



Meeting Type & Number: PLT Meeting 16  
 Meeting Date: January 24, 2014  
 Meeting Time: 9:00 AM to 12:00 PM  
 Location: Idaho Springs Elks Club  
 Prepared by: Mike Riggs  
 Date published: February 4, 2014

**Attendees:**

<b>Attendees ( * - PLT Member, ** - PLT Alternate)</b>		
David Krutsinger, CDOT DTR*	Mary Jane Loevlie, I-70 Coalition*	Terri Binder, Club 20*
Mark Imhoff, CDOT DTR	Flo Raitano, Summit County*	Tom Breslin, Clear Creek County*
Tracey MacDonald, CDOT DTR	Eva Wilson, Eagle County*	Tim Mauk, I-70 Coalition*
Angie Drumm, CDOT*	Randy Jensen, FHWA*	Cindy Neely, Georgetown*
Mike Riggs, AZTEC/TYP SA*	Carol Kruse, USFS	Danny Katz, COPIRG*
David Singer, CDOT*	Miller Hudson, CMG	Smith Myung, Cambridge Systematics
Beth Vogelsang, OV Consulting	Scott McKenzie, AZTEC	Pamela Bailey-Campbell, Jacobs
Michael Hillman, Town of Idaho Springs*	Tom Schrenmer, Colorado Parks & Wildlife	Joe Kracum, Parsons
Andy Mountain, GBSM		

**1. Introduction to the Meeting**

David Krutsinger opened the meeting and welcomed the PLT to the final PLT meeting. All attendees introduced themselves.

Andy Mountain reviewed the meeting agenda that included:

- Review Draft AGS Feasibility Study Report
- Conclusion and Final Remarks

Andy explained that because the first four chapters of the study covered project elements that had already been fully covered in multiple PLT meetings, the discussions would center on Chapters 5 through 9, which introduce new information or which have opinions. He also requested that comments be of a substantive nature rather than editorial. Those kinds of comments should be addressed in written comments that are due to David by January 31, 2014. The goal is to publish on AGS website on February 10, 2014 along with issuance of a press release noting the availability of the Report.

**2. Public Comment**

There were no comments from the public.

### **3. Review of Draft AGS Feasibility Study**

Mike Riggs began with a review of the organization of the study which includes an Executive Summary, nine chapters and 12 appendices. The draft study was provided to the AGS PLT on January 17. Mike asked that written comments be provided to David by January 31. The draft study has been formatted to include line numbers. He asked that comments reference the chapter and line number. A PLT member suggested that a form be provided to facilitate comments. Mike agreed to provide the form to the PLT.

#### **Chapter 5 – Estimation of Benefits**

Mike led the PLT through Chapter 5. He explained that this chapter concentrated on development of ridership. The chapter included some new information related to diversion of traffic to the AGS. Assuming there are about 24 million person trips on I-70 that could divert to the AGS, the diversion could be between 6.4% (for 120 mph Maglev MOS) to 26% (for the High Speed Maglev coupled with the ICS system).

Mike then reviewed the conclusions of Chapter 5:

- High Speed Maglev has shorter travel times than the slower Hybrid/120 mph Maglev
- Standalone system (no connection to the ICS System) has weaker ridership
- Ridership for the MOS is also weaker even with MOS from DIA to Breckenridge
- Combined with ICS, ridership on the AGS in both Full System and MOS to Breckenridge increases to a point where it becomes more viable
- To be viable AGS needs to be linked to the ICS System via a direct route or via transfers at DIA or the Golden West Suburban station

A PLT member asked that these be restated in a more positive way. She suggested restating it as “ridership increases significantly as MOS limits increase and connection is made to DIA and connection is made with the ICS system.”

Another PLT member suggested that the diversion calculation results should be highlighted within the chapter and included in the conclusions. Also explain how the diversion affects peak period. However, this data may not be available.

A PLT member requested that clarify “viability” in terms of AGS being connected to ICS system.

#### **Chapter 6 – Benefit to Cost Analysis**

Mike outlined this chapter which presents the benefit to cost (B/C) ratios for various alignment/technology pairs. He showed a table that summarizes the B/C ratios.

He then reviewed the conclusions of Chapter 6:

- If federal grants cover at least 20% of capital costs, benefits of the AGS to Colorado outweigh costs
- Increased federal grant levels increase the benefit

- Full System scenarios generate farebox revenue to cover O&M costs with surplus revenues that could be used to finance the capital costs
- MOS scenarios, while having capital side B/C ratio of greater than 1.0, do not generate sufficient farebox revenue to cover O&M costs and additional subsidies would be required

A PLT member asked what a B/C ratio greater than 1.0 really signified. He asked what the B/C ratio for other projects was to provide context for the AGS. It would be helpful to explain the calculation and what it is telling the reader. Mike stated he did not know but would do some research. Mark Imhoff cautioned to pick relevant examples.

A PLT member suggested that there be better definition of what “Full System” means vs. MOS. Also, the third bullet above is confusing. It should say that surplus revenues could be used to finance a small part of the capital costs.

A PLT member requested that the B/C chart be included as an appendix. Mike stated that he would see that it is included in the final report.

#### Chapter 7 – Funding & Financial Analysis

Mike reviewed the organization of the chapter for the PLT. He then presented the conclusions of the chapter:

- AGS MOS cost currently has no identified funding
- Operating revenues are not sufficient to pay for O&M and provide material contributions towards financing the project
- Without establishing new funding sources, which would require a vote of the public in Colorado, there is no current ability to secure financing for the project
- AGS MOS at estimated cost of \$5.3 to \$6.8 billion is challenging as a “starter project”
- The AGS is not financially feasible at this time, and only substantial growth of the Colorado population and economy and/or significant increases in Federal subsidies for intercity rail projects will change this circumstance

PLT members made a number of comments regarding these conclusions:

1. In first bullet, delete MOS as the full system also does not have funding.
2. In second bullet, this conflicts with the conclusion in Chapter 6 that says some surplus revenue would be available.
3. In the last bullet, the PLT is strongly opposed to the use of the term “not financially feasible”. It was suggested that there may not be funds in place now, but that does not make the AGS financially infeasible. The report needs to differentiate between no funding and not feasible.

Most PLT members would like to see this changed. The team agreed to develop alternative wording to suggest that no local, state or federal funds are available for the AGS at this time and then list what must be done for the AGS to proceed.

A PLT member also asked that consideration be given to furthering an AGS financial study (including stations, alignment and specific technology).

Mike pointed out that a critical element of financing the AGS is the large upfront payment that is required during construction. Based on other projects, it can be over 50% of the design and construction costs. This is where federal money would be needed.

### Chapter 8 – Stakeholder Involvement

Mike described the purpose of this chapter which was to document the CSS process followed during the study as well as the meetings held with the counties to develop station location options. Mike then presented the conclusions of this chapter:

- The AGS Study followed the CSS Process (concurrent by FHWA)
- The AGS PLT fulfilled their primary roles:
  - Lead the Project
  - Champion CSS
  - Enable Decision-Making
- The Technical Committee and Local Agency staff also were important contributors

Beth Vogelsang requested that the PLT look at the land use commitments made in Chapter 8.

### Chapter 9 – Conclusions

Mike presented the conclusions included in the final chapter. They are:

- There are technologies that can meet the required system performance and operational criteria
- Alignments were identified for the technologies
- Station sites were identified for the each of the alignment/technology pairs
- Ridership estimates for the AGS range from 1.28 to 6.35 million passengers per year in 2035
- An AGS is expensive and does not have a current funding source for implementation
- The AGS is not financially feasible at this time
- Feasibility of the AGS would require:
  - Significant growth of the Colorado population and economy and
  - Significant increases in federal grants and/or subsidies for intercity transit project
- Possible ways to raise revenue include:
  - \$0.25 increase in the state gas tax would generate about \$447 million per year
  - \$100 increase in the state vehicle registration fee would generate about \$393 million per year
  - 1% percent increase in county sales taxes in the 16 counties lying along the AGS and ICS corridors would generate about \$572 million per year
  - 1% increase in income tax for the four counties directly benefitting from the AGS would generate \$1.044 billion per year

- Additional possible ways that local counties, cities and towns could help fund the AGS include:
  - Capturing the value of station area development through tax-increment financing
  - Funding or paying for the stations
  - Local sales taxes or property taxes, in addition to any other taxes identified for the AGS
- For an AGS to be successful, it needs to be developed in conjunction with the ICS System alignments
- If developed as a stand-alone project, an alignment from West Suburban to Eagle County Regional Airport is the most feasible, based on B/C and OR analysis
- The MOS to Breckenridge would require additional funding to cover shortfalls between the farebox revenue and its operations and maintenance costs
- Under any scenario, the funding and financing analysis indicates that the AGS debt service is too large to be funded with existing revenues
- Currently, there are no additional federal, state, regional, or local funding sources available, nor are there any likely to be in the near future
- The AGS is not financially feasible at this time. Therefore, it must be concluded that only substantial growth of the Colorado population and economy and/or significant increases in federal subsidies for intercity rail projects will change this circumstance

The PLT had the following comments:

1. In bullet point #7, change Colorado to Colorado/Corridor
2. In bullet point #7, change federal grants and/or subsidies to federal funding
3. In last bullet, clarify what “substantial growth” means

A PLT member pointed out that future growth will be beneficial to the AGS as the tax burden (%) will be less, more people equals more ridership and corridor population and density will increase ridership and tax base.

### Executive Summary

A PLT member asked that the “feasibility snapshot “ on the first page be changed to be less negative. She suggested it highlight the full system.

A PLT member pointed out that on line 159, “football field’ should be changed to “Exit 240 location”.

A PLT member pointed out that the side bar of photos on page ES-4 does not include all of the 11 technologies and caption should be changed to replace “11” with “some of the”.

A PLT member also asked whether we should highlight the questions that did not get fully answered such as freight and finalized station locations.

Andy suggested adding a section entitled “things to consider when reading the report”. This may be a good location to define what “full system” means.

AGS Feasibility Study  
Meeting Notes  
PLT Meeting #16  
January 24, 2014

#### **4. AGS Wrap-Up**

David Krutsinger made final remarks. He thanked the AGS consultant team, the PLT and the Technical Committee for their work to get where we are today.