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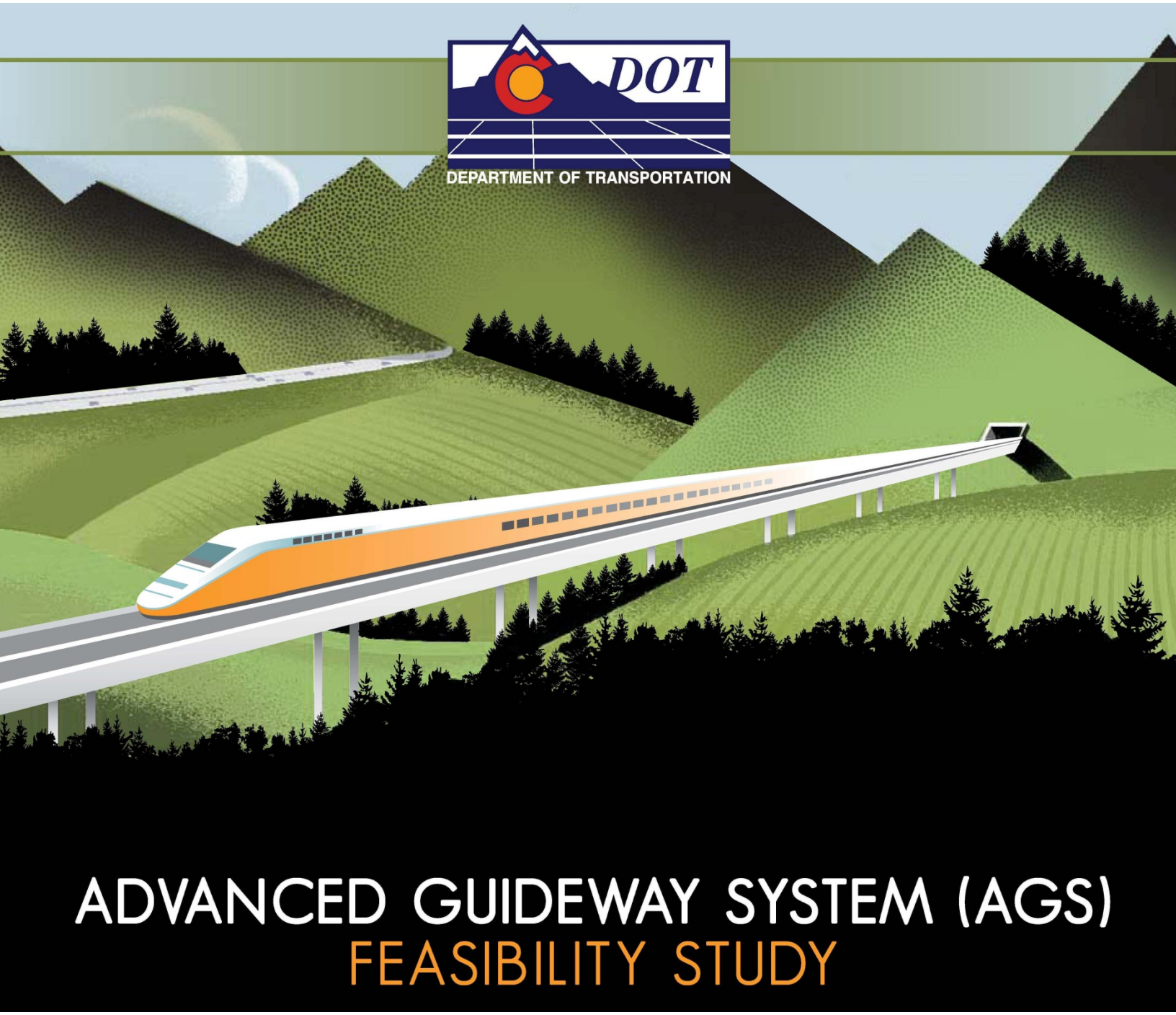

APPENDIX J
REQUEST FOR STATEMENTS OF FINANCIAL INFORMATION (RFSOFI)

Colorado Department of Transportation
Division of Transit and Rail

Advanced Guideway System Feasibility Study

REQUEST FOR FINANCIAL INFORMATION

ISSUE DATE May 17, 2013

Colorado Department of Transportation
4201 East Arkansas Avenue
Denver, Colorado 80222

Statements of Financial Information due 12:00 noon Denver, Colorado Time on June 28, 2013

1.0 Introduction

In 2009 the Division of Transit and Rail ("DTR") was created as a division of the Colorado Department of Transportation ("CDOT"). The DTR was created to plan, develop, finance, operate and integrate transit and rail services in the State. The Advanced Guideway System (AGS) was identified as the transit solution for the I 70 Mountain Corridor in the Record of Decision signed by CDOT and the Federal highway Administration (FHWA) in June of 2011. The AGS feasibility study, which commenced in April of 2012, has identified several potential technologies and alignments that are feasible in the corridor. At this time, CDOT is pleased to invite interested potential concessionaires or other possible financial providers ("Financial Providers") to submit a response to this request for financial information ("RFFI"). The purpose for the RFFI is to advance the feasibility assessment of financial options to develop the Advanced Guideway System ("AGS") in the I-70 Mountain Corridor from the vicinity of C470/I-70 in Jefferson County to Eagle County Regional Airport although ultimately the desire is to have a connection from Eagle County Regional Airport to Denver International Airport. CDOT has the ability to enter into contracts with public and private entities for public transit projects.

2.0 THE PROJECT

System Performance and Operational Criteria have been established for the AGS and are attached as Exhibit A. Key criteria include:

- The AGS should accommodate both local and express traffic;
- AGS technology should be proven and available;

- The AGS should allow for expansion of alignments to address growth in demand and/or additional station locations or branches;
- The AGS travel times should at least equal those of an unimpeded vehicle traveling along I-70 to various destinations;
- Passenger experience should conform to the requirements set forth in the European High Speed Rail Rolling Stock passenger comfort parameters/standards if rail or appropriate equivalent if other technologies; and,
- The AGS should provide 98% on-time reliability.

The technical feasibility of the AGS was determined through responses to a Request for Statements of Technical Information. A total of 18 technology providers submitted Statements of Technical Information (SOTI). The SOTIs were vetted and screened by DTR, their consultant team and other industry experts. For purposes of the feasibility assessment, three feasible technologies were selected to move forward to prepare alignments and costs: high speed steel wheel on steel rail, high speed Magnetic Levitation ("Maglev") and medium speed Maglev. The study team worked with the industry to identify feasible alignments for each of these technologies.

DTR presents this RFFI to prospective Financial Providers to gather information to inform an initial assessment of the overall financial feasibility of providing an AGS for the I-70 Mountain Corridor as required in the Programmatic Environmental Impact Statement (PEIS) Record of Decision.

The goal of the current effort is to establish if there are one or more feasible financial alternatives to fund or implement an AGS by the year 2025 as prescribed by the PEIS Record of Decision.

Additional information on the AGS feasibility study, including links to the full I-70 Mountain Corridor environmental documentation can be found at the following link: http://www.coloradodot.info/projects/AGSstudy

The ultimate implementation of an AGS may encompass a public-private partnership approach that will:

(i) Finance, design, and construct the I-70 Mountain Corridor from the vicinity of C470/I-70 in Jefferson County to Eagle County Regional Airport, potentially starting with a minimal operable segment (MOS); The MOS is defined in the PEIS as running from C-470/I-70 in Jefferson County to west of the Continental Divide.

(ii) Operate and maintain the project for the full term of the Concession agreement.

As DTR continues its efforts to analyze and develop a financing plan for the AGS, it is expected that a number of aspects of the AGS will continue to evolve.

Potential Financial Providers responding to this RFFI ("Respondents") should also be aware that another related study is underway; the Interregional Connectivity Study "(ICS"). The ICS is examining provision of a high speed transit system along the Front Range of the Rocky

Mountains from Pueblo, CO to Fort Collins, CO, generally along the I-25 corridor as well as between C-470/I-70 in Jefferson County and Denver International Airport.

3.0 AGS PROJECT BACKGROUND INFORMATION

Respondents are requested to provide a Statement of Financial Information ("SOFI") that addresses the specific questions below along with any other information they believe will be beneficial to determining the financial feasibility of the AGS. The goal of this process is to gain the best available information regarding the possible financing of the project. This is a request for information solely for the purpose of providing inputs into the AGS feasibility report. No selection of any kind will be made as a result of this RFFI.

3.1 Ridership Results

As part of the ICS, a ridership model was developed. This ridership model was used to develop preliminary ridership for the AGS and the ICS. To date, ridership was developed for two technologies; high speed steel wheel on rail and high speed maglev. The ridership data is for 2035 and assumes that both the north-south system along I-25 from Pueblo to Fort Collins and the east-west system along I-70 from DIA to Eagle County Regional Airport are in place.

Assuming that the full system (north-south from Pueblo to Fort Collins and east-west from DIA to ECRA) is in place; yearly ridership on the AGS (Golden to ECRA) would range from 3.32 million to 3.43 million riders per year. If only the east-west system from DIA to ECRA was in place, annual ridership would be about 2.99 million riders.

3.2 Alignments

Based on the operating characteristics of the various technolgoies being considered, various alignments were developed as described in the following sections.

3.2.1 Full Corridor Alignments

The consultant team has developed four alignments. They are:

1. Greenfield (outside I-70 right of way) Alignment for High Speed Steel Wheel on Rail

- 101.6 Miles, Golden to Eagle County Regional Airport ("ECRA")
- 62.8 Miles in Tunnels

2. Greenfield Alignment for High Speed Maglev

- 116.7 Miles, Golden to ECRA
- 40.5 Miles in Tunnels

3. Wholly within I-70 Right of Way Alignment for Medium Speed Maglev

Note: This alignment was developed and tested but due to the resulting speeds is not being taken forward in the analysis.

- 118.8 Miles, Golden to ECRA
- 1.6 Miles in Tunnels

4. Hybrid (combination of within I-70 Right of Way and Greenfield) Alignment for Medium Speed Maglev

- 115.2 Miles, Golden to ECRA
- 15.7 Miles in Tunnels

The alignments were developed using curvature and grade data obtained from the technology providers through the SOTIs and additional follow up information.

3.2.2 Minimum Operating Segment (MOS) Alignment Options

The ROD assumes that the minimum operating segment would be from Golden to a point west of the Continental Divide, which would place the west end of the MOS in Summit County. Initial alignment analysis is based on the MOS for High Speed Steel Wheel on Rail Technology running from Golden to Breckenridge. The MOS for High Speed Maglev is preliminarily assumed to run between Golden and Copper Mountain. The preliminary assumption for a MOS for the Medium Speed Maglev is running from Golden to Breckenridge on the Hybrid Alignment that is partially within the I-70 right of way..

3.2.3 Minimum Operating Segment Costs

The AGS Consultant Team is in the process of developing detailed system and operations/maintenance cost estimates for the various alignments and technologies. As of the date of the issuance of this RFFI, those detailed estimates have not been completed. However, the following data should provide the responder with a general idea of costs. As soon as detailed estimates are complete they will be forwarded to potential respondents.

1. **High Speed Steel Wheel on Steel Rail**

    a. Capital

    The AGS team is currently evaluating costs but has identified a preliminary cost of $16.44 billion for the full high speed steel wheel on rail system from Golden to ECRA. The preliminary cost for the MOS is $9.56 billion.

    b. Operating Costs

Preliminary yearly operating costs range from $81,500,000 to $115,140,000, depending on the operation plan selected.

c. Operating Costs as Percentage of Farebox Revenues

Based on preliminary revenue estimates of $64,840,000 to $81,855,140, the Operating Ratio is between 0.71 and 0.79.

2. High Speed Maglev

a. Capital

The AGS team is currently evaluating costs but has identified a preliminary cost of $15.90 billion for the full high speed maglev system from Golden to ECRA. The preliminary cost for the MOS is $8.44 billion.

b. Operating Costs

Preliminary yearly operating costs range from $63,000,000 to $89,000,000 depending on the operation plan selected.

c. Operating Costs as Percentage of Farebox Revenues

Based on preliminary revenue estimates of $76,604,404, the Operating Ratio is between 0.86 and 1.22.

3. Medium Speed Maglev

a. Capital

The AGS team is currently evaluating costs but has identified a preliminary cost of $13.09 billion for the full medium speed maglev system from Golden to ECRA. The preliminary cost for the MOS is $6.59 billion.

b. Operating Costs

Preliminary yearly operating costs range from $75,100,000 to $106,130,000 depending on the operation plan selected.

c. Operating Costs as Percentage of Farebox Revenues

Ridership data for medium speed maglev is not available as of this date. Therefore an Operating Ratio cannot be calculated.

3.3 Preliminary Funding Assumptions

The following preliminary funding assumptions are made related to the financing of the Advanced Guideway System. All Respondents should address these assumptions and are welcome to submit comments regarding these assumptions.

- Federal funding for the project could range from 0% to 50% of project costs. If federal funding is available the most likely scenario is considered to be 25%. Respondents are asked to provide their input on federal funding likelihood as indicated in section 4.2.1.

- Funding for the AGS project from Corridor communities and counties could range from 0 to 10% of project costs.

- Fare box could cover between 71% and 122% of operations and maintenance (O&M) costs for the AGS. Systems with lower O&M costs could generate excess revenues.

- Currently there are no dedicated state and/or regional funding sources committed to the AGS. It is acknowledged that in order to implement the AGS, such additional funding sources will be required. Section 4.0 of the RFFI further discusses the desired inputs from Respondents associated with completing the funding picture.

3.4 Support for the Project

3.4.1 Collaborative Effort

The I-70 Collaborative Effort (CE) is a 27-member group representing various corridor interests formed by CDOT in 2008 to reach a consensus for future highway and transit development in the I 70 Mountain Corridor. . CDOT and the Federal Highway Administration were active participants and both agencies committed to adopting the CE's Consensus Recommendation as the Preferred Alterative in the PEIS and ROD.

By consensus in June 2008, the CE recommended a multi-modal transportation solution for the I-70 Mountain Corridor. The consensus recommendation includes both transit and highway improvements, based on proven needs. These improvements are aimed at enhancing the corridor, its environment, and its communities. It also allows for flexibility in determining the order for improvements to be made and the ability to assess impacts of improvements as time goes on before further improvements are implemented.

The following organizations are represented as part of the CE and continue to meet periodically:

Federal Highway Administration, CDOT, Colorado Motor Carriers Association, Federal Transit Administration, Colorado Environmental Coalition, Rocky Mountain Rail Authority, Colorado Passenger Rail Association, Vail Resorts, Garfield County, Summit Stage, US Forest Service, City of Idaho Springs, Sierra Club, Colorado Ski Country USA, City of Denver (Mayor's office), I-70 Mountain Corridor cultural resources representative, Clear Creek County, Town of Frisco, Colorado Association of Transit Agencies, Eagle County, Summit Chamber, Town of Vail, and the US Army Corp of Engineers..

The Consensus Recommendation document is attached as Exhibit B. The stakeholder vision for the corridor is multi-modal with a commitment to implementation of both AGS and highway improvements.

3.4.2 I-70 Coalition

The I-70 Coalition was formed in January 2004. Since then, Coalition members, both private and public, are coordinating efforts to implement long-term transportation improvements along the mountain corridor while representing the Coalition's best interests. The Coalition has proven to be a powerful voice for local and regional transportation interests. Coalition members maintain an involved presence on the various leadership teams, task forces, and committees that are working to study and implement the I70 improvements identified in the PEIS.

The following are represented on the Coalition:

Counties:
Clear Creek, Eagle, Jefferson, and Summit.

Municipalities:
Aspen, Avon, Breckenridge, Dillon, Eagle, Empire, Fraser, Frisco, Georgetown, Golden, Grand Lake, Idaho Springs, Leadville, Minturn, Silverthorne, Silver Plume, Vail, and Winter Park.

Private Sector Members:
Powder Corp-Copper Mountain Resort, Intrawest Winter Park and Vail Resorts.

Other Members:
Denver Regional Council of Governments (DRCOG)

A letter expressing support by the I-70 Coalition is attached as Exhibit C.

4.0 THE REQUEST FOR FINANCIAL INFORMATION

Respondents are requested to provide information regarding the following AGS-related questions. These responses will be compiled and use to inform the conclusions in the final financial feasibility report and the overall feasibility analysis of the AGS.

4.1 Financial Provider Background

Briefly describe your organization and its experience in financing multi-billion dollar transportation projects, particularly under a P3 concession approach.

4.2 Funding and Financing Components

As further detailed below, please provide recommendations regarding the funding streams that would need to be in place for the project in order to have a successful financing. These recommendations should be as realistic as possible, but also demonstrate innovative thinking.

4.2.1. Federal

Please provide your assessment as to whether the AGS project is likely to be a candidate for federal funding, and if so, at what level and from which federal agencies or programs. Please include the rationale for your response.

4.2.2 Project-generated Revenues

Please provide information on potential revenues in addition to farebox collections which a concessionaire, or developer could generate from the AGS project and that could be applied towards financing the capital costs of the AGS. Examples of a possible revenue sources in this category would be high value freight, power generation or development rights. Please provide information on what level of revenues could be generated on an annual basis, how such revenues might vary over the life of a concession and how "bankable" they would be to third party lenders. Also, please indicate what percentage of overall costs could be covered by these project generated revenues.

4.2.3 Additional Public Funding

As the farebox for the AGS could cover between 71% and 122% of O&M costs and the opportunities for project-generated revenues could be limited, it is recognized that additional sources of public funding will be needed to implement this AGS project. Please provide information as to the type and range of such sources that would be necessary to finance the project, when these revenues would need to be in place relative to an AGS concession procurement process and the overall required characteristics of such revenue streams.

4.2.4 Financing Capacity

As described above, given that the AGS project costs are expected to range between $6.59 to $9.56 billion in 2013 dollars for MOS and $13.09 to $16.44 billion in 2013 dollars for full corridor costs, please provide your responses to the following questions.

- Is it possible to secure financing for the full amount of project costs?
- What range of financing structures could be considered for the project?
- Is there a maximum absolute dollar amount (in 2013 dollars) that can be financed by the private sector within reasonable financing parameters?
- Are there "break points' where the financing risk level materially changes between low, medium, and high risks?
- What elements could potentially influence these amounts, positively or negatively?

4.2.5 Financing Cost

Please provide information on the expected average cost of capital if the AGS project were financed today and what debt structure and credit rating assumption that rate is based upon.

4.2.6 Recommended Term

Please provide recommendations as to the optimum term of a concession contract for the AGS and the basis for the recommendation.

4.2.7 Availability Payment Structure

If an availability payment method is used, please provide recommendations as to the critical components to make that structure viable. This would include information such as whether milestone payments during the construction period will be critical; if so, what percentage of overall payments the construction milestone payments would constitute; how should the O&M portion of the payments be structured; what types of incentives/disincentives should be included in the O&M payments?

4.2.8 General Terms

Please provide any recommendations as to other specific contract/financing terms that would be necessary to create private sector interest in financing the AGS project.

4.3 Recommendations on Governance Structure

Please provide recommendations as to what is considered the most effective governance structure for supporting a public-private partnership concession for the AGS. This structure should take into account the relationships between the private sector developer, CDOT and local governmental entities located with the project area. Please provide specifics as to the most critical aspects of the governance structure.

4.4 Recommended Delivery Structure

Please provide recommendations as to the most effective delivery structure for the AGS. Is a P3 concession structure the most beneficial? Should the capital and O&M components be separated? How will the delivery structure impact the financial feasibility of the AGS? These recommendations should provide suggested project financing methods in support of recommended delivery structures.

4.5 AGS Technology Selection

Please provide information as to how the selection of a technology will influence the risks and financeability of the AGS. For instance, if the technology selection is a less established technology such as magnetic levitation or if a more traditional rail technology requires more tunneling, how might this selection influence (positively or negatively) competition, life cycle costs and ability to obtain financing?

4.6 Roles and Responsibilities

Please provide recommendations as to the allocation of risks between the public and private partners. These recommendations should be as detailed as possible and be based on the premise of assigning the risks to the party best able to mitigate those risks.

4.6.1 Roles/Risk Allocation for the Private Sector

Please provide recommendations as to the roles, duties and risks that should be managed by the private sector partner in any AGS agreement.

4.6.2 Roles/Risk Allocation for the Public Sector

Please provide recommendations as to the roles, duties and risks that should be managed by the public sector partner in any AGS agreement.

4.7 Revenue Generation Risk

4.7.1 Fare Box

Please provide, in as much detail as possible, an explanation of the conditions under which you would be willing to collect and retain AGS transit fares as the means for payment of O&M costs and/or retirement of debt.

4.7.2 Other Revenue Streams

Please provide, in as much detail as possible, an explanation of the conditions under which you would be willing to collect and retain other revenue streams as the means for payment of O&M costs and/or retirement of debt.

4.8 Project Components

Please provide a response as to whether a concession concept that included other project components in addition to the AGS would assist in the financing of the AGS. Two scenarios to consider include

(1) Combining I-70 Highway Tolling with the AGS. Potential assumptions to consider under such a scenario include:

a) P3 / Concessionaire ability to set price of tolls and transit fare

b) Excess revenues from one could be used to balance and pay off the investment in the other, such that the whole investment in the corridor succeeds

c) Phasing would be possible, e.g. AGS first, tolls later, vice-versa, or concurrent development.

OR

(2) The combination of AGS with the ICS Front Range High Speed Transit project. Further information on the ICS Front Range High Speed Transit project can be found at the following website: http://www.coloradodot.info/projects/ICS.

The ICS Project is assessing the costs and benefits of providing a high speed transit system north-south along the I-25 corridor from Pueblo to Fort Collins CO and east-west through the Denver Metro area from Denver International Airport to the Golden CO area, where it would link with the AGS along the I-70 Mountain Corridor. Preliminary ridership data shows that if developed as a complete system, yearly ridership on the north-south alignment and the east-west alignment, including the AGS could be as high as 13,850,000 passengers per year (2035).

Potential issues to consider associated with this scenario include:

a) Do benefits outweigh the complications/risks to offer first right of refusal for both corridors, or

b) Consideration to include access to one or more airports (i.e. Denver International Airport (DEN) or Eagle County Regional Airport (EGE)

If Respondents consider one or both of these options to be beneficial, please provide further details as the critical components of such an arrangement.

5.0 THE PROCESS

This RFFI is the first in a multi-stage process for the development of the AGS. The schedule for the RFFI and other elements associated with the feasibility assessment is expected to generally follow the schedule below:

Target RFFI Schedule

Event	**Date**
Release Draft of RFFI	05/17/13
Final Questions on RFFI	06/7/13
Reponses to Questions on RFFI	06/14/13
Final Draft of RFFI (if any modifications)	06/14/13
SOFI Due	06/28/13
Questions and Clarifications on SOFI	06/29/13 – 07/31/13
Final Feasibility Study Available to Public	Fall 2013

6.0 QUESTIONS AND REQUESTS FOR CLARIFICATION; ADDENDA

In order to facilitate receipt, processing, and response, Financial Providers are to submit all questions and requests for clarification in writing to the RFFI as follows:

Division of Transit and Rail
Colorado Department of Transportation
4201 E. Arkansas Avenue
Denver, Colorado 80222

Attn: David Krutsinger, CDOT DTR
Email: david.krustsinger@state.co.us
Phone: (303) 757-9008

7.0 RFFI SUBMITTAL REQUIREMENTS

7.1 General

DTR expects the SOFIs submitted in response to this RFFI will provide critical financial information that will allow DTR to complete the AGS feasibility analysis. For consistency it is requested that SOFIs be submitted exclusively in the English language inclusive of English units of measure, and cost terms in United States of America dollar denominations.

7.2 Format

Each Respondent is requested to submit one original of its SOFI. These SOFI submissions may be submitted one of two ways: (1) a hard copy (as further specified below) plus an electronic copy or (2) via e-mail at Jill.Sweeney@state.co.us, including "AGS Statement of Financial Information" in the subject line. E-mail SOFI submissions are to meet the electronic copy requirements listed below. E-mail submissions will be issued a reply "receipt"; please follow-up with Jill Sweeney at 303-757-9398if a receipt is not received to an e-mail submission. The interested Respondent's name is to be clearly marked on the face of the SOFI. For those submitting the SOFI as hard copy submissions, each Respondent must submit an electronic copy of the SOFI in PDF (searchable) format. Double-sided printing on hard copy submissions is encouraged. There is no page limit restriction on the SOFI.

7.3 SOFI Submittal Information

All packages or e-mail submissions constituting the SOFI shall be individually labeled as follows:

AGS Statement of Financial Information

Email submissions of the SOFIs is to be delivered to the DTR RFFI Procurement Contact as stated in Section 7.2.

If mailed or delivered, they should be addressed to:

Colorado Department of Transportation
4201 E. Arkansas Avenue
Denver, Colorado 80222
Attn: Jill Sweeney
Email: Jill.Sweeney@state.co.usi
Phone: (303) 757-9398

Acknowledgment of receipt of SOFIs will be evidenced by the issuance of a receipt as described in Section 7.2 above.

SOFIs are to be submitted by 12:00 noon Denver, Colorado time on the SOFI Due Date. SOFIs will be accepted by CDOT during normal business hours up to the SOFI Due Date and time specified.

8.0 RFFI IS NOT A PROCUREMENT

As this RFFI is not part of a procurement process, the submission of a SOFI by a Financial Provider does not qualify the respondent for any subsequent procurement activities. By the same token, submission of a SOFI does not create any conflict from participation in any future procurements from DTR and CDOT including any associated with an AGS.

DTR does strongly encourage the submission of SOFIs by Financial Providers to aid in ensuring that the best possible information is included as part of the AGS feasibility analysis.

EXHIBIT A – AGS Operational and Performance Criteria

EXHIBIT B – Collaborative Effort Recommendation

EXHIBIT C – I-70 Coalition Letter of Support

Colorado Department of Transportation
Division of Transit and Rail

Advanced Guideway System Feasibility Study

REQUEST FOR FINANCIAL INFORMATION
ADDENDUM 2

June 14, 2013

The AGS Consultant Team has completed capital cost estimates for the various alignment and technology alternatives. The following is a corrected version of that Section 3.2.3.

3.2.3 Minimum Operating Segment Costs

The AGS Consultant Team is in the process of developing detailed system and operations/maintenance cost estimates for the various alignments and technologies. As of the date of the issuance of this RFFI, those detailed estimates have not been completed. However, the following data should provide the responder with a general idea of costs. As soon as detailed estimates are complete they will be forwarded to potential respondents.

1. **High Speed Steel Wheel on Steel Rail**

   d. Capital

   The AGS team has completed evaluating capital costs and has identified a preliminary cost of **$31.92** billion for the full high speed steel wheel on rail system from Golden to ECRA. The preliminary cost for the MOS is **$18.65** billion.

   e. Operating Costs

   Preliminary yearly operating costs range from $81,500,000 to $115,140,000, depending on the operation plan selected.

   f. Operating Costs as Percentage of Farebox Revenues

   Based on preliminary revenue estimates of $64,840,000 to $81,855,140, the Farebox Recovery Ratio is between 0.71 and 0.79.

4. **High Speed Maglev**

   a. Capital

The AGS team has completed evaluating capital costs and has identified a preliminary cost of **$25.04** billion for the full high speed maglev system from Golden to ECRA. The preliminary cost for the MOS is $**13.53** billion.

b. Operating Costs

Preliminary yearly operating costs range from $63,000,000 to $89,000,000 depending on the operation plan selected.

c. Operating Costs as Percentage of Farebox Revenues

Based on preliminary revenue estimates of $76,604,404, the Farebox Recovery Ratio is between 0.86 and 1.22.

5. Medium Speed Maglev

a. Capital

The AGS team has completed evaluating capital costs and has identified a preliminary cost of **$10.98** billion for the full medium speed maglev system from Golden to ECRA. The preliminary cost for the MOS is **$5.76** billion.

b. Operating Costs

Preliminary yearly operating costs range from $75,100,000 to $106,130,000 depending on the operation plan selected.

c. Operating Costs as Percentage of Farebox Revenues

Based on preliminary revenue estimate of $62,373,700, the Farebox Recovery Ratio is between 0.72 and 0.83.