



 **303.299.6000**
TDD 303.299.6089

 **rtd-denver.com**

 **m.rtd-denver.com**

Regional Transportation District
1600 Blake Street
Denver, Colorado 80202

connecting communities

REPORT TO THE REGION
2010/2011



Regional Transportation District





WELCOME TO YOUR TRANSIT SYSTEM

In 2010, the Regional Transportation District (RTD) provided more than 97 million passenger trips on our bus and light rail system to destinations across our eight-county metrowide service area.

With nearly 150 fixed bus routes, light rail lines, specialty services, and continual improvements through our FasTracks program, RTD is everywhere you want to be. Whether you're commuting, meeting friends, running errands, or just visiting, you can trust RTD to get you there safely and on time.

As we continue to expand and develop, we're building a better public transit system — one that creates jobs, stimulates the local economy, and helps our passengers make connections across our communities.



At RTD, we're bringing
communities closer together

RTD BOARD OF DIRECTORS



Bill James
District A



Barbara Deadwyler
District B



Angie Malpiede
District C



Barbara Brohl
District D
(retired July 2011)



William McMullen
District E



Tom Tobiasen
District F



Jack O'Boyle
District G



Kent Bagley
District H



Lee Kemp
District I



Larry Hoy
District J



Ken Riley
District K



Lorraine Anderson
District L



Matt Cohen
District M



Bruce Daly
District N



John Tayer
District O

Representing you

Each member of RTD's 15-member, directly elected Board of Directors represents a specific area within our service district. These individuals, each elected to a four-year term, represent you—the voters, transit riders, and members of the community. Board members actively advocate constituents' concerns and collaborate with our senior staff regarding policy matters.

Within the past year, the Board created a fiscal sustainability task force to address financial challenges. The Board also continues to work tirelessly to initiate the peer agency benchmark study and approve policies for goal setting and evaluation to ensure that RTD's decisions focus on the entire District.

FROM THE BOARD CHAIR

One constant at RTD is that we are always moving forward. We continue to make remarkable progress and improvements on our many, many projects and programs. As the Chair of your elected Board of Directors, I know firsthand how focused we are as an agency to turn into reality the plans and policies adopted by the Board.

We are working collectively toward delivering everything from the West Rail Line to the Denver Union Station expansion to the East Rail Line—and several projects in between. Each of these projects is remarkable in and of itself. But they become more amazing when you realize they are part of the FasTracks rapid transit expansion program that will build a comprehensive network much more valuable than its individual parts.

One other constant at RTD is our commitment to delivering the entire FasTracks rapid transit system as soon as we can. We continue to move forward despite the serious challenges we are facing as a region and a nation. Here are just a few examples:

- We have passed the 80 percent completion point on the West Rail Line and are set to open on schedule in 2013.
- The transit elements of the Denver Union Station project are well on their way, including the new light rail station and extension of the 16th Street Mall, both of which open this summer.
- The contract for the Eagle P3 Project—which includes the East Rail line, the Gold Line, the first segment of the Northwest Rail Line to Westminster, and the Commuter Rail Maintenance Facility—came in \$305 million below budget, which permitted funding the initial segments of the North Metro Rail Line, I-225 Rail Line, the US 36 Bus Rapid Transit Line, the buildout of an end of line station in Longmont for the Northwest Line, as well as elements of the Southeast, Southwest and Central Corridor extensions.

Progress is also being made in other key areas. Through ongoing and aggressive bus and light rail fleet rehabilitation programs, we have been able to keep many of our vehicles in service longer, thereby saving costs. But we are also looking down the road to the day when we will have to retire some of our buses. We are taking delivery later this year of the 16th Street Mall shuttle bus prototypes that we will be testing in regular service for possible future fleet replacement.

As we continue to move forward with the hundreds of programs and plans we oversee and partner on each year, we do not lose sight of the fact that we are here to provide the best-possible transit service to the entire region. That is one constant that will never change.

Lee Kemp
RTD Board Chair
District I



We continue to move forward with collaboration and cooperation, doing more with less to deliver the best transit experience.

ACCOUNTABLE LEADERSHIP



FROM THE GENERAL MANAGER



As we present to you our annual Report to the Region, I am once again proud of the many accomplishments we have made throughout the RTD District. However, we are by no means content with the successes we have achieved to date, as we have much, much more to accomplish. Above all else, we continue to make progress toward the successful completion of FasTracks and all of RTD's ongoing commitments to its passengers, residents, and taxpayers.

With the economy's slow recovery, the Board of Directors, staff, and RTD's stakeholders have had to exercise particular vigilance in the stewardship of the agency's financial health. We will maintain that level of watchfulness and careful fiscal management to maximize the region's investment in our infrastructure and transit services.

A few of the measures we have undertaken to help manage our budgets include: locking in fuel prices to hedge against market cost spikes and provide budget certainty, eliminating salaried employee salary increases for the third consecutive year and the fifth out of the last nine years, continued voluntary salaried staff furloughs, ongoing hiring freezes for all but mission-critical positions, departmental budget scrubs to seek additional cuts, rehabbing instead of replacing some bus fleets, and maximizing grant applications and other external and innovative funding sources. As a small reflection of that budget philosophy, this report is being created for electronic distribution with no printing expenses and no additional cost to RTD.

RTD strives to provide the best-possible transit services for the more than 300,000 passengers who take a trip aboard our buses, light rail trains, Access-a-Ride, and Call-n-Ride vehicles and vanpools every day. We continually review our daily operations and make sure we are running safely and efficiently. We realize the important responsibility that we have to everyone in and around the District, and we constantly seek community feedback and suggestions on how we can serve the public even better.

In closing, it is important to let you know that our entire team is committed to operating the safest, most-efficient transit system possible. We are focused, passionate, and results-driven. I cannot stress enough the amazing employees and contractors that we have here. We all work extremely hard on a daily basis to make RTD one of the best transit agencies in the nation, because you deserve no less than the best.

Phillip A. Washington
RTD General Manager & CEO

We are committed to operating the safest, most efficient transit system possible; we work extremely hard and give you our very best effort.



RTD BUS AND LIGHT RAIL

Making a positive impact
in our own backyard

Whether you're a frequent commuter, an occasional rider, or a member of our community, RTD seeks to provide a sustainable transit option that makes a positive impact on people's lives. We've worked diligently to create a system that saves money, saves time, helps sustain the environment, and generally, makes life better for everyone.

Our bus and light rail system operates 365 days a year, 24 hours a day at more than 10,000 bus stops and light rail stations across our communities. We offer a variety of routes and services, ticket options, and pass programs to fit an array of needs. We offer exceptional service and web-based tools to keep pace with passengers' busy lives.

In addition to our fixed route buses and trains, as well as Access-a-Ride and Call-n-Ride services, last year, we carried more than 250,000 people to Rockies, Broncos, and Buffs games, as well as the BolderBOULDER. We provided transportation service to more than 175 regionwide events, including the Disabled Veterans Wheelchair games. Our Access-a-Ride program worked cooperatively with Laradon Hall to safely transport residents with developmental disabilities.

From a safety and environmental standpoint, we continued to upgrade our electric-powered light rail fleet and our buses, adding 31 new trains and 6 low-emission diesel coaches, and began the mid-life overhaul on many others. We installed solar arrays for energy efficiency, upgraded our training protocols, and modified vehicles with eco-friendly enhancements.

As we build more transit connections as part of our FasTracks program, and continue to enhance existing services, we renew our commitment to better serve our communities, to take people safely from place to place, where and when they need to be there.



Last year alone,
we transported people
to more than 175
special and community
events throughout our
service area, in addition
to our fixed-route bus and
light rail service.

Did you know?

RTD's transit fleet includes more than 1,000 fixed-route buses, 169 light rail trains, 32 Call-n-Ride buses, and 325 Access-a-Ride vehicles that provide fast, convenient, affordable access throughout the greater metro area.



RTD CLOSES IN ON \$1.03 BILLION GRANT

During 2010–2011, RTD continued to work with the Federal Transit Administration (FTA) to finalize a \$1.03 billion federal grant for the Eagle P3 project. This momentous award will allow the RTD FasTracks program to begin construction on three new rail lines slated to open in 2016. It will also make available an additional \$305 million to be invested as follows:

- U.S. 36 Bus Rapid Transit—Complete managed lanes to Interlocken (\$90 million)
- North Metro—Complete from Denver Union Station to Stock Show Complex (\$90 million)
- I-225—Complete from Nine-Mile to Iliff (\$90 million)
- Northwest Rail—Complete Longmont Station (\$17 million)
- Central Corridor—Additional technical analysis (\$0.5 million)
- Southeast Corridor—Final design & federal environmental process (\$9 million)
- Southwest Corridor—Relocate Union Pacific Railroad track (\$8.5 million)

Did you know?

The Denver region is home to 2.8 million people and that number is expected to grow to 4.2 million by 2035. The RTD FasTracks program will help to create jobs, promote economic growth, decrease travel time, increase access, and enhance quality of life as we expand our public transit network for today and the future.

THE RTD FASTRACKS PROGRAM

122 miles of new rail service,
18 miles of bus rapid transit,
and 21,000 new parking spaces

Within the past 12 months, implementation of the RTD FasTracks program has continued at a rapid pace. Even with the current state of the economy, we remain committed to completing enhancements to our transit system that will create thousands of jobs, reinvigorate the local economy, and create easy access across the metro area for passengers from as far west as Golden to as far east as DIA.

2010–2011 FASTRACKS MILESTONES

Denver Union Station

The transformation of Denver Union Station is in full swing. By 2014, this area will become 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, which will extend to Chestnut Place by fall 2011.

West Corridor

Progress continues on the West Corridor, a 12.1-mile stretch of rail and road construction that connects Denver Union Station to the Jefferson County Government Center. In September 2010, we celebrated 50 percent corridor completion. Soon after, we opened the iconic Sixth Avenue Bridge six months ahead of schedule. In May 2011, we reopened the Sheridan Boulevard Bridge between 10th and 14th avenues, which spans the new light rail tracks. As of summer 2011, the West rail line is more than 80 percent complete, on schedule for a spring 2013 opening.

Eagle P3

The Eagle P3 project includes the East Corridor, Gold Line, Northwest Rail Electrified Segment, and Commuter Rail Maintenance Facility (CRMF). By 2016, RTD will offer affordable and convenient commuter rail transit to Denver International Airport. During fall 2010, the project was given notice to proceed with preliminary construction work with heavy construction due to commence in late 2011.

US 36 Bus Rapid Transit - Phase I

In spring 2010, Phase I was completed with final improvements to the US 36 and Broomfield Park-n-Ride.

Light Rail Maintenance Facility

Construction modifications on the Mariposa and Elati maintenance facilities will be complete by the end of 2011.



The RTD FasTracks program was recognized with a Certificate of Registration from Orion Registrar for its excellence in quality management oversight.

CREATING VIBRANT, LIVABLE COMMUNITIES

TRANSIT-ORIENTED DEVELOPMENT

Building better neighborhoods,
improving quality of life

One of our main goals has always been to create more sustainable, livable communities through transit. The concept is known as Transit Oriented Development or TOD. Since the opening of our initial light rail line in 1994, more than 23 million square feet of office, retail, civic and cultural developments have been created or expanded within a half-mile radius of our existing and planned system. This includes nearly 18,000 housing units and more than 5,600 hotel rooms—with more to come.

Since 2004, the RTD FasTracks program has focused on working with different authorities to design station plans geared towards TOD. In that time, local jurisdictions in the metro area have adopted more than 40 station area plans that integrate TOD around existing and future stations.

We have found that one of the keys to successful TOD is constant communication with the neighborhoods at the center of development. As we planned and continue to construct the FasTracks West Rail Line, we have worked with more than 5,000 local residents and representatives to enact a true TOD model within a mixed-use area. As part of our process, we communicate directly with more than 5,000 people on a regular basis regarding construction impacts, service adjustments, and rail line progress to create a more synergistic process.

A renewed outlook

In 2010, we made a significant change to our TOD policy, with a decision to take a more prominent role in the planning and execution of mixed-use development around transit centers. This decision, based on the new federal livability guidelines, places greater emphasis on the creation of affordable housing in relation to transit centers through:

- Reduction and relocation of parking
- Using land as fair play in public private partnerships that are consistent with FTA guidelines
- Seeking grant funding for TOD that has an emphasis on community growth
- Forming partnerships with other government agencies

To implement this new policy, RTD has initiated a TOD Pilot Program to test new approaches. We have selected four sites, which we believe have the greatest chance of successful TOD implementation. The program will serve as a model for the rest of the region.



RTD has been a pioneer in transit-oriented development. We are committed to the creation of viable and vibrant communities around transit facilities.



WORKFORCE INITIATIVE NOW

Job assessment, training, and placement resources that enrich people's lives

Transit infrastructure projects create both operations and construction jobs with 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. It's a domino effect that positively impacts not only transportation and construction, but all related industries.

As we continue to expand our reach, RTD has partnered with the Community College of Denver, Denver Transit Partners, and Urban League of Metro Denver to create the Workforce Initiative Now (WIN). A unique and innovative collaboration, WIN helps job seekers, companies, and communities through the development of career opportunities in the transportation and construction industries. Through a wide training and service network, WIN provides job skills assessment, training, and placement resources to create positive career paths and stimulate economic growth right here in our own backyard.

WIN is currently concentrating efforts on workforce opportunities along the I-70 corridor to Denver International Airport (DIA), as part of the FasTracks program's Eagle P3 project. This project alone will create thousands of jobs for skilled tradespeople, contractors, and management, with the construction of more than 36 miles of commuter rail track by 2016.

Did you know?

During June 2011, RTD and its partners were awarded a \$485,465 grant from the Federal Transit Administration in support of Workforce Initiative Now. This funding represents the largest grant awarded through the FTA's Workforce Development Grants program.



WIN is an innovative partnership that helps job seekers, companies, and communities through the development of career opportunities in the transportation and construction industries.





In 2010, our customer service specialists helped more than 2.9 million customers with comments, concerns, and commendations.

IT'S ABOUT PRIORITIES

Our passengers put their trust in us and we reward them with safe, reliable transportation

At RTD, we have our priorities in order. Since 1969, we've been committed to the highest standards in public transit safety and service within the eight-county metro area. That's why we created *Priorities*, a program that guarantees each passenger an exceptional experience on our transit system. As part of this program, we've developed specific, web-based tools to enable instant dialogue on these and other topics.

Safe service

From video surveillance, handheld fare inspection monitors, and systemwide safety programs to state-of-the-art detection systems, we work hard to enhance your safety.

On-time scheduled service

RTD riders expect and deserve on-time service. If your service is delayed more than 30 minutes and the delay was not caused by inclement weather, unplanned traffic or an event beyond RTD's control, we'll compensate you with a free ride coupon.

Exceptional customer service

We want you to be satisfied with every trip you take on RTD, plain and simple.

Clean vehicles

We promise that all of our vehicles will be clean and ready to take you to your destination.

Clear communication

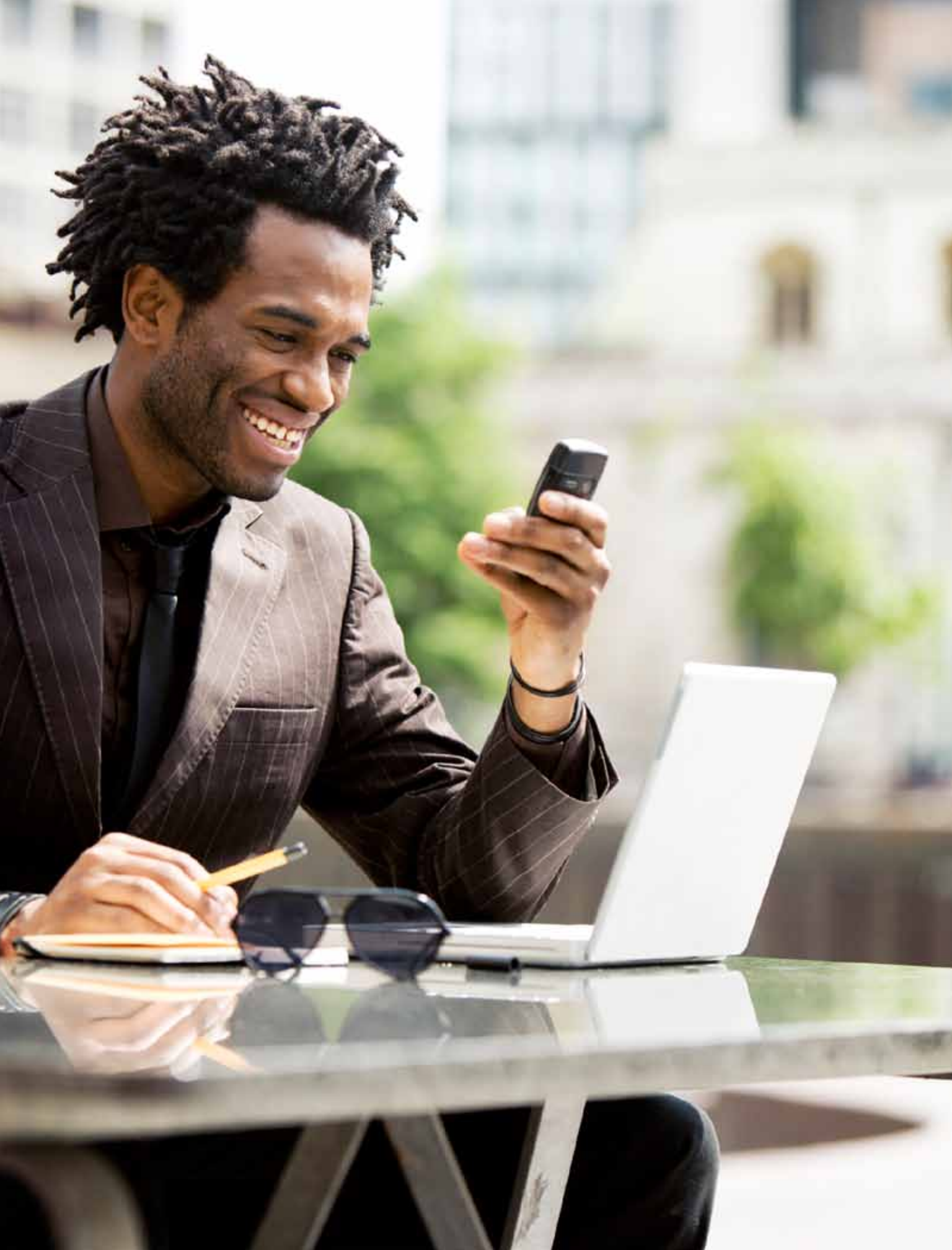
We promise to listen to you and respond to all of your inquiries.



From bus and light rail to the FREE MallRide and specialty services, we want each customer experience to be the best it can be—and it's only getting better.

RTD GOES MOBILE

During the past year, RTD enhanced its electronic tools to create better access and distribute more information. We launched our mobile website, to provide up-to-date information on schedules, fares, and routes, improved our MyStop service for greater mobile access to schedules at specific stops, and introduced an email-based subscription service for passengers interested in timely updates.



CIVIL RIGHTS

Creating an equal opportunity environment for all

This past year, RTD created its Civil Rights Division. Our goal is to provide passengers, employees, business partners, contractors, and the communities that we serve with equal opportunity and protection from unlawful discrimination in the areas of employment, contracting, and access to public transit services.

Within the past year, we have been determined to cultivate diversity in our workplace as a major initiative. As a result, we have undertaken a complete review and analysis of our hiring processes to ensure workplace diversity and parity.

We have also enhanced a small business office that provides a host of resources to help small and disadvantaged businesses compete equally and openly for RTD projects.

As part of our community and business outreach, we have implemented several successful communication platforms.

Bi-monthly DBEAC meetings

Our Disadvantaged Business Enterprise Advisory Council facilitates communication of projects and potential contracts throughout the business community.

Joint venture, small business, and contractor workshops

These events provide a forum for D/SBEs to connect with potential joint venture partners, obtain information on upcoming opportunities, learn more about awarded contracts, meet fellow contractors, market their businesses, and increase understanding of joint venture requirements, legal implications, structure, and life cycle.

Chamber outreach orientations

Through direct outreach, we provide chambers with an opportunity to host SBE orientations session at their location to inform their membership about SBE certification benefits, learn about upcoming projects and solicitations, and build on relationships with RTD.

Online speed networking

We have developed a unique, innovative way for our D/SBE contractors to discuss specific business concerns and contracting opportunities via one-on-one Skype sessions.



We are determined to ensure that all of our employees, business partners, and passengers have equal access, opportunity, and protection from unlawful discrimination.



FINANCIAL HIGHLIGHTS

BASIC FINANCIAL STATEMENTS

The District's financial statements are prepared with 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, 2010 and 2009, total assets of the District exceeded total liabilities by \$2,203,764 and \$2,046,175, respectively. The largest component of this excess, 72.5 percent in 2010 and 71.2 percent in 2009, was invested in capital assets, net of related debt. The District uses these capital assets to provide public transportation services to customers; consequently, these assets are not available for future spending. The District experienced increases in both 2010 and 2009 as a result of higher operating and grant revenue, net of increases in operating expenses and non-operating expenses.



CONDENSED SUMMARY OF ASSETS, LIABILITIES, AND NET ASSETS

	2010	2009	2008
ASSETS: (in thousands)			
Current assets	\$595,848	\$457,402	\$326,098
Current assets - restricted	694,018	393,339	596,196
Capital assets (net of accumulated depreciation)	2,969,149	2,361,845	2,095,135
Other noncurrent assets	249,577	213,873	295,791
Total assets	<u>4,508,592</u>	<u>3,426,459</u>	<u>3,313,220</u>
LIABILITIES: (in thousands)			
Current liabilities	228,909	199,107	188,683
Noncurrent liabilities	<u>2,075,919</u>	<u>1,181,177</u>	<u>1,232,127</u>
Total liabilities	<u>2,304,828</u>	<u>1,380,284</u>	<u>1,420,810</u>
NET ASSETS: (in thousands)			
Invested in capital assets, net of related debt	1,597,631	1,456,493	1,338,453
Restricted	439,834	457,647	410,044
Unrestricted	166,299	132,035	143,913
Total net assets	<u>\$2,203,764</u>	<u>\$2,046,175</u>	<u>\$1,892,410</u>



FINANCIAL REPORT

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

The following summary of revenues, expenses, and changes in net assets shows the activities of the District resulted in an increase in net assets of \$157,589 during the current year compared to \$153,765 in the previous year. The increases in both years were due to higher operating revenues and grant revenue income, net of increases in operating expenses and non-operating expenses.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	2010	2009	2008
Operating Revenue: (in thousands)			
Passenger fares	\$97,942	\$96,890	\$88,205
Advertising and other	4,414	4,357	4,124
Total operating revenue	<u>102,356</u>	<u>101,247</u>	<u>92,329</u>
Operating Expenses: (in thousands)			
Salaries and wages	119,422	117,355	118,417
Fringe Benefits	41,076	44,392	37,382
Materials and Supplies	48,310	56,835	61,056
Services	60,553	42,783	36,835
Utilities	10,977	9,512	10,575
Insurance	5,429	3,767	5,333
Purchased Transportation	104,514	103,975	102,743
Leases and rentals	2,515	2,680	2,464
Miscellaneous	3,315	6,866	2,619
Depreciation	104,176	106,025	102,252
Total operating expenses	<u>500,287</u>	<u>494,190</u>	<u>479,676</u>
Operating Loss	<u>(397,931)</u>	<u>(392,943)</u>	<u>(387,347)</u>
Nonoperating revenues (expenses): (in thousands)			
Sales and use tax	397,549	371,405	412,824
Grant operating assistance	92,655	68,146	50,814
Investment Income	8,065	29,379	52,456
Other income / Gain on sale of assets	5,061	3,283	3,107
Interest expense	(48,735)	(34,179)	(56,273)
Other expense / Unrealized loss on assets	<u>(1,671)</u>	<u>(23,037)</u>	<u>(977)</u>
Net nonoperating revenue (expenses)	<u>452,924</u>	<u>414,997</u>	<u>461,951</u>
Income before capital contributions	54,993	22,054	74,604
Capital grants and local contributions	<u>102,596</u>	<u>131,711</u>	<u>39,389</u>
Increase in net assets: (in thousands)	<u>\$157,589</u>	<u>\$153,765</u>	<u>\$113,993</u>

REVENUE ANALYSIS

Passenger fares – Passenger fares provided 14 percent of the District's total revenues in 2010 and 2009. The increase in fare revenue in 2010 was due to higher participation in fare media programs due to economic hardships.

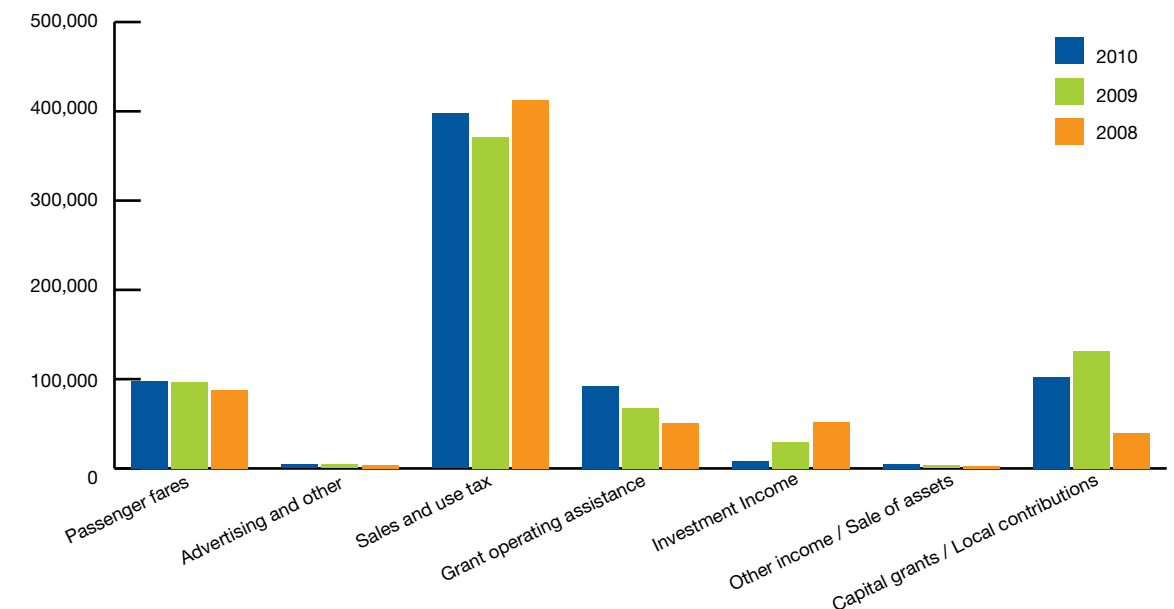
Sales and use tax – Sales and use tax provided 56 percent and 53 percent of the District's total revenues in 2010 and 2009 respectively. Sales and use tax is a dedicated 1.0 percent tax imposed on certain sales within the service area. Sales and use tax increased \$26,144 (7.0 percent) in 2010 compared to a decrease of \$41,419 (10.0 percent) in 2009. The District experienced an economic downturn in 2009 resulting in a decrease in sales and use tax revenue. In 2010, the District experienced some growth in tax revenues due to increased consumer and business spending activity in addition to the suspension of a 3 percent vendor allowance for timely payment of taxes.

Grant operating assistance – Grant operating assistance increased \$24,509 (36.0 percent) in 2010 compared to an increase of \$17,332 (34.1 percent) in 2009. The operating assistance derives from a federal grant revenue program used to perform capital maintenance and maintain the District's fleet of bus, paratransit, and rail vehicles. The increase in both years 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.

Capital grants and local contributions – Capital grants and local contributions provided 15 percent and 19 percent of the District's total revenues in 2010 and 2009, respectively. Capital grants and local contributions include federal and local contributions and are used for capital construction.



REVENUE ANALYSIS (IN THOUSANDS)





EXPENSE ANALYSIS

Salary and wages – Salary and wage expense is the largest expense category, accounting for 21.7 and 21.3 percent of total District expenses in 2010 and 2009, respectively. The increase in salary and wages is due to an increase of 24 salaried positions for Fastracks projects and 9 for other support departments.

Purchased transportation – The purchased transportation expense category accounted for 19.0 and 18.9 percent of total District expenses in 2010 and 2009. Purchased transportation represents the costs of contracted transportation services for bus, Access-a-Ride, and Call-n-Ride services. Increases of 0.5 percent in 2010 and 1.2 percent in 2009 were primarily due to negotiated contract increases and an increase in the hours of service provided. The increase in 2010 was mitigated by improved utilization efficiency of Access-a-Ride services.

Depreciation – The depreciation expense category accounted for 18.9 and 19.2 percent of total District expenses in 2010 and 2009, respectively. Depreciation expense is a non-cash systematic allocation of the cost of capital assets over the estimated useful life of the assets. The decrease in 2010 is due to asset retirements and reduced allocation for assets that had reached the end of life based on the accounting depreciation period.

CAPITAL ASSETS UPDATE

Investments in capital assets include: land and rights-of-way; buildings and improvements; leasehold improvements; revenue and non-revenue vehicles; shop and service equipment; security and surveillance equipment; computer equipment; and furniture. The District's investment in capital assets, net of accumulated depreciation, in 2010 was \$2,969,149 compared to \$2,361,845 in 2009. The District acquires its assets with sales and use tax revenues, farebox revenue, federal capital grants, and proceeds from the sale of revenue bonds, certificates of participation and commercial paper. The increases during 2010 and 2009 were primarily due to the cost of planning, design, and construction of Fastracks rail corridors.

Increases in capital expenditures are expected in future years due to expansion of the District's Fastracks program. Funding for the Fastracks program will be secured through Federal Transit Administration (FTA) grants, sales tax and other revenues, issuance of long term debt, and public-private partnerships. The 2010 Fastracks Annual Program Evaluation estimates that the cost to implement Fastracks will be \$6.8 billion.

In 2010, RTD applied for a full-funding grant agreement from the federal government to be used in the Fastracks expansion program. In addition, RTD issued \$390 million in bonds in 2010 to further project expansion.



CAPITAL ASSET PROJECT UPDATES (dollars in thousands)

Fastracks Denver Union Station – A full notice to proceed was issued for this project in May of 2010 and construction expenditures for 2010 were \$101,530 to manage and implement the development of a mixed-use, multimodal transportation center.

Fastracks West Corridor – In 2010, expenditures related to the West Corridor were \$166,191.

Fastracks North Metro Corridor – In 2010, expenditures related to the North Metro Corridor were \$8,683.

Fastracks Northwest Rail Corridor In 2010, expenditures related to the Northwest Rail Corridor (separate from ongoing environmental work on the US 36 BRT corridor) were \$1,968.

East and Gold Line Enterprise Public-Private Partnership (Eagle P3) – The Eagle P3 project will be completed in two phases. Phase I includes the East Corridor, Commuter Rail Maintenance Facility, and design work for Phase II. Phase II includes the Gold Line Corridor and the Northwest Electrified Rail Segment. In 2010, construction expenditures related to the Eagle P3 project were \$202,946. The Eagle P3 Project elements are described below:

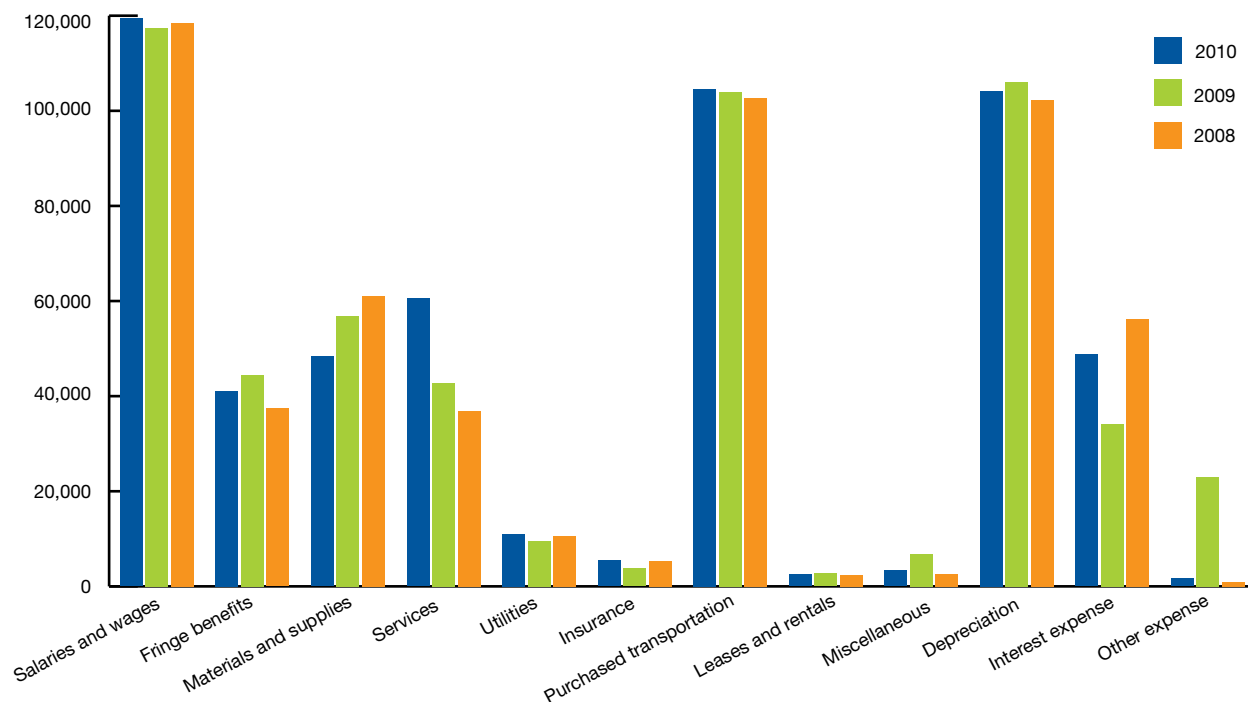
Fastracks East Corridor - In 2010, RTD issued notice to proceed with construction on this portion of Phase I of the Eagle P3 construction.

Fastracks Commuter Rail Maintenance Facility – In 2010, RTD issued notice to proceed with construction on this portion of Phase I of the Eagle P3 construction.

Fastracks Gold Line Corridor - A notice to proceed with construction of this portion of Phase II is expected in 2011.

Fastracks Northwest Electrified Rail Segment – This project will be completed under the Eagle P3 Project Phase II.

EXPENSE ANALYSIS (IN THOUSANDS)





FEDERAL FUNDING AWARDS/REQUESTS

FY '10 Appropriation Awards

- \$1,097,000 – Bus replacements
- \$90,000,000 – West Rail Line
- \$10,312,000 for close out of Southeast Rail Line
- \$2,500,000 –East Rail Line
- \$2,000,000 –Gold Line

FY '11 Appropriation Awards

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

FY '12 Appropriation Requests

- \$300,000,000 – Eagle P3

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)

Innovative Transit Workforce Development Grant

- \$486,465 WIN grant

Full Funding Grant Agreement (FFGA) Signing

- \$1.03 billion - Eagle P3



“We work hard to bring our communities the best possible transit services—to create a network that promotes efficiency and access at an affordable price.”

—Phil Washington,
General Manager & CEO

2010 YEAR IN REVIEW

A year of accomplishments and milestones

- Created the Civil Rights Division to ensure equal opportunity in employment, contracting, and vendor bidding
- Implemented innovative travel training pilot program for Access-a-Ride participants
- Implemented full-fleet "Yield to Bus" program
- Awarded Eagle P3 Operations and Maintenance contracts
- Began the installation of the Topodyn transmission shift control program in 234 Orion coaches, which will increase fuel economy
- Gave full Notice to Proceed for construction on the Denver Union Station project, assuring that this critical project will be completed consistent with the FasTracks schedule
- Received, tested, and placed into service 31 new light rail vehicles
- Continued design and construction work on West Corridor, including completion of Sixth Avenue Bridge and reopening of Sheridan between 10th & 14th avenues
- Vendor selection and pre-planning on Sheridan & Wadsworth Parking Structure
- Completion and continuation of civil work and upgrades at light rail platforms to accommodate four-car trains for select lines and special service
- Hired and trained additional customer service staff to increase productivity and call handling
- Developed enhanced Web-based tools for more timely and customized delivery of information to customers via smart phones and mobile devices
- Began mid-life overhaul program on full-fleet of light rail vehicles
- Instituted Disadvantaged Business Enterprise Advisory Council meetings, joint venture workshops, networking events, and chamber outreach events through our Civil Rights Division
- Completed procurement and financial close of Eagle P3 investment
- Improved, expanded, and continued work on the Automatic Train Stop (ATS)
- Continued design and construction work on projects including West Corridor, US 36, Sheridan and Wadsworth parking structures, Englewood drainage, Union Avenue bridge, four-car LRT platforms (civil work and power upgrades), Elati maintenance facility expansion, provided major support for railroad agreements executed with BNSF and UP railroads
- Advanced the Computer Aided Dispatching/Automatic Vehicle Locator (CAD/AVL) system and radio upgrade system on bus and light rail
- Initiated the smartcard project implementation
- Began comprehensive outreach programs to schools, community centers, and special interest groups
- Completed negotiations with Burlington Northern, Union Pacific Railroads
- Completed securement of financing to enable Denver Union Station (DUS) construction to proceed
- Introduced the Seismic Intrusion Detection system along the Southwest Corridor
- Now in its 3rd year, RTD's Community Emergency Response Team (CERT) program, funded by a grant from the Department of Homeland Security has trained more than 300 individuals
- Completed three new substations in preparation for 4-car train operation (now in service)
- Completed scheduled ARRA/stimulus funded projects, maintained schedule for ongoing ARRA projects and other Facilities Engineering projects.
- Initiated implementation of automated fare inspection and database program
- Adopted a new Strategic Plan for TOD reflecting new emphasis on Transit Oriented Communities and developed a new TOD Pilot Program
- Made substantial progress toward the \$1.03 billion Full Funding Grant Agreement (FFGA) with FTA for the Eagle P3 Project
- Expanded RTD and FasTracks public information outreach through social media outlets such as Twitter and Facebook
- Built on 2009's establishment of the RTD Diversity Council, renamed RTD Inclusiveness Council, through employee mentoring and diversity outreach efforts
- Continued to actively engage Colorado Congressional Delegation and FTA to retain support of pending FFGA awards and ongoing Penta-P participation.
- Introduced a community-based outreach program, Partners in Safety, to create safety awareness in and around our vehicles
- The Transit Watch program introduced the ability to text or send a picture message to our security command center, in the event of a situation where a call is not possible
- Awarded a Certificate of Merit from the American Public Transportation Association for our innovative handheld electronic fare inspection program

In 2010, we completed a variety of safety improvements and environmental initiatives across bus and light rail.

One of our most outstanding achievements in 2010 was the creation of our Civil Rights Division, to promote parity in employment, contracting, and access to our services.



STATE OF THE ECONOMY

We would like to address the current state of the RTD economy. RTD's operating revenues are derived primarily from sales tax and passenger fares. Historically, sales tax has accounted for 69 percent of those revenues while passenger fares have accounted for 20 percent, with the remaining revenues coming from on-vehicle advertising and grants.

Sales and use tax revenues are affected by changes in the local economy. After the 2009 economic downturn, which resulted in a 10 percent sales tax decrease to RTD, conditions began to stabilize during 2010.

In early 2011, fuel prices began to increase significantly. RTD has mitigated this adverse impact by contracting at a fixed price in 2010 for diesel fuel supplies in 2011. As a result of the increase in fuel prices, RTD is also experiencing an increase in ridership.

RTD's base system budget shortfall is projected to be \$14.4 million in 2012. Since sales tax revenues are not within RTD's control, we must consider alternative revenue enhancements and cost reductions.

Did you know?

RTD is a stress-free, easy way to get to destinations both near and far. In 2010, we operated our regular fixed-route bus and light rail service a cumulative total of 41,449,988 miles.

ABOUT RTD

Founded in 1969 by the Colorado General Assembly, the Regional Transportation District provides a dynamic public transit system across the greater metro area. Today, our service district spans 2,348 square miles and serves a population of 2.8 million in eight counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and Weld.

In 2010, RTD provided service for more than 99 million passenger trips, including 62 million on bus, 20 million on light rail, and more than 15 million for trips on Call-n-Ride, Access-a-Ride, and to special events.



As our service area continues to grow, we remain committed to improving lives and connecting communities