



Jefferson Parkway Public Highway Authority  
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October 15, 2014

Board of Directors  
Jefferson Parkway Public Highway Authority

### **2015 Budget Message and Letter of Transmittal**

Chairman Williams and Members of the Board:

I am pleased to present to you the draft 2015 budget for the Jefferson Parkway Public Authority (the "Authority") and the estimated 2014 year end statement of revenues and expenditures. Let me take this opportunity to review our progress this year and proposals for the next.

#### Review of 2014 Budget

On the legal front, this year has been spent awaiting the decision of the 10<sup>th</sup> Circuit Court of Appeals to rule on the appeal filed by the Town of Superior and two environmental groups of Federal District Court Judge Bremmer's December 2012 ruling on the Section 16 transaction, including the Rocky Flats Transportation Corridor. The appeal was heard in November 2013; unfortunately one of the three judges on the panel passed away this spring and no replacement judge has been announced as of the date of this writing.

In part because the appeal is not yet resolved, there has been reluctance from our private partner, Isolux, to move ahead with negotiations on a pre-concession agreement. Until a mutually acceptable framework for a plan of finance is established, the services of Goldman Sachs as our financial advisor have been placed on hold. Jefferson County has also taken a lead role in exploring options to advance the Jefferson Parkway in connection with other major west metro transportation projects through the West Connect initiative.

One positive action the Authority has undertaken this year is to work with the member jurisdictions to legally describe the publicly owned parcels that will become the right of way (ROW) for the Jefferson Parkway. The Authority has worked with Jefferson County and Arvada to develop legal descriptions for ROW owned by each jurisdiction. In addition, the Rocky Flats Transportation Corridor and the ROW through the Leyden Rock subdivision have already been conveyed. A redesign of the interchange at Highway 72 will shrink the amount of land needed through Candelas and those negotiations continue. The Authority will be meeting with Broomfield to discuss the interchange design on Indiana and the land needed for ROW to the north of Great Western Reservoir.

At this point, it is anticipated that the 2014 budget will have an estimated ending fund balance of \$381,084. This large fund balance is mainly attributed to the Goldman Sachs status change. Staff will, of course, closely monitor the budget as there may be unanticipated legal expenses requiring a change in the revised 2014 budget before the end of the fiscal year.

### Proposed 2015 Budget

There are two projects that will allow the Authority to move forward with the Jefferson Parkway in a meaningful and substantial way in 2015. One is to fully assemble the ROW, which will provide assurance to private markets of the Authority's intent to move forward with the Parkway. The other is for the Authority to proceed with the Section 1601 environmental review process. As the Board is aware, this is a CDOT requirement for any transportation facility connecting to a state highway. The completion of this environmental review will significantly enhance the viability of the Parkway to private markets. The estimated year end fund balance, in combination with the same level of contribution from the member jurisdictions, should prove sufficient to generate the preliminary engineering and environmental studies needed to begin the process. If the Board does provide direction to proceed, it should be with the understanding that this is a two year process, and that it may require a higher contribution in 2016 to complete it. The cost of the entire 1601 process is estimated at \$2.5 million.

The 2015 budget is proposed at \$978,400. The cost share to the member jurisdictions is still estimated to be \$200,000 each, leaving the Authority with an estimated positive fund balance at the end of 2015 in the amount of \$2,884. That said, it is important to note that there are multiple factors, largely outside the control of the Authority, that could significantly affect the budget as proposed.

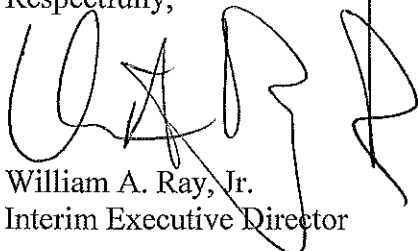
This budget assumes that there will NOT be significant additional legal costs associated with the Section 16 appeals process, or substantial litigation in connection with the CDOT 1601 process. The budget also assumes that we will NOT require the active services of Goldman Sachs as our financial advisor. The budget as proposed does NOT include the costs for legal work attendant to active negotiations for a pre-concession agreement. Should circumstances change in any of these areas, staff will seek a supplemental appropriation to respond to that change.

As was true last year, there are still two private parcels of land to be acquired for the right of way. As a result of the interchange redesign at Highway 72, one acquisition is expected to be smaller than originally anticipated. The other is unaffected, although the design will improve highway access for the remainder of that parcel. I am recommending that each member jurisdiction be prepared to consider supplemental appropriations throughout the 2015 budget year as each of those negotiations conclude. The balance of proposed expenditures in the 2015 budget is routine and associated with the day to day costs of running the organization.

As the Authority enters into its eighth year of operation, it is appropriate to recognize the continuing interest among many private stakeholders, other local governments, and those interested in regional transportation issues to move forward with the Parkway and other regional improvements that will significantly improve mobility throughout the western Metro area. With a willing and committed partner in Isolux, I believe it is possible for the Parkway to be under construction in 2017.

It has been a privilege to work with the Authority Board and the staff of the member jurisdictions in continuing to move the Jefferson Parkway forward for the ultimate benefit of the Denver metropolitan area and the entire Front Range.

Respectfully,



William A. Ray, Jr.  
Interim Executive Director

Jefferson Parkway  
Public Highway Authority  
2015 PROPOSED BUDGET - As of 10-15-14

	<i>Final 2013 Budget</i>	<i>Estimated 2014 Budget</i>	<i>Proposed 2015 Budget</i>
<i>Beginning FB</i>	26,117	\$37,557	\$ 381,084
 <b>REVENUES</b>			
Member Contributions	\$ 400,000	\$600,000	\$ 600,000
City of Arvada	155,000		\$ -
Interest	\$207	\$193	\$200
	<hr/> \$ 555,207	<hr/> \$600,193	<hr/> 600,200
 <b>EXPENDITURES</b>			
Trainings and Meetings	3,043	\$250	\$ 500
Print/Mail/Supplies	\$ 822	\$352	\$ 500
Dues	2,170	\$2,170	\$ 2,200
Insurance (CIRSA)	1,478	\$2,144	\$ 2,200
Icenogle	207,189	\$52,456	\$ 50,000
Lindquist	175,501	\$3,288	
Patton Boggs	325		
BSF	16,740		
Clifton	1,338	\$555	\$ 1,000
HC Peck	6,526	\$1,134	\$ 4,500
Goldman Sachs	120,000	\$80,000	\$ -
Haynie/Audit	5,400	\$5,400	\$ 5,500
LS Gallegos			
ROW Work		\$108,628	\$ 160,000
1601 Process			\$ 750,000
Misc	3,235	\$289	\$ 2,000
	<hr/> \$ 543,767	<hr/> \$256,666	<hr/> \$ 978,400
 <i>Ending FB</i>	 37,557	 \$381,084	 \$2,884