).

By the end of 2010, FasTracks will have 47 miles of new rail lines in construction or under contract, more than doubling the current amount of RTD passenger rail in the region. Those new lines include the West Corridor to Jefferson County, the East Corridor to Denver International Airport and the Gold Line to Arvada and the first segment of Northwest Rail to south Westminster. Other projects under construction include the redevelopment of Denver Union Station and the expansion of RTD’s Light Rail Maintenance Facility. On the U.S. 36 Corridor, construction of the Phase 1 bus improvements is now complete, saving bus commuters up to 30 minutes per round-trip between Denver and Boulder.

The other corridors will be construction-ready and poised to move ahead, as RTD secures additional funding to build out the whole program. Below is a description and status of each corridor.

Central Corridor Extension

Extends light rail from the 30th and Downing Station to the 38th/Blake Station where it will facilitate transfers to the East Corridor. Evaluation of this 0.8 mile long corridor is being done as an Environmental Evaluation (EE), which was completed in early 2010.

Denver Union Station

A multimodal transportation hub that will include light rail, commuter rail, and bus connections, as well as pedestrian access to downtown businesses and the 16th Street Mall Shuttle system. In October 2008, the Federal Transit Administration (FTA) signed the Record of Decision (ROD), and a contract for early construction was signed in May 2009. The Denver Union Station Project Authority (DUSPA) was created in 2008 to provide oversight, distribute project funding, and contract with the design-builder for all transit infrastructure. RTD provides an on-site oversight staff to assure that the transit



“Build as much as we can, as fast as we can, until it’s all done.”



requirements are achieved. Full notice to proceed was provided to the design-build contractor in April 2010. In July, the project closed on TIFIA and RRIF loans to provide key financing for DUS. Construction is scheduled to be completed in 2015.

Eagle P3

The Eagle P3 project comprises the East Corridor, Gold Line, Northwest Rail Electrified Segment and Commuter Rail Maintenance Facility (CRMF). This is a public private partnership (P3) to design - build - operate - maintain and partially finance these lines. On June 15, the Board selected Denver Transit Partners (DTP) as the concessionaire. Financial close and Notice to Proceed occurred in August 2010.

East Corridor

The East Corridor is a commuter rail corridor, using Electric Multiple Units (EMU), 22.8-miles in length that extends from DUS to Denver International Airport (DIA). It was selected, along with the Gold Line, for the FTA Public-Private Partnership Pilot Program (Penta-P) in 2007. In April 2009, the FTA issued permission to enter Preliminary Engineering (PE), which is a significant milestone toward potential funding through a Full Funding Grant Agreement (FFGA) with FTA. In January 2009, the Draft Environmental Impact Statement (DEIS) was released and the Final Environmental Impact Statement (FEIS) was released in September 2009. The FTA signed the ROD in November 2009. The agreement with the Union Pacific Railroad allowing construction to proceed was signed in August 2010.

Gold Line

The Gold Line is a commuter rail corridor (EMU), 11.2-miles in length that extends from DUS to Ward Road in Wheat Ridge. It shares three miles from DUS to Pecos with Northwest Rail. The Gold Line, along with the East Corridor, was selected for the FTA Penta-P in 2007. In April 2009, the FTA issued permission to enter PE, which is a significant milestone toward potential funding through an FFGA with FTA. In August 2009, the FEIS was released and FTA signed a ROD in November 2009. The agreement with the BNSF Railway allowing construction to proceed was signed in March 2010.

By the end of 2010, FasTracks will have 47 miles of new rail lines in construction or under contract, more than doubling the current amount of RTD passenger rail.

I-225 Corridor

A 10.5-mile light rail corridor that extends from the existing Nine Mile Station, north and east to a station that will be constructed at Peoria/Smith. This station will serve as a transfer point to the East Corridor. RTD's current plan is for the I-225 Corridor to be built in two segments with two different procurement delivery methods. The Draft EE was released in July 2009 and the RTD Board adopted the Final EE in October 2009. Final design for segment 1 (Nine Mile - Iliff) will be completed at the end of 2010. RTD and CDOT jointly applied for a TIGER II grant to complete their respective projects.

MAINTENANCE FACILITIES

Light Rail Maintenance Facility

This includes the expansion of existing light rail maintenance facilities at Elati and Mariposa. It will essentially double the maintenance and operational capacity for light rail. Construction on Elati began in May 2009. Track and power expansions were completed in the summer of 2010. Construction on Mariposa and the new wash bay at Elati started in July 2010 and is scheduled to be complete in 2011.

Commuter Rail Maintenance Facility (CRMF)

This includes a maintenance shop for all commuter rail vehicles, a commuter rail control center, employee facilities, offices, parking, and a building and laydown areas for maintenance-of-way (MOW) equipment and materials. In early 2009, the Fox North (48th & Fox) site was selected as the preferred location in the Supplemental Environmental Assessment (SEA), which was completed in April 2009. The environmental analysis was incorporated into the East Corridor, Gold Line, and North Metro EISs.

North Metro

An 18.4-mile commuter rail corridor extends from DUS north to 162nd Avenue. In 2009, additional analysis was done on alignment refinements in the southern portion of the corridor. A preferred alignment will be selected in the FEIS. The DEIS was released in November 2009. The FEIS and ROD are anticipated to be complete in 2011 because the EIS is being updated to reflect new ridership forecasts.

Northwest Rail Corridor

A 41-mile commuter rail corridor, using diesel multiple units (DMUs), extends from DUS to downtown Longmont. Three miles from DUS to Pecos are shared with the Gold Line. In 2008, this section of the alignment was refined as a result of railroad negotiations and it was determined that the BNSF Railway Company will construct the corridor north from the South Westminster/71st Avenue Station. The DUS to 71st segment will be built as part of the Eagle Project. Completion of the EE was achieved in spring 2010.

Southeast Corridor Extension

A 2.3-mile light rail extension from the current Southeast Corridor end-of-the-line station at Lincoln Avenue and I-25, south, to the RidgeGate Parkway/I-25 interchange. A draft EE was released in November 2009 with the completion of the Final EE accomplished in early 2010.



All of the improvements for the US 36 Bus Rapid Transit project have been completed this year.



Southwest Corridor Extension

A 2.5-mile light rail extension from the current Southwest Corridor end-of-the-line station at Mineral Avenue and Santa Fe Drive (US-85), south and east to the southwest corner of the C470/Lucent Boulevard interchange. A draft EE was released in November 2009 with the Final EE accomplished in early 2010.

US 36 Bus Rapid Transit - Phase 1

This project includes park-n-Ride improvements, improved pedestrian access to the bus stations, and the construction of bus loading areas along US 36. All improvements associated with Phase I have been completed with the finish of construction improvements at the Broomfield park-n-Ride in spring 2010.

US 36 Bus Rapid Transit - Phase 2

This project includes funding for RTD's proportionate share of 18 miles of managed lanes (high-occupancy toll and vehicle and BRT) on US 36. Also included is construction of a pedestrian bridge at the Table Mesa park-n-Ride and a new eastbound bus pull-out ramp on the south side of US 36. The DEIS, jointly prepared with the Colorado Department of Transportation, was released in August 2007 and the FEIS was released in November 2009. The ROD was signed in December 2009.

West Corridor

This project originates at DUS and extends for 12.1-miles ending at the Jefferson County Government Center. Significant construction on this light rail corridor has been accomplished in 2009 with completion of utilities relocation, drainage improvements, three light rail bridges, three pedestrian bridges, and one pedestrian tunnel. On January 16, 2009, an FFGA with FTA was executed for \$308.7 million to help fund the corridor. A full Notice to Proceed (NTP) was issued on June 16, 2009. Construction work is progressing throughout the entire corridor and is approximately 50% complete. Opening day is scheduled for 2013.



SUMMARY OF ENVIRONMENTAL PROCESS

Prior to 2009, environmental studies had been completed for DUS, West Corridor, and the Light Rail Maintenance Facility. In 2009, the following efforts were completed:

- Gold Line (ROD received)
- East Corridor (ROD received)
- I-225 (Final EE adopted)
- North Metro (DEIS released)

Since 2007, RTD has conducted an Annual Program Evaluation (APE) to update both the costs and projected revenues of the FasTracks Program. This information is then used to prepare the FasTracks Financial Plan. This Annual Report includes results of the 2010 APE. During the 2008 and 2009 APE, commodity prices dropped from historic highs, but raw materials costs are still well above original 2004 project estimates.

Overall, there has been a decrease in capital costs from the 2009 APE as a result of changes in design criteria, as well as scope refinements based on the completion of more advanced engineering. Capital costs decreased from \$6.9 billion (2009 APE) to \$6.7 billion (2010 APE), still significantly higher than the \$4.7 billion projected in 2004. Further, sales and use tax revenues through 2035 are projected at \$7.8 billion, which remains below those projected in 2004, and continues to represent a funding gap.

SALES AND USE TAX FORECAST CHANGE

To help address the challenges of making longer-term sales and use tax revenue projections, RTD convened a group of state and local government economic and financial advisors to review RTD's current forecasting methodology, evaluate potential methodologies and obtain consensus on a future forecasting method. The Sales and Use Tax Forecasting Work Group produced the recommendation to use a range of forecasts for sales and use tax revenue growth rates. New projected growth rates for sales and use tax average 3.7% per year, the medium value that was recommended for use in the Financial Plan. This is more conservative than the 20-year historical average increase of 5.44% and the 4.8% that RTD assumed in 2008.

The Federal Transit Administration executed a \$308.7 million Full Funding Grant Agreement in 2009 for the West Corridor Light Rail Line.

YEAR IN REVIEW



INVESTMENTS AND PROJECTS

- The Southeast Light Rail Line, a part of the T-REX project on the Southeast corridor, was closed out \$3.7 million under budget.
- Received new order of 55 Siemens Light Rail vehicles for the current system and for the West Corridor when completed in 2013. Received a total of 12 vehicles by the end of 2009, with the remainder being delivered in 2010.
- Signed the \$308 million Full Funding Grant Agreement for federal funds for the West Corridor and received the Congressional Appropriation approval for the installment payment of \$90 million for the fiscal year.
- Received the Records of Decision from the Federal Transit Administration for the East and Gold Line Corridors in November 2009. This wrapped up the planning for both projects, which can now proceed to design and construction as part of the Eagle P3 Project.
- Released the Request for Proposals for the Eagle P3 Project.
- Completed a two-year program to refurbish the 16th Street Mall Shuttle fleet, with the project coming in 25 percent under budget.
- Completed the I-225 Corridor Final Environmental Impact Statement including 30 percent of the preliminary design.
- Released the North Metro Corridor Draft Environment Impact Statement for public comment in November.
- Completed the plaza at the Arapahoe Light Rail Station. Started the light rail power upgrade project. Multiple capital improvements were funded through RTD and the ARRA “Economic Stimulus.”
- Passed the 50 percent completion milestone for construction on the West Corridor Light Rail Line, the first of the FasTracks corridors to enter full construction.
- Celebrated the 15th anniversary of light rail, the 10-year anniversary of the southwest line, and the first light rail vehicle to reach one million miles.
- Celebrated the completion of the new Centrepoint & Sable Transfer Center and the opening of the County Line Pedestrian Bridge to Park Meadows Mall.
- Completed the US 36 & Broomfield park-n-Ride as part of the US 36 Bus Rapid Transit project.
- Completed the environmental evaluations for the Southeast and Southwest Corridor extensions for public comment.
- Completed the Final Environmental Impact Statement for the US 36 Bus Rapid Transit Corridor, in coordination with CDOT.
- Effective grant management resulted in the improvement of cash flow. Staff also took the lead in negotiations that eliminated the vendor allowance and resulted in sales tax revenue increases.
- Completed the BNSF property acquisition, relocation and joint corridor use agreement for the Eagle P-3 project.
- Completed the UPRR and BNSF railroad property acquisition and agreement, respectively.



Nearly one-half (48%) of Southeast Light Rail passengers ride light rail five or more days per week, while another 26% ride it 3-4 days per week.

2007 Southeast Light Rail Customer Satisfaction and Trip Characteristics by the Howell Research Group



RTD bus and light rail services, access-a-Ride, call-n-Ride and vanpools carried more than a quarter of a million passenger trips every weekday.

SERVICES

- Covered more than 250 Special Events with bus and light rail service, including RockiesRide, BroncosRide, BuffsRide, Bolder Boulder, Race for the Cure and assistance with police and fire activities in 2009.
- Addressed more than 2,000 direct media inquiries and public information requests; and logged more than 5,000 earned media interviews, mentions and responses.
- Headcount was achieved with mechanics, bus operators, and electro mechanics for the first time in several years and successfully recruited candidates to keep the 'pipeline' filled.
- myStop, the automated phone system for passengers to obtain schedule information by phone in English or Spanish, went live.
- Implemented a District-wide parking management program to manage our parking inventory at park-n-Rides.
- Expanded fare enforcement on light rail and buses to further lower the average fare evasion rate of four percent, by utilizing plain clothes police and RTD security personnel, while also working with our numerous law enforcement jurisdictions.
- Completed the deployment of automatic vehicle locator/mobile data computer technology on the entire access-a-Ride fleet to improve tracking of vehicle location and customer service for access-a-Ride passengers.
- Initiated a system safety improvement project to make the corridor even more safe, following another freight train derailment near the Southwest Light Rail Line.
- Introduced the new customer electronic service signs in the Civic Center, Market Street, Boulder and DIA stations and added Thin Client networked technology to save costs.

ENVIRONMENTAL BENEFITS

Based on the 2009 ridership, an RTD analysis found that transit usage resulted in a reduction of 6,368 tons of CO₂ emissions, 3,357 tons of CO emissions, 144 tons of VOCs, 64.4 tons of NO_x emissions, and 7.1 tons of particulates, as well as saving 80,624 British Thermal Units of total energy consumption.

RTD's entire transit system averaged 331,121 boardings per weekday in 2009: 64.5% from local, regional and express bus service; 20% from rail service; 14.5% from the 16th Street Mall Shuttle; and the remainder from access-a-Ride paratransit service.

RTD has several programs to encourage ridership, such as its Business Ecopass, Neighborhood Ecopass, and College Pass programs, which issued about 19,000 passes in 2009 to 835 private employers, government agencies, neighborhood organizations, and colleges and universities, with 102,800 eligible participants in 2009. There were 1,037 Central Area General Improvement District groups with 7,785 eligible employees for the Pearl Street Mall district in Boulder. Employers are allowed to provide up to \$230 per month as a pre-tax transit benefit to employees.

RTD's staff members collaborated with local governments, the development community, and other stakeholders to promote and facilitate the implementation of transit supportive development around existing and future stations. There has been a significant amount of development in the vicinity of RTD's existing and planned rail stations. During 2009, 4,537 residential units, 139 hotel rooms, 531,470 sq. ft. of office space, and 197,000 sq. ft. of educational space were built or are under construction.

The RTD Board of Directors adopted a Sustainability Policy and Guidelines on October 17, 2006. The Sustainability Policy and Guidelines include the formation of a District-wide Inter-Departmental Sustainability Committee comprised of representatives from RTD's eight departments and also a FasTracks Sustainability Committee. These committees have implemented the start of RTD's Sustainability Program and are coordinating the program with the departments, project managers, senior leadership and stakeholders beyond the District to establish sustainability goals that are cost-effective and to develop procedures for monitoring, measuring and managing activities to meet those goals.

Some key RTD Sustainability activities which met RTD goals included:

1. Reduce use of non-renewable resources, consider life-cycle costs in site work, utilize locally available materials, re-use existing concrete and asphalt for use on site.
2. Use energy-efficient lighting for the DUS bus facility concourse.
3. Installed low water-use fixtures in all the restrooms at the Blake location, and specified similar fixtures for the historic DUS Station structure.
4. Coordinated site-wide single-stream recycling.
5. Reduced standby time on LRV interior light system from 30 minutes to 5 minutes.
6. Recycled 5,920 lbs of lamps containing mercury.
7. Tracked petroleum based waste (paint and related materials) and used parts washer solvent for recycling.



Using RTD transit services reduced carbon dioxide emissions by 6,368 tons in 2009 alone.

SMALL BUSINESS OPPORTUNITY



SMALL BUSINESS OPPORTUNITY OFFICE

RTD's Small Business Opportunity Office (SBOO) is breaking ground with programs that maximize opportunities and resources for Small and Disadvantaged Business Enterprise (SBE/DBE) firms.

The organization is structured around one goal: to ensure the broadest possible base of potential DBE/SBE-certified consultants, contractors, community organizations and other stakeholders in the Denver region are given the opportunity to compete for RTD and FasTracks contracts.

The SBOO provides information on how to become SBE and DBE certified, upcoming contracting opportunities, business development and mentoring resources and training and networking opportunities.

Accomplishments include but are not limited to the following:

- Completed the installation of the RTD Title VI Policy Statement on schedules, buses and trains and established the Title VI Office.
- Held major partnering sessions for DUS and Eagle P3 Projects with over 400 small business participants at each event.
- Established the goals on the Eagle P3 Project and completed the DBE requirements for the RFP by September 30, 2009.
- Completed the solicitation and contract award for the DBE Compliance Software for FTA DBE reporting.
- Completed 30 assessments of small businesses and enrolled 21 businesses in the Subcontractors Performance Self Insured Program.
- Submitted 12 comprehensive FasTracks SBE/DBE Compliance Monitoring Reports on all FasTracks contracts.
- Closed-out the West Corridor Pre-Construction Project with a goal of 21% which exceeded the original 13% goal by 8%.
- Reached a total award amount of \$175M to SBE/DBE's on the FasTracks Program.
- Established goal of 16% on DUS and approved contractor's plan to achieve the goal.



“On jobs the size of FasTracks, a small firm can't take the program on by itself; it is important to have the advocacy of a prime contractor or the Small Business Opportunity Office.”

Jonnie Thomas, CEO and Co-Founder of Triunity

TRANSIT ORIENTED COMMUNITIES



COMMUNITY DEVELOPMENT

The global economic recession has had an impact on the real estate industry and Transit Oriented Development (TOD) in the Denver region. The downturn in the real estate market can be expected to present both opportunities and challenges for RTD and its partners as they move forward with pursuing TOD implementation.

In 2009, ten new projects were added to the RTD TOD database in 2009 compared to nineteen new projects in 2008. The ten projects include 1,647 residential units (11% increase), 26 hotel rooms (negligible increase), and 1.45 million square feet of medical space (32% increase). The majority of new projects which were added in 2009 (7 of 10) were located along the Central Corridor, C-Line and Southeast Corridors. As far as projects already being tracked, six progressed into construction and four projects previously under construction were completed in 2009.

Key Findings from the 2009 Annual TOD Status Report:

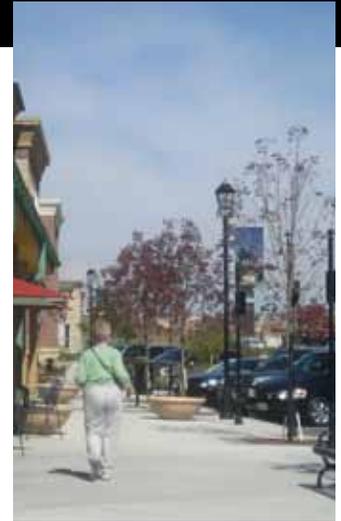
- The area has averaged 2,335 new residential units annually since 2000.
- The area has averaged 355,000 new commercial sq. ft. annually since 2000.
- Residential and commercial TOD markets will have a dramatic decrease in activity between now and 2011.
- The economic recession will impact real estate longer than first expected, especially commercial real estate. Innovative mechanisms are needed to move projects forward in a time of uncertainty.
- TOD Lessons Learned Report was completed in 2010 and outlined the need to shift focus from TOD planning to actual TOD implementation.

Plans for 14 different station areas were completed and/or adopted by local jurisdictions in 2009. By the end of 2010, over 40 station area plans will have been completed by local jurisdictions since the FasTracks ballot measure passed in 2004.

Denver, Lakewood and Aurora all worked on updating their zoning codes in 2009 and 2010. Denver's zoning code update, which was completed in 2010, establishes a new context and form-based code which has a comprehensive approach to TOD.

Several other studies have been initiated or completed by local jurisdictions in 2009 and 2010 which promote the implementation of TOD. All these efforts by local jurisdictions signify the tremendous level of interest in TOD regionally and the strong desire to create more transit oriented communities around RTD's transit system.

RTD also formally adopted its Transit Access Guidelines, which link RTD's TOD policies to its engineering design criteria. RTD's Transit Access Guidelines were developed by a multi-disciplinary committee of RTD staff to provide standards and guidelines related to multi-modal access at RTD stations to better integrate pedestrian friendly design into RTD facilities.



SAFETY AND SECURITY



SAFETY AND SECURITY

The on-going safety and security of our passengers, employees and the public at large are the top priorities for RTD every single day. Each RTD employee and contractor knows that we are responsible for the safe operation of every aspect of our system on a daily basis, and we embrace and fulfill that responsibility above everything else.

SAFETY AWARENESS CAMPAIGN

In 2010, RTD embarked on a comprehensive safety awareness campaign designed to increase the safety awareness of RTD operations for our employees, contractors and patrons. The program includes the following components: refresher training for all rail and bus operators; awareness bulletins, safety posters and banners; accident trend analysis; increased management/operator contact and observation; and Safety First decals on all buses and rail vehicles.

PARTNERS IN SAFETY

In addition to emphasizing safety with our passengers, employees and contract service providers, in late 2010 we are also engaging in a safety awareness campaign with the public emphasizing how we can all be 'Partners in Safety.' Our passengers and even those who do not ride RTD can do their part to interact safely with our buses, trains and other equipment so that we can all stay safe.

FARE INSPECTION

For 2009, RTD fare inspectors wrote 32,146 warnings and 7,178 citations for fare evasion. While performing specific checks at rail stations and on-board enforcement, 133,141 patrons were contacted and 1.9% of those did not have the proper fare. In total, including random fare checks on light rail and buses, over one million patrons were contacted during all fare inspections in 2009. Through the second quarter of 2010, RTD fare inspectors wrote 11,658 warnings and 2,866 citations for fare evasion. Over 657,000 patrons have been checked for fare and approximately 14,977 or 2.2% of those checked did not have the proper fare.

VIDEO INVESTIGATIONS

RTD has a comprehensive video surveillance program on buses, rail vehicles and fixed facilities. In 2009, RTD conducted approximately 3,476 video investigations concerning customer service complaints, ADA issues, liability claims, and security issues. Through the second quarter of 2010, RTD has conducted over 2,800 video investigations covering the same areas.

COMMUNITY SAFETY PROGRAMS

In 2009, RTD launched the CERT (Community Emergency Response Team) Training Program for frequent RTD riders. To date, 180 people have completed the CERT training.



2010 GOALS



2010 GOALS

BOARD OF DIRECTORS

- Obtain funding and stakeholders support (elected officials, municipalities, constituents and communities) for the successful implementation of FasTracks.
- Become a model for the transit industry in public-private partnerships.
- Continue to operate and maintain a mass transit system (base operations) that is perceived as number 1 in the industry and is innovative and resourceful in controlling costs while providing quality service.
- Continue to solve for the relief of the transit paradox where sales tax revenues are decreasing but overall demand for service is increasing.
- Enhance the Board's oversight and governance role for the District.

ADMINISTRATION

- Provide funding resource strategies to help maintain appropriate levels of service and FasTracks projects.
- Farebox and smart card implementation.
- Advance the Computer Aided Dispatching/Automatic Vehicle Locator (CAD/AVL) system and radio upgrade project.

CUSTOMER AND CONTRACTED SERVICES

- Implement marketing-related aspects of smart card fare collection technology and the issuance of approximately 300,000 smart cards.
- Implement travel training pilot program for access-a-Ride program participants.
- Continue participation in Operations and Maintenance components of the Eagle P3 project.

SAFETY, SECURITY AND FACILITIES

- Complete ARRA-funded projects and all other scheduled Facilities Engineering projects.
- Initiate implementation of automated fare inspection and database program.
- Expand RTD hazard management program to include intranet reporting.

COMMUNICATIONS

- Continue to expand RTD public information outreach campaign through Social Media outlets such as Twitter and Facebook, in coordination with RTD Marketing, Customer Information and Information Technology.
- Research and pursue broadcast opportunities to publicize FasTracks and RTD progress, including "FasTracks at Work" public information campaign.
- Build on 2009's establishment of the RTD Diversity Council through employee mentoring and diversity outreach efforts.
- Continue to actively engage Colorado Congressional Delegation and FTA to retain support of pending FFGA awards and ongoing Penta-P participation.

LEGAL DEPARTMENT

- Complete railroad property acquisitions.
- Conclude DUS agreements and start full construction.
- Sign UPRR agreements for West, East and Gold Line Corridors.
- Work with P3 team to complete procurement of a concessionaire and execute concession agreement.





BUS OPERATIONS

- Complete the installation of the Topodyn transmission shift control program in 234 Orion coaches, which will increase fuel economy in 2010
- Implement a corrosion detection and repair program for all coaches, which should allow RTD to increase reliability and reduce maintenance costs
- Increase the number of part-time bus operators to approximately 18% of the full-time bus operator headcount

RAIL OPERATIONS

- Completion of Southwest Corridor Safety Improvements
- Completion or continuation of construction projects
- Maintain Public Utilities Commission (PUC) compliance and service standards

CAPITAL PROGRAMS DEPARTMENT

- Completion of remaining FasTracks environmental studies, Shovel Ready Plan and 2010 Annual Program Evaluation
- EAGLE P3
 - Selection of contractor for Board approval; Early Systems Work Agreement with FTA; and Phase 1 Notice to Proceed
- Denver Union Station construction full Notice to Proceed

PLANNING DEPARTMENT

- Prepare the FTA Full Funding Grant Agreement submittals for the Eagle P3 project
- Complete the Planning and Environmental Studies for:
 - o North Metro Corridor (EIS)
 - o Northwest Rail (EE)
 - o Southeast and Southwest Corridor Extensions (EE)
 - o Central Corridor Extension (EE)
- Prepare updated forecasts of corridor ridership, farebox revenues, and operating and maintenance costs as inputs for the 2011 Annual Program Evaluation and Financial Plan
- Work with DRCOG and other stakeholders to position RTD and the Denver region for potential new “Livability” funds from federal government

SNAPSHOT (THROUGH SECOND QUARTER) – 2010

- RTD Board of Directors approved the purchase of two Mall Shuttles with an option for 57 more shuttles
- Bus operations met goal of hiring part-time staff which makes up 18 percent of the full-time head count
- Implemented new contract for seniority rules with the recent Collective Bargaining Agreement award from the arbitrator that included separate seniority between bus and light rail for mechanics and operators
- Submitted request to contract the installation of solar power collection equipment for two relay house locations (light rail signaling equipment). This is a demonstration project to monitor and evaluate the savings and benefits of renewable energy for the District
- Revised and implemented a new on-track safety training program. Conducted nine training sessions with more than 80 individuals
- Implemented new blood-borne pathogens training program for light rail
- Completed audit number five of the three year audit cycle with the Colorado Public Utilities with no findings or recommendations
- Conducted safety orientation session for all bus and light rail safety committee members
- Hosted the National Transportation Institute H1N1 course for RTD staff, private carriers and Colorado Springs Transit
- Updated the National Transit Database and RTD accident/incident reporting process
- Hosted two Transportation Safety Institute classes for RTD staff and other transit agencies in the surrounding area: Transit Rail System Safety and Transit Rail Investigation
- Installed new bicycle trees, scooter bars and motorcycle pads to reduce usage of parking spaces at 13 priority sites
- The shared bicycle program was also installed at four RTD sites in cooperation with the City and County of Denver Bike Share Program
- Upgraded lighting around the ticket vending machine area at the Nine Mile Light Rail Station
- Federal ARRA funds were used to replace three bus hoists at the RTD Platte garage and replaced the roof at RTD District Shops
- Opened RTD accounts on FaceBook and Twitter



“It is great to celebrate yet another milestone for the FasTracks investment initiative. The agreement we came to with Union Pacific is a demonstration of how well agencies can work together to benefit the greater good.”

Phil Washington,
RTD General Manager



RTD, BNSF RAILWAY COMPANY AND UNION PACIFIC RAILROAD AGREEMENTS

After years of cooperation and complex negotiations, RTD and the Union Pacific Railroad and BNSF Railway Company have finalized their agreements for property and operating agreements that RTD needs for the FasTracks transit expansion program.

On March 31, 2010, RTD and the BNSF entered into a Purchase and Sale, Relocation, Construction and a Joint Corridor Use Agreement for acquisition, construction and operation of RTD's Gold Line, the first segment of the Northwest Rail Corridor and a commuter rail maintenance facility on BNSF right-of-way.

On Wednesday, August 4, 2010, the RTD and the Union Pacific Railroad held a signing ceremony for RTD's purchase of UP railroad property and the construction and relocation of UP's facilities to accommodate FasTracks. These agreements total \$78 million and mark another major milestone for the FasTracks Program and provide RTD with the property needed to build the East Corridor and the Gold Line and allows construction and relocation of UP's Burnham Yard Lead to the south to accommodate the West Corridor.

The agreement includes the following properties:

- East Corridor (from Denver Union Station to Airport Boulevard)
- Gold Line (from Pecos Junction to Ralston Road)
- West Corridor (relocating the Burnham Yard Lead – south of 14th Avenue and Umatilla to south of 13th Avenue and Rio court, west of Osage)

This is the second agreement between RTD and UP for acquisition of railroad right-of-way needed for FasTracks. The first transaction, which totaled \$118 million to purchase the right-of-way to build the North Metro Corridor, occurred in 2009.

ANNUAL PROGRAM EVALUATION

Each year, RTD conducts a comprehensive analysis of all of the costs and the sources of revenue for our FasTracks program. This allows us to use the most up-to-date pricing and funding information possible to arrive at increasingly accurate cost and revenue estimates for each element of our FasTracks program as we move forward. Last year, we convened a regional Sales Tax Working Group, comprised of financial and planning experts from agencies and businesses throughout the metro area, to develop a more accurate forecasting mechanism for our sales tax projections. The group efforts resulted in a more conservative tax revenue projection, which is now embedded in our Annual Program Evaluation process.



"Today marks the culmination of several years of diligent work by many. The end result of this hard work is an agreement with a focus on safety and customer service for both freight and commuter rail traffic."

Tony Love, Union Pacific
Railroad Assistant Vice President
of Real Estate

FINANCIAL REPORT



CROSS ONLY AT DESIGNATED CROSSINGS
LOOK BOTH WAYS BEFORE CROSSING
STAND BEHIND YELLOW BEHIND STOP UNTIL THE TRAIN STOPS

FARE PAID ZONE
HOLD TICKET OR PASS REQUIRED WITHIN THIS STATION
CALL 303-441-8333

FINANCIAL HIGHLIGHTS

BASIC FINANCIAL STATEMENTS

The District's financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Revenue is recorded when earned and expenses are recorded when incurred.

FINANCIAL ANALYSIS

Statements of Net Assets - As of December 31, 2009 and 2008, total assets of the District exceeded total liabilities \$2,046,175 and \$1,892,410 respectively. The District uses capital assets to provide public transportation services to customers; consequently, these assets are not available for future spending. The amount of unrestricted net assets as of December 31, 2009 was \$132,035 compared to \$143,913 in 2008. Substantially all of the unrestricted net assets, although not legally restricted, have been appropriated or reserved by the District's Board for future capital acquisition, operating reserve policy, and debt liquidation during the budget process.

CONDENSED SUMMARY OF ASSETS, LIABILITIES, AND NET ASSETS

	2009	2008	2007
ASSETS: (in thousands)			
Current assets	\$457,402	\$326,098	\$476,175
Current assets - restricted	393,339	596,196	664,147
Capital assets (net of accumulated depreciation)	2,361,845	2,095,135	1,914,674
Other noncurrent assets	213,873	295,791	189,228
Total assets	3,426,459	3,313,220	3,244,224
LIABILITIES: (in thousands)			
Current liabilities	199,107	188,683	202,245
Noncurrent liabilities	1,181,177	1,232,127	1,263,562
Total liabilities	1,380,284	1,420,810	1,465,807
NET ASSETS: (in thousands)			
Invested in capital assets, net of related debt	1,456,493	1,338,453	1,174,217
Restricted	457,647	410,044	429,650
Unrestricted	132,035	143,913	174,550
Total net assets	\$2,046,175	\$1,892,410	\$1,778,417



REVENUES

Passenger fares – Passenger fares provided 14% of the District’s total revenues in 2009 and 2008, respectively. Farebox receipts, monthly and annual pass revenue, and special event fares for bus and rail services are included in the passenger fares. Passenger fare revenues increased by \$8,685,000 (9.8 %) in 2009 compared to a revenue increase of \$11,077,000 (14.4%) in 2008. The increase in passenger fare revenues in 2009 was due to a 14% fare increase implemented on January 1, 2009 offset by a slight reduction in ridership. The passenger fare revenue increase in 2008 was due to an 8.0% increase in ridership and a fare increase effective January 1, 2008.

Advertising and other – Advertising income includes revenues from advertisements primarily on and inside of the District’s buses and light rail trains. Advertising and other income of \$4,357,000 increased \$233,000 (5.6%) in 2009 compared to a \$258,000 (5.9%) decrease in 2008. The increase in 2009 was primarily due to an increase in joint venture revenue on routes where a governmental entity has purchased service beyond RTD service standards.

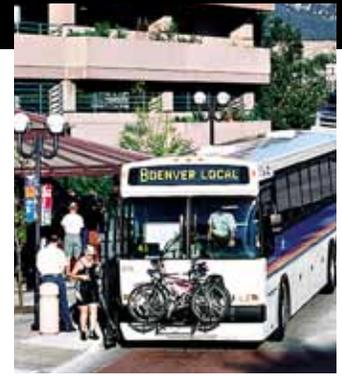
Sales and Use Tax – Sales and use tax provides 53% and 63% of the District’s total revenues in 2009 and 2008 respectively. Sales and use tax is a dedicated 1% tax imposed on certain sales within the service area. Sales and use tax decreased \$41,419,000 (10.0%) in 2009 compared to a decrease of \$5,583,000 (1.3%) in 2008. The District experienced an economic downturn in 2009 resulting in a decrease in sales and use revenue compared to slowing economic growth in 2008.

Federal operating assistance – Federal operating assistance increased \$17,332,000 (34.1%) in 2009 compared to an increase of \$3,773,000 (8.0%) in 2008. The operating assistance is a federal grant revenue program used to perform capital maintenance and maintain the District’s revenue fleet of bus, paratransit, and rail vehicles. The increase in 2009 was due to the U. S Congress adoption of the American Recovery and Reinvestment Act of 2009 (ARRA), and the application of Federal Transit Administration (FTA) capital maintenance funds to private carriers and rail car maintenance. The increase in 2008 is due to the growth in service levels provided by the District and an increase in the funds made available by the FTA.

Investment Income – Investment income decreased \$23,077,000 (44.0%) in 2009 compared to a \$5,015,000 (8.7%) decrease in 2008. The decrease in 2009 and 2008 was due to lower interest rates and a smaller investment balance.

Other Income/ Gain on sale of Assets – Other income and gains on sale of assets increased \$176,000 (5.7%) in 2009 compared to a \$2,654,000 (46.1%) decrease in 2008. Other income includes rental income from retail space, parking, air-rights, and miscellaneous other items.

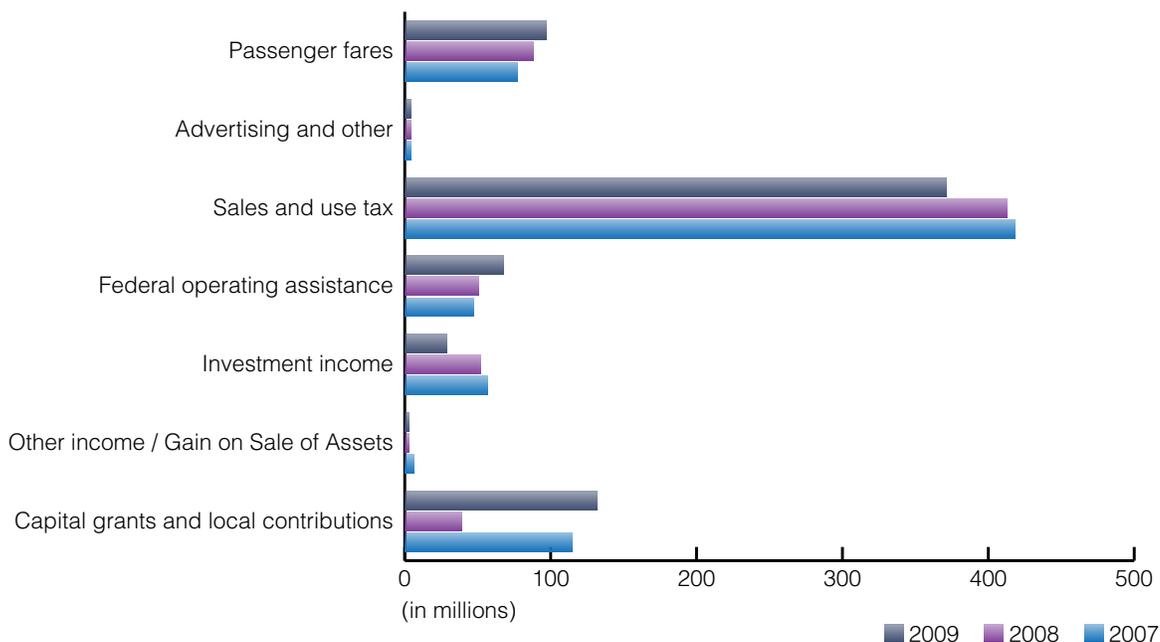
Capital grants and local contributions – Capital contribution provided 19% and 6% of the District’s total revenues in 2009 and 2008, respectively. Capital grants and local contributions include federal and local contributions. Capital grants and local contributions increased \$92,322,000 (234.4%) in 2009 compared to a decrease of \$75,744,000 (65.8%) in 2008. The increase in 2009 was due to an increase of activities related to a full funding grant agreement for West Corridor and ARRA grants received in 2009. The decrease in 2008 was due to a decrease in activities related to a full funding grant agreement for the Southeast Corridor.



The following schedule and chart show the major sources of operating revenue for the years ended December 31, 2009, 2008, and 2007.

REVENUE ANALYSIS

	2009	2008	2007
REVENUES (in thousands)			
Passenger fares	\$96,890	\$88,205	\$77,128
Advertising and other	4,357	4,124	4,382
Sales and use tax	371,405	412,824	418,407
Federal operating assistance	68,146	50,814	47,041
Investment income	29,379	52,456	57,471
Other income / Gain on Sale of Assets	3,283	3,107	5,761
Capital grants and local contributions	131,711	39,389	115,133
Total Revenues	\$705,171	\$650,919	\$725,323



EXPENSES

Salary and wages – Salary and wage expense is the largest expense category accounting for 21% and 22% of the total District expenses in 2009 and 2008 respectively. Salary and wage expenses decreased by \$1,062,000 (.9%) in 2009 compared to an increase \$4,675,000 (4.1%) in 2008. The decrease in salary and wages is due to reduced service in May of 2009 and the fact that a merit and progression increases were not offered in 2009.

Benefits – Fringe benefits increased by \$7,010,000 (18.8%) in 2009 compared to \$564,000 (1.5%) in 2008. The increase in 2009 fringe benefit costs is related to an increase in Net Pension Obligation (NPO) and headcount as described above. The increase in 2008 fringe benefits is related to an increase in payroll taxes as a result of an increase in salary and wage cost offset by a favorable decrease in salaried employee insurance costs.

Materials and supplies – The materials and supplies expense category accounted for 10% and 11% of the total District expenses in 2009 and 2008 respectively. Materials and supplies expense decreased \$4,221,000 (6.9%) in 2009 compared an increase to \$11,899,000 (24.2%) in 2008. The decreases are due to the decrease in the price of diesel and gasoline fuel. The District locked in diesel fuel prices for the internal operations at \$3.10 per gallon in 2009 compared to \$3.20 per gallon in 2008. The price per gallon for diesel fuel in 2007 was \$2.06. Also, the Mall Shuttle rehab project was completed in 2008, which lowered revenue vehicle parts needed by \$1,300,000 in 2009.

Services – Service expense includes non-transportation contracted services such as security service, vehicles, equipment and right of way maintenance services; advertising and marketing services, and legal services. Services expense increased \$5,948,000 (16.1%) in 2009 compared to an increase of \$6,181,000 (20.2%) in 2008. The increase in 2009 service expense was primarily due to increased services of FasTrack corridor activity, property management services, security services and LRT maintenance of way. The increase in 2008 service expense was primarily due to increased cost of data processing services, software maintenance agreements, and engineering, planning and financial consultants.

Utilities – Utility expense includes electric, telecommunications, water and sewer, and natural gas for facilities and rail service. Utility expense decreased \$1,063,000 (10.1%) in 2009 compared to an increase of \$1,897,000 (21.9%) in 2008. The decrease in 2009 was due to lower unit cost. The increase in 2008 was due to higher unit cost and increased rail usage with the southeast rail operations and the addition of a third rail vehicle to trains to accommodate an increased number of riders.



Insurance – Insurance expense includes the District’s self insured cost for general liability and workers’ compensation claims. In addition, the District purchased insurance in its efforts to protect assets and control and prevent losses. Insurance expense decreased \$1,566,000 (29.4%) in 2009 compared to an increase of \$243,000 (4.8%) in 2008. The change in each year was primarily due to higher and lower claims loss history, respectively.

Purchased transportation – The purchased transportation expense category accounted for 18.9% and 19.1% of the total District expenses in 2009 and 2008. Purchased transportation represents the costs of contracted transportation services for bus, access-a-Ride, and call-n-Ride services. Purchased transportation costs increased \$1,232,000 (1.2%) in 2009 compared to \$4,925,000 (5.0%) in 2008. The increase in both years was primarily due to negotiated contract increases and an increase in the hours of service provided.

Leases and rentals – Leases and rentals includes lease expense for office space, office equipment, park-n-Ride facilities, and use of communication towers. The lease and rentals expense increased \$216,000 (8.8%) in 2009 compared to \$269,000 (12.3%) in 2008.

Miscellaneous – Miscellaneous expense includes other incidental operating expenses not included in other defined categories. Miscellaneous expenses increased \$4,247,000 (162.2%) in 2009 compared to an increase of \$229,000 (9.6%) in 2008.

Depreciation – The depreciation expense category accounted for 19.2% and 19.0% of the total District expenses in 2009 and 2008, respectively. Depreciation expense is a non-cash systematic allocation of the cost of capital assets over the estimated useful life of the assets. Depreciation expense increased \$3,773,000 (3.7%) in 2009 compared to a decrease of \$1,050,000 (1.0%) in 2008. The increase in 2009 was due to adding 12 light rail cars and realizing the full depreciation for the 28 LRT cars that were added in 2008. The decrease in 2008 was due to asset retirements and reduced allocation for assets that had reached the end of the life based on the accounting depreciation period.

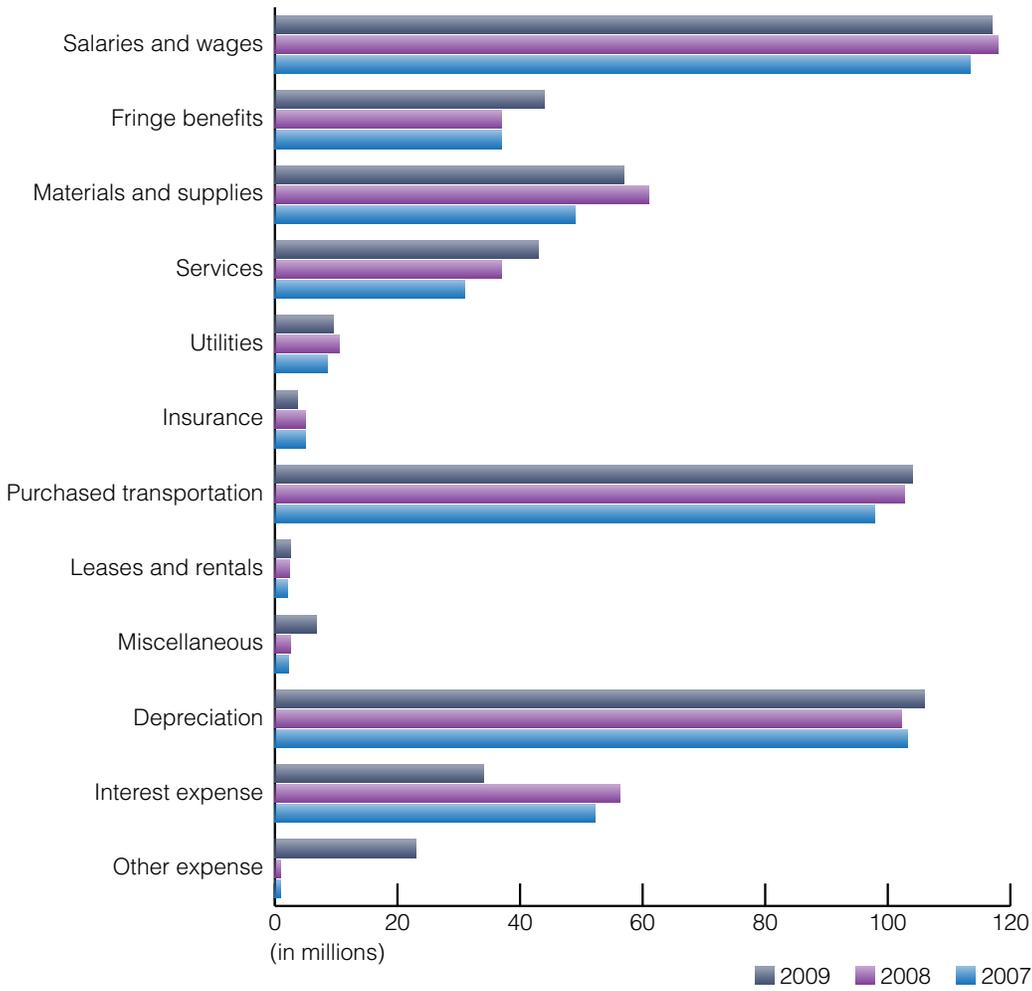
Interest expense – The interest expense category accounted for 6% and 11% of the total District expenses in 2009 and 2008 respectively. Interest expense decreased \$22,094,000 (39.3%) in 2009 compared an increase of \$4,001,000 (7.7%) in 2008. The decrease in interest expense in 2009 was primarily due to the increased amount of interest capitalized during construction and substantially lower principal balances on the Commercial Paper. The increase in interest expense in 2008 was primarily due to a lower amount of interest capitalized during construction resulting in higher interest expense offset by reduced principal balances and interest expense related to outstanding commercial paper obligations.

Other expense /Unrealized loss on assets – Other expense includes miscellaneous non-operating expenses not classified in other expense categories. Other expense increased \$22,060,000 (2257.9%) in 2009 compared to \$116,000 (13.5%) in 2008. The 2009 increase is due to an unrealized loss on asset accounting valuation which requires non operating assets to be valued at the current market value.

The following schedule and chart shows the major sources of operating expenses for the years ended December 31, 2009, 2008, and 2007.

EXPENSE ANALYSIS

	2009	2008	2007
EXPENSES (in thousands)			
Salaries and wages	\$117,355	\$118,417	\$113,742
Fringe benefits	44,392	37,382	36,818
Materials and supplies	56,835	61,056	49,157
Services	42,783	36,835	30,654
Utilities	9,512	10,575	8,678
Insurance	3,767	5,333	5,090
Purchased transportation	103,975	102,743	97,818
Leases and rentals	2,680	2,464	2,195
Miscellaneous	6,866	2,619	2,390
Depreciation	106,025	102,252	103,302
Interest expense	34,179	56,273	52,272
Other expense / Unrealized loss on assets	23,037	977	861
Total Expenses	\$551,406	\$536,926	\$502,977





ECONOMIC FACTORS

Sales and use tax is the largest source of revenue for the District, representing 53% and 63% of the total revenues in 2009 and 2008 respectively. Sales and use tax revenues are affected by the changes in the local economy. The District's sales and use tax revenue have grown an average of 4.3% each year from 2004 through 2007 as the Colorado economy expanded. However, in the fourth quarter of 2008 sales and use tax revenues fell below 2007, resulting in an annual decrease of \$5,583,000 (1.3%) in 2008. The District continued to experience an economic downturn in 2009 as consumer and business optimism reached record low levels and unemployment continues to move upward further depressing consumer spending. Actual sales and use tax revenue for 2009 was \$371,405,000 a decrease of \$41,419,000 (10.0%) from 2008.



RIDING WITH THE BEST

The Regional Transportation District is focused on providing the best quality and safest service possible for our customers every single day. Just one example of the excellence we strive for is reflected in the fact that the RTD team won first place at the 2010 American Public Transportation Association's International Rail Rodeo, a tough competition for transit teams from all over North America. The winning team consisted of Robert Dennis (light rail operator), and George Sweeney and Randall Lovegrove (maintenance). They finished with the highest combined score for the rail operator and the maintenance team, and it was the highest finish ever for an RTD light rail team. But we are not content with this victory, because we are also constantly looking for ways to improve our services, programs and projects. Our customers deserve no less than the best.





Regional Transportation District

1600 Blake Street
Denver, Colorado 80202

Route and Schedule Information

303.299.6000
1.800.366.7432
TDD 303.299.6089
RTD-Denver.com



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La información contenida en este folleto está disponible en español. Llame al teléfono 303.299.6000.