**Question:** Since this was the first transit P3 in the US, did RTD reach out to any international transit agencies in planning the project?

**Answer:** (Marla Lien) The answer is absolutely, yes. We had over a year of open houses where firms from across the globe on the financing side, the engineering side, the operating side, came in and met with the agency, found out about us, talked about what they did, suggested different ideas, and that was before we started the formal procurement. Then when we went into the procurement phase we selected outside legal, financial, and technical advisers that had significant international experience.

**Question:** Did the extensive public outreach and communication with stakeholders continue after the P3 transaction closed and they began construction?

**Answer:** (Brian Middleton) We’ve continued working very closely with all of our partners all the way through the program. We’ve worked very closely with the cities and counties, the railroads, the airport, the other entities directly impacted by the project. And we’ve done extensive public outreach, involvement, and information throughout with stakeholders and the general public.

**Question:** How did RTD gain the political support of areas of Denver metro that are not served by Eagle P3?

**Answer:** (Marla Lien) As you heard from David Genova, the FasTracks ballot issue was passed by close to 60% of the voters in the metro area in 2004. It was during the development of the entire FasTracks program, not just Eagle, that the political support was built for the program. We reached out to the 8 county area, talked to all of our constituents about what projects would be important to them, worked with the MPO focusing on the regional plan, looked at where growth was, and tried to make sure that we put together a package of projects in the FasTracks program that the whole region agreed on. There was a metro mayors’ caucus of over 35 mayors that unanimously supported the FasTracks ballot issue and took that out to the constituents in their separate municipalities. And that’s how we passed the FasTracks ballot issue, which gave us the funding and the ability to issue the debt to build the program.
**Question:** What type of construction period payments were used? Were these progress payments on a monthly basis, were they based on tangible project milestones in which construction risk was extinguished, or some other basis?

**Answer:** (Brian Middleton) We provided construction payments throughout the design and construction phase. As part of the RFP we had set maximum annual payments, so in any year once they hit that target they had to finance the balance of the design and construction themselves. We established a cost-loaded schedule as part of the proposal from the winning bidder and then monitored that on a monthly basis and established an earned value and as long as that earned value was within the annual limit a payment was made on a monthly basis. For example, in 2010 there was no payment. So for the first four months Denver Transit Partners financed their efforts until we started making payments in 2011.

**Question:** How much of the private capital remains at risk over the concession period?

**Answer:** (Brian Middleton) Basically the entire private investment, about $400 million of debt and equity, is at risk based on their performance. And obviously as the period progresses they will be paying down the debt and the equity eventually. So by the end of the period all of it will have been repaid. In the early years when the risk of poor performance is greatest, the risk to the concessionaire is greatest, so it gives a good balance.

(Marla Lien) And let me add, I don’t specifically remember the schedule, but there is a public offering statement for the private activity bonds that has the amortization schedule. (A link is available on the BATIC Institute page for the Eagle P3 webinar)

**Question:** What did RTD expect to gain that led them to pay bidders to retain the developed intellectual property?

**Answer:** (Brian Middleton) The purpose of the stipend was to ensure that we did have the ability to use any of the intellectual property from the unsuccessful bidders. A good example of one element that was incorporated into the project was a certain station. Our original concept was that it would be a bridge across the railroad to our station. The unsuccessful bidder had actually come up with the idea of having an underpass instead, and we found that to be of great merit. It simplified access, particularly for the disabled, and eliminated one vertical transition. So we then required Denver Transit Partners to incorporate that modification into the project. So whilst it may not have been fully worth the value of the stipend that was a key element that we felt improved the project considerably.
**Question:** What was the rationale to initially tender a 47-year concession? Has a similar duration been seen on other transit P3s in other countries?

**Answer:** (Marla Lien) The rationale really came down to money. We didn’t think we could pay off the debt in less time based on the program we were originally looking at. Because of the savings that we achieved, because of the interest rates we had when we closed, because of the availability of TIFIA to supplement some of the other programs, we were able to put together a payment schedule that allowed us to pay off all of the debt in a shorter time. As you heard from Brian earlier, it was a timeframe that we liked. We didn’t really like the 47 years, we just weren’t sure we could afford anything sooner, and working with the financial advisors, looking at the bids that we got, and looking at the other funding sources, we were able to get it done sooner.

(Brian Middleton) Yes, there are other transit P3 projects around the world that have the duration of the project of the order of or longer than 47 years. A couple of examples, the Arlanda Rail Link in Stockholm and Croyden Light Rail in the UK. That’s 45 and 99 years, respectively.

**Question:** As RTD adds additional commuter rail lines (like the North Metro Line), how will the operations be integrated with the Eagle lines?

**Answer:** (Brian Middleton) We are currently working through exactly how the O&M will be conducted. One obvious option is to agree a change order with Denver Transit Partners. That will give us a single operator for the entire commuter rail system. We are also looking at the possible alternative of RTD self-performing that. That’s currently under investigation as we speak.

(Marla Lien) From the public facing side, it will be integrated seamlessly. What Brian just talked about is: how is RTD going to do it? How is it going to manage it? But as you heard earlier when he talked about RTD’s board of directors keeping control of fares, of schedule, of service, whether RTD manages North Metro or whether it’s contracted out that control will still remain with RTD. And the fare policy, the schedule policy, will still be developed by the board and it will be an integrated service. So any customer using the service will not know who is operating that train.

**Question:** What is current status of the project? Was the opening of the first rail line successful?

**Answer:** (Marla Lien) I think it hit it out of the park!

(Brian Middleton) I’d agree with Marla’s comment. I think it was very successful. We had over 100,000 people ride it over the opening weekend. We’ve continued to operate very reliably and safely, and getting good number of people riding it. We’re currently turning our focus to the B Line up to Westminster that is scheduled to open end of July, and we believe we’re well on track to open the Gold Line later this year. Overall, extremely successful.
**Question:** Was there any political issue created by only having two bidders for the project? What was the process for determining the stipend amount?

**Answer:** (Marla Lien) Political risk is a huge issue for any P3, and we recognized that early. At the time we were going out, P3s had been looked at and blown up in Pennsylvania, there were issues in Texas. Proposers, international members of the team didn’t know who RTD was. What’s a political subdivision of the State of Colorado? What’s your relationship to the state? What’s your relationship to the federal government? And we really worked hard to explain ourselves and give proposers some measure of political comfort that we were not going to blow up this deal. That the legislature wasn’t going to pull the rug out from under this project at the last minute as had happened in some states. And the $20 million was something we felt really comfortable with because we knew that, but it was a way of convincing proposers that we really meant it. If we were not going to go forward we had to pay somebody $20 million not to do a deal. It was a way of saying, “we really know we’re going to do this deal, and we have enough control over the political process here in Colorado, where we are, and RTD’s ability under its own enabling legislation was to know that we can offer that level of certainty.