



Jefferson Parkway Public Highway Authority  
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December 13, 2012

TO: JPPHA Board of Directors  
FROM: Bill Ray, Interim Executive Director  
SUBJECT: 2012 Revised Budget and Proposed 2013 Budget

Attached to this memo are the 2012 Final Revised Budget and the Proposed 2013 Budget for the Jefferson Parkway Public Highway Authority (Authority). These are presented for your consideration and adoption.

### **2012 Revised Budget**

You will note several significant revisions to the budget originally adopted by the Board last year. Most importantly, at the beginning of this year the Board authorized participation in the Section 16 acquisition and land exchange that would ultimately bring the transportation corridor on the eastern edge of Rocky Flats into the ownership of the Authority, as was envisioned and authorized by Congress. The Board agreed to place the \$2.8 million purchase price for the transportation corridor as part of the asset package to acquire Section 16, various sub-surface rights and mining leases in a series of simultaneous transactions represented in a master escrow agreement. Those funds were deposited and the 2012 budget now needs to be revised to reflect that decision.

The other expenditure unbudgeted at the time of the 2012 budget adoption was for the unanticipated legal expenses in connection with the Federal lawsuit originally filed by the Town of Superior and later joined by the City of Golden. After agreeing to join in the lawsuit as an intervener, the Authority has incurred significant legal costs attendant to that decision.

As a result, the fund balance has been utilized entirely, and the City of Arvada will provide an additional \$45,000 for the 2012 budget. With the concurrence of the Board, this will be offset by a corresponding reduction in Arvada's base contribution to the Authority for the year 2013.

### **2013 Budget**

Being presented for your adoption is a 'bare bones' budget that will allow for the continuance of operations at current levels. That said, there are several significant matters that may cause the Board to extensively revise this budget, depending on the course of events over the course of the next twelve months. Some of those matters include:

#### **Land Acquisition**

In 2012, the Authority has initiated discussions with several property owners for the acquisition of easements and right of way needed for the eventual construction of the Jefferson Parkway. Since there is no definitive timetable for construction, there has been a steady pace in the acquisition process without a hard deadline. Assuming that there is a decision by the Board to move forward with acquiring some or all of the land needed in

2013, there will be a corresponding need to amend the budget to appropriate funds for that purpose. The overall cost for all acquisitions could total between \$1 and \$1.5 million dollars when factoring in technical, legal and appraisal costs

### **Section 16**

The outcome of the Section 16 lawsuit is unknown at the time of this writing. In the event that there is an appeal or other legal action consequent to the legal ruling, the Authority will be saddled with unknown, but possibly significant legal costs. There is also a possibility that there may be additional environmental review costs depending on the specifics of the ruling. These are not possible to estimate at this time,

### **Pre-Concession Costs**

Assuming Section 16 land transfer closes, and other favorable factors occur, the Authority may wish to proceed to negotiate a pre-concession agreement with our preferred private partner. Experience from other private public infrastructure projects would indicate that there will be significant legal costs in developing and negotiating this document, easily running to several hundred thousand dollars. This is not currently anticipated in the 2013 budget

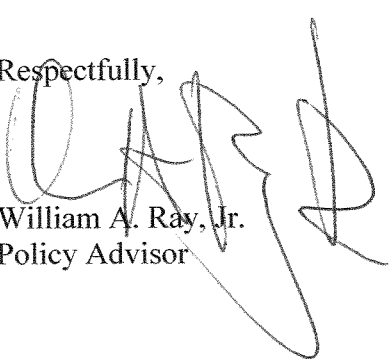
### **Future Financial Advisor Costs**

The High Performance Transportation Enterprise representatives and Isolux Corsan have recommended the Authority hire a nationally known financial advisor to aid in negotiations. At this time, the 2013 Budget does not provide any financial support for this role. As all participants understand there are two ways to meet the financial commitments of such advice: hourly basis or payment at the completion of the project. Staff is currently evaluating the best choices for this service.

The general costs of the Authority continue to be relatively static. This is due to the fact the member jurisdictions are providing significant in-kind services including, but not limited to, management, record keeping, financial and legal. This process of completing the Jefferson Parkway, as well as other regional transportation connections is a process involving many interested parties. Over the past 18 months more and more acknowledgement throughout the metro region of not only of the need for the Jefferson Parkway but also regional transportation needs. The Authority's members have been incredibly active in this regional discussion. While the 2013 Budget is, at this point, a general outline of necessary operations for the Authority, it can be revised as other actions may be indicated.

We look forward to answering any questions you may have prior to the adoption of these two budgets.

Respectfully,

  
William A. Ray, Jr.  
Policy Advisor