



Jefferson Parkway Public Highway Authority
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October 14, 2016

Board of Directors
Jefferson Parkway Public Highway Authority

2017 Budget Message and Letter of Transmittal

Chairman Rosier and Members of the Board:

I am pleased to present to you the draft 2017 budget for the Jefferson Parkway Public Authority (the "Authority") and the revised 2016 budget. Let me take this opportunity to review our progress this year and offer some proposals for the next.

Review of 2016 Budget –

Two challenges this year have been to work through the various permitting requirements of the FAA at the northern terminus of the Parkway and to initiate the Section 1601 process with our 2040 traffic model. Staff has been working with Jefferson County to negotiate the several regulatory actions needed to acquire the permissions needed from the FAA. This has been a complex, technical analysis and will not be completed this year. Regarding the 1601 process, staff and our consultants have been working with CDOT and with the WestConnect initiative to ensure that there is a consistency of data and model trends. The final traffic report should be completed by the end of October.

At this point, it is anticipated that the 2016 budget will have an estimated ending fund balance of \$656,753. This fund balance is being carried forward in anticipation of completing the CDOT Section 1601 process, initiating the UP railroad easement needed, and establishing a new governance structure for the Authority. Once the FAA issues are resolved, the Authority should be in a position to begin the procurement process for a private partner, which will require outside expertise (i.e. consultants). Staff will closely monitor the budget as there may be unanticipated expenses requiring a change in the revised 2016 budget before the end of the fiscal year.

Proposed 2017 Budget –

As the Board is aware, the 1601 process 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. With the completed traffic study, CDOT and the Authority will enter into an IGA on the scope of the environmental review and other related matters. The traffic study will also be used identify the needed improvements needed to move traffic on and off the state highway system. Those proposed improvements will

indicate the breadth and depth of environmental review attendant to those improvements. \$550,000 is budgeted for this purpose in the 2017 budget.

Completing the 1601 process and securing the needed FAA approvals will allow consideration by the Authority Board to actively pursue a private partner through a procurement process. In order to do so, the Authority will have to: 1) evolve its current administrative structure; and, 2) create a procurement team. The draft 2017 budget is crafted with these objectives in mind.

The 2017 budget is proposed at \$1,471,000. The cost share to the member jurisdictions is still estimated to be \$400,000 each, leaving the authority with an estimated positive fund balance at the end of 2017 in the amount of \$389,753. The bulk of the budget is for completing the 1601 process (\$550,000), completing the FAA analysis (\$100,000), assembling the procurement team (\$350,000), and startup costs affiliated with the realignment of the JPPHA structure (\$300,000). The balance of the budget is for the other day to day and routine operations of the Authority.

As the Authority enters into its ninth 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. This is most visibly demonstrated by the many jurisdictions participating in the WestConnect process to identify mobility improvements to benefit the entire western metropolitan region.

It has been a privilege to work with the Authority Board and the staff of the member jurisdictions 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