

Town of Castle Rock,

August 21, 2018

Crystal Valley Interchange and New Frontage Road

Request for:

Special Town Council Study Session

Inclusion into 2019 Budget

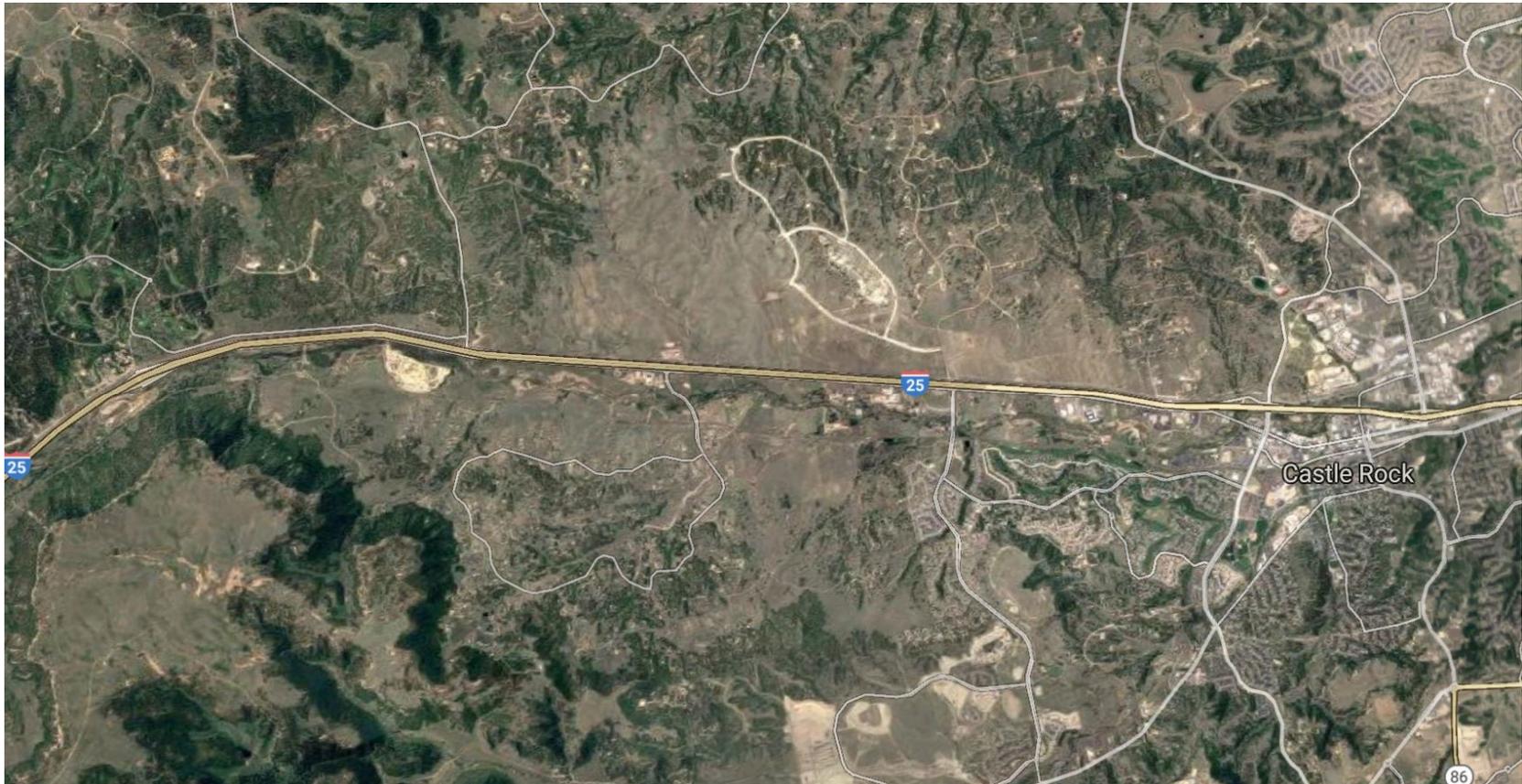
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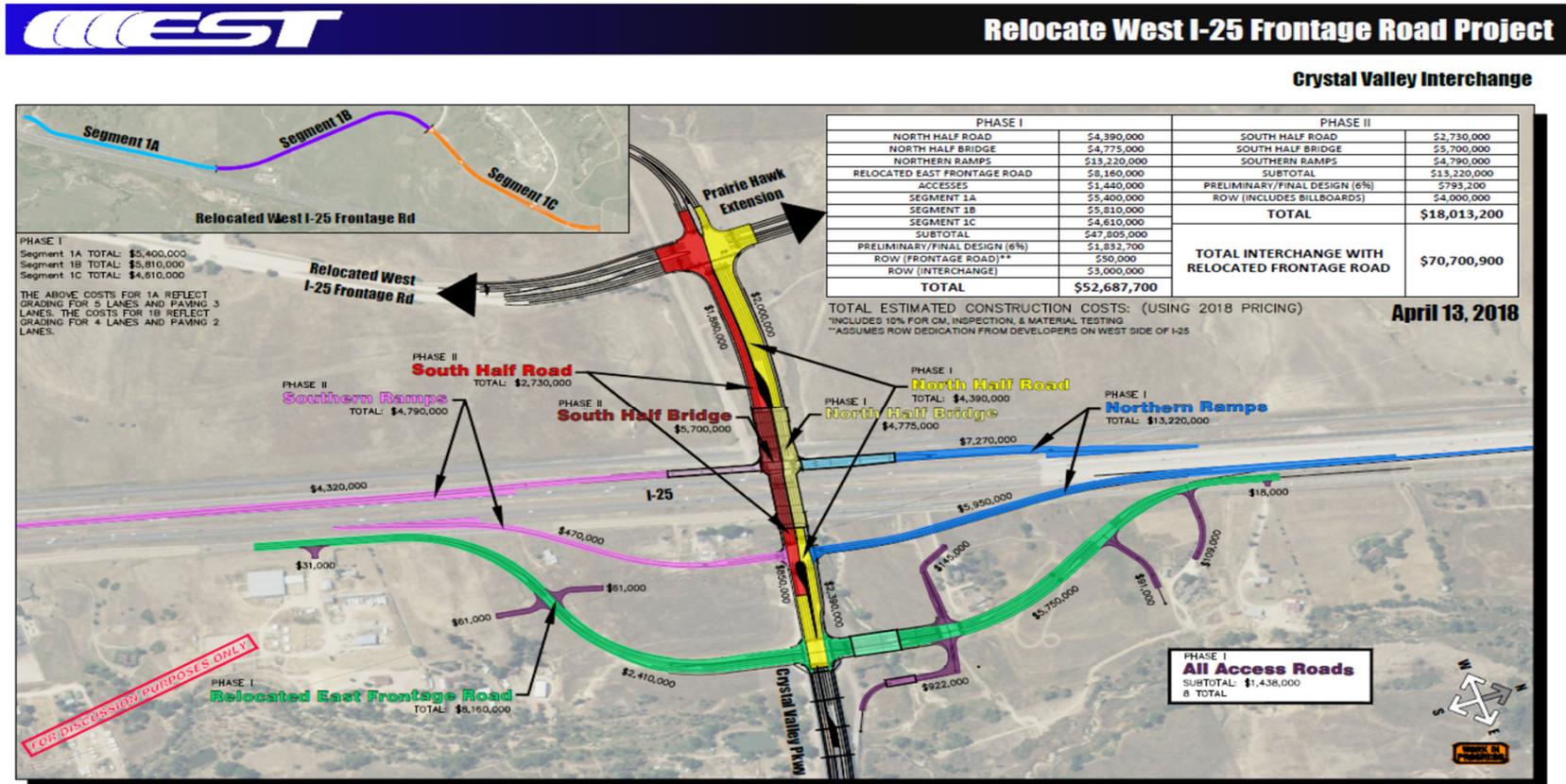
1. Overview

- Interchange and Frontage Road have been long planned and will provide access to the regional system via I-25. They are both critical to the continued development plans west and east of I-25 and will alleviate existing out-of-direction travel, which currently uses Plum Creek Parkway for access to I-25. They are required to implement Southwest Quadrant Masterplan.
- In 2002 Town of Castle Rock completed a funding study by PBS&J of the then called “Douglas Lane Interchange”. The funding study utilized proposed land uses, traffic densities, estimated costs for construction, and assumptions for possible public and private cost sharing percentages. Estimated cost \$17 million
- By 2005 the Interchange had State and Federal Highway approvals and an update to the previous funding study was completed. By 2007 the estimated cost \$38.57 million
- Over this time frame both Town of Castle Rock & Douglas County both resolved to spend funds on design, engineering, and some ROW acquisitions. Also development agreements were made with current developers that designated specific funds to be paid towards the interchange. Those amounts were then spent on work or ROW acquisition-to-date or put into an escrow fund to be held to cover future construction costs of Interchange.
- Today the project meets a “shovel ready” status and only small amounts of ROW acquisitions are left. Town of Castle Rocks Public Works strategic objectives include full west side acquisitions completed by early 2018, east acquisitions to-be-determined. The following pages will summarize how the project can currently move forward. Current estimated cost today \$89,750,900.

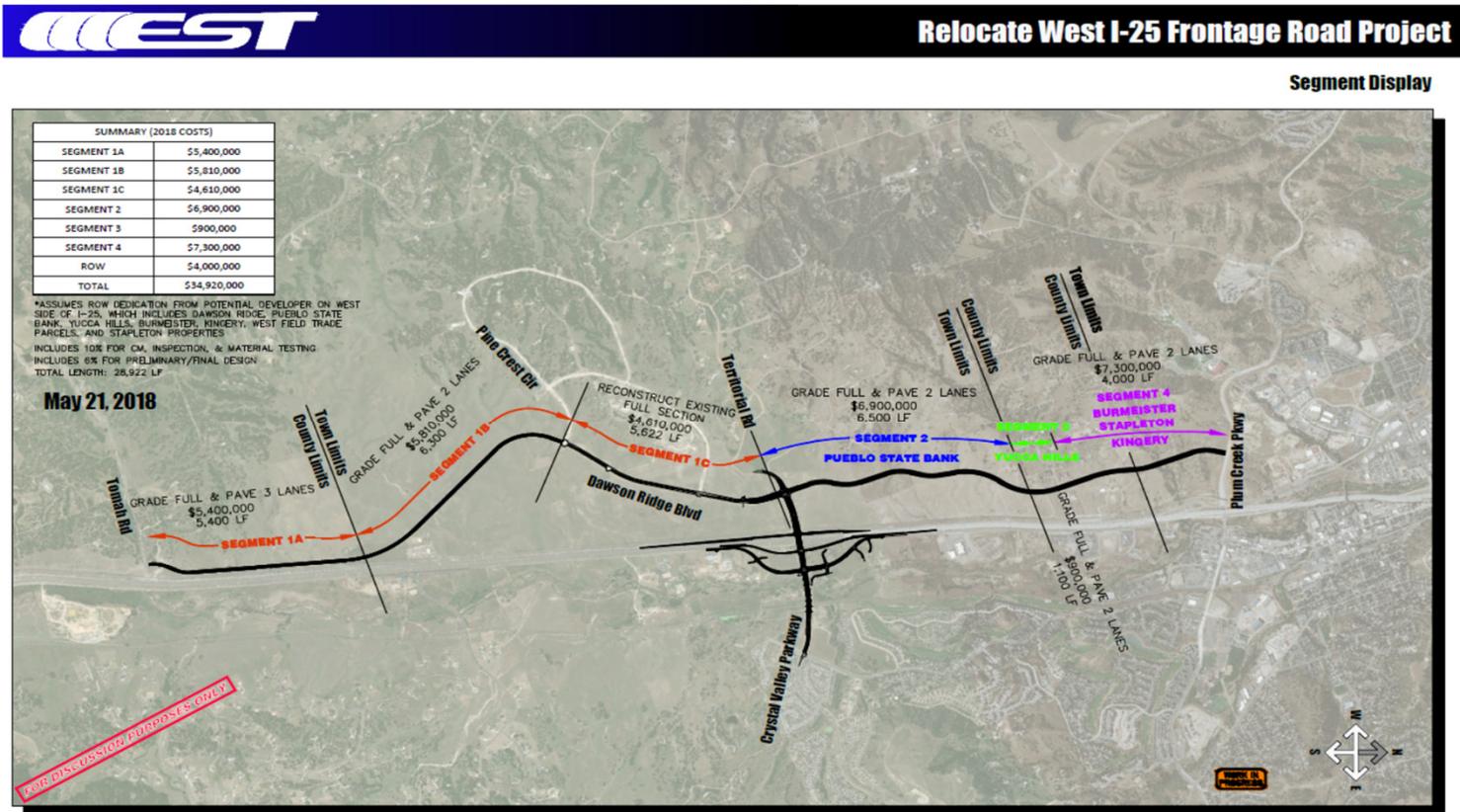
2. Drawings - Area of Benefit



2. a) Crystal Valley Interchange



2. b) West Side Frontage Road (Plum Creek Parkway to Tomah Rd, 5.48 miles)



3. Interchange and Frontage Road Need

1. Has been established that both need each other. Can not build one without the other.
2. Resolves significant Safety issues.
 - a) CDOT needs to relieve pressure at Plum Creek exit to allow traffic to flow into “GAP” project improvements.
 - b) Crystal Valley Fire House #152 access to service area.
 - c) Removes (4) unrestricted rail road crossings and eliminates traffic back-up at those locations.
 - d) Eliminates narrow, no shoulder, existing frontage road, dangerously close to I-25
 - e) Secondary/alternate/emergency route for I-25
3. Project is shovel ready, significant savings if paired with “GAP” project
 - a) Manpower, mobilization, detouring, batch plant, project management, etc.
4. Plum Creek Interchange is forecasted to “fail/blow-up” in 7 years without it.
5. Current market conditions support this timing.
6. Provides access to needed future development areas defined in Town of Castle Rock Masterplan;
 - a) Creates more sales tax & significant job based area (work where you live)
 - b) 30,000 state-of-the-art high paying commercial & manufacturing jobs
 - c) New jobs means those additional employees utilizing current Castle Rack sales tax resources; restaurants, shopping, hotel, etc.
7. Provides Town of Castle Rock with \$90 million asset, at a minimal fraction of the cost to the Town due to multiple funding sources. Amount Town spends does not have to be 100% out-of-pocket, but can come from future impact fees, sales tax, PIFS, etc. received.

4. Cost: Current Stand-Alone Construction Costs to Build

- Full Interchange: \$54,830,900
- Southern Frontage Road: \$17,820,000
 - *Interchange south to Tomah Road*
- Northern Frontage Road: \$17,100,000
 - Interchange north to Plum Creek Parkway
- Total: \$89,750,900

4. a) Additional Savings if Implement with I-25 “GAP” Project

1. Potential for hauling and earthwork material savings:
\$500k (assume \$1/CY for 500k CY)
2. Utilize similar laydown/office areas:
\$ 1.0M (assumes consolidation of CVR Office/yard with Gap Office – also assumes “sharing” of staff, oversight, support resources)
3. Reduce / eliminate mobilization costs:
\$400k (consolidate mobs – work concurrently with I-25 Gap)
4. Material escalation:
\$3.5MM (assumes permanent material escalations over 5 years on similar size project)
5. Coordination of support activities:
\$750k (assumes partial management of I-25 Gap staff)
6. Economy of scale:
\$450k (assumes .5% better pricing with much higher quantities)

Total ROM Savings: \$6.6 MM

- *Savings calculations are approximate. Calculations are based on similar projects and experiences over the past several years. Pricing assumes consolidation with I-25 GAP resources.*

5. Funding Sources

Funding Sources



- Development
- Town of Castle Rock
- Douglas County
- Rail Road
- Rural Transportation Authority District
- State & Federal Funding

% of Total Cost	Funding Source	Total Amount needed for Project	Total amount breakdown	
			Amount Paid-in upfront	Amount Paid-in over 30 yrs
TBD	Development/IGA Agreement Fees	TBD	TBD	TBD
TBD	Town of Castle Rock	TBD	TBD	TBD
TBD	Douglas County	TBD	TBD	TBD
TBD	Rail Road	TBD	TBD	TBD
TBD	Rural Transportation Authority	TBD	TBD	TBD
TBD	State & Federal Funding	TBD	TBD	TBD
100.00%	Total	\$89,750,900	TBD	TBD
		<i>* + additional Finance interest carrying costs</i>		
	Total Need:			
	Upfront Payment of:	TBD		
	Finance remaining - 30 yrs	TBD		
		TBD		

5. a) Development

1. Crystal Valley
2. Lanterns
3. Heckendorf Ranch
4. Castle Rock Trade Center (old Westfield Trade Center)
5. Dawson Ridge
6. Yucca Hills
7. Stapleton/Millers Landing South
8. Secondary Influence Areas
9. * Some funds already exist/paid, others will come as areas develop

5. b) Town of Castle Rock

1. Castle Rock funding is estimated to be minimal upfront, and more significant over time as development provides income gain opportunities.
2. Potential Sources:
 - a) Current set-aside for Interchange/Frontage Road
 - b) Future Impact Fees
 - c) Future Sales Tax
 - d) Future PIF

5. c) Douglas County

- Douglas County funding is estimated to fall more on the front end in years 2-5.
- Had previously set aside \$6.4 million for frontage road then discussed adding an additional \$8 million for Interchange. Currently withdrew funds from 2019 budget due to minimal Interchange activity and no matching funds from Town of Castle Rock at this point.
- Douglas County commented that it would be willing to review again as they re-review their five-year budget projection again next year.
- Future development will also increase property tax amounts for County.

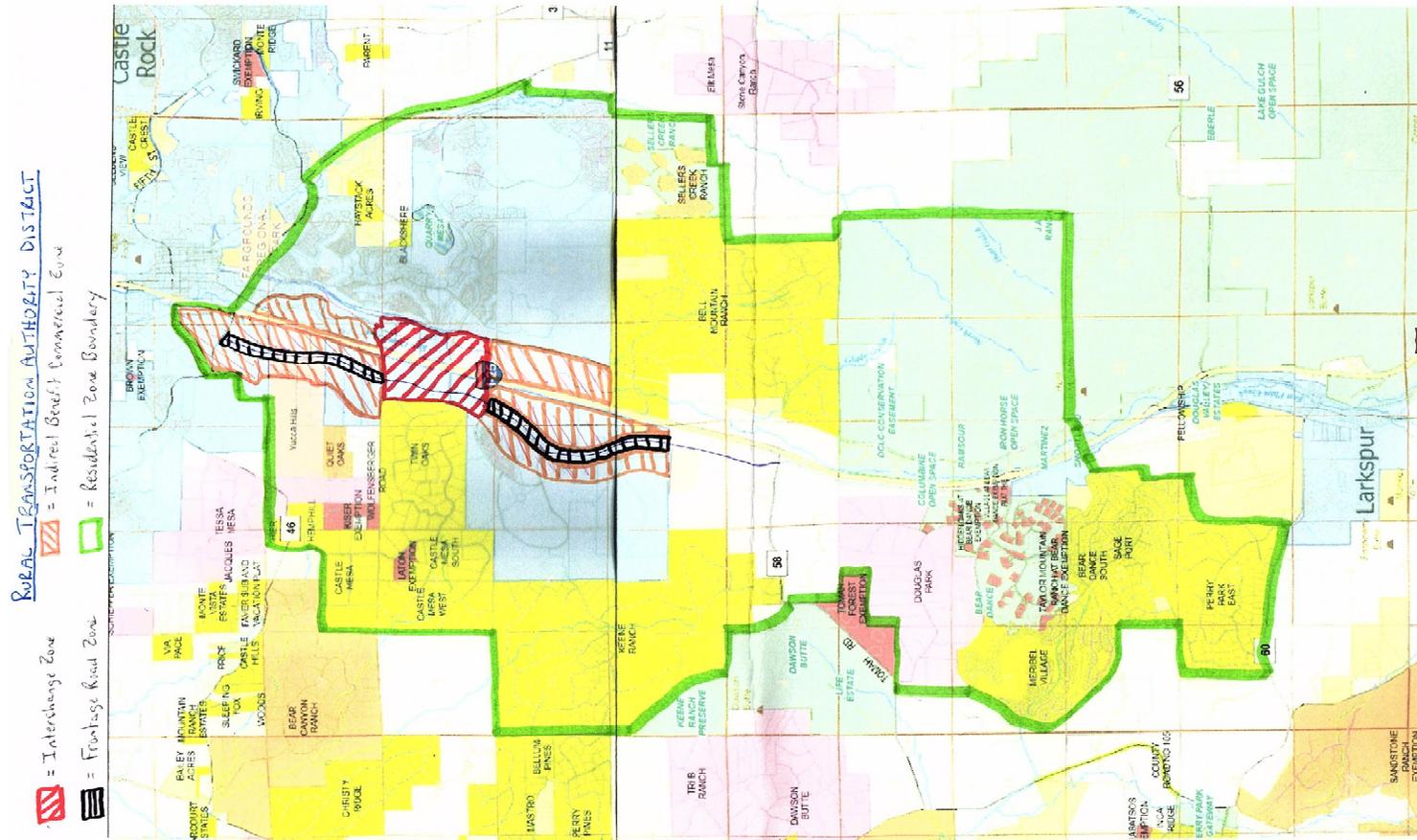
5. d) Rail Road (Burlington Northern)

- Burlington Northern is likely to contribute to Interchange and Frontage Road to eliminate four current rail road crossings that exist. Only one has crossing warning gates, all others are unprotected.
- Current best estimate is that there may be \$1 -\$3 million available from Burlington Northern.

5. e) Rural Transportation Authority District

1. District will be created as a significant funding tool for the Interchange and Frontage Road.
2. District needs only one, Town or County, to sign off on its creation.
3. No vote is necessary.
4. Authority will create “fee” structured areas. As these areas develop, they will pay a yearly fee to the authority, based on location and; if commercial (land SF), if residential (one fee per household).
5. Areas will be defined as: *(see “DRAFT” layout of these areas on next page)*
 - a) Interchange Overlay Zone (+/- 44,390,673 SF)
 - b) Frontage Road Overlay Zone (+/- 56,761,842 SF)
 - c) Indirect Benefit Commercial Zone (+/- 12,842,045 SF)
 - d) Residential Zone *(Today: +/- 5800, Approximate add over 10 years; +/- 9,200)*

5.d) i. Rural Transportation Authority District Map



5. f) State & Federal Funding

1. Not asking government entities to pay for project, rather to fill a gap that is left, after full cooperation from multiple other entities have shared a fair share for their benefit of the project.
2. Recent discussions with Ken Buck.
3. Working with MDC Consulting (Michael Cooke & Melanie Worley) to structure process and requests that will be required. Based on other similar successfully funded projects.
4. CDOT needs new GAP project to function effectively. To do that, new interchange is required to eliminate current southbound back-ups at Plum Creek Interchange.
5. Multiple safety factor improvements will apply with Interchange & Frontage Road that help meet requirements of government funding.

6. Funding Mechanism

1. Once amounts can be finalized amongst funding sources, the RTAD will structure a bond to pay for the Interchange & Frontage Road.
2. First step, finalize Total Capital Cost.
3. Determine upfront contribution amount. Partial used to pay down, balance of upfront funds used to cover yearly principal & interest payments for initial years, until development can get underway.
4. Balance of debt will be totaled and financed for 30 years with interest. Interest rate will be determined based on total dollar amount needed and risk factors of amount.
5. Bond holders will ultimately assume risk of future development.

7. Schedule

- To maximize cost savings, time is of the essence. The goal is to include construction of the interchange & frontage road along with Phase I (northern 6 miles) of the I-25 GAP project.
- To achieve this, these remaining functions need to be complete and in place by June of 2019. This is the date actual ground breaking of interchange and frontage road is needed to tie into GAP project.
 - Re-evaluation of Environmental Assessment
 - Update ROW acquisition plans
 - Environmental Clearance
 - 30% formal plans signed-off on
 - Form Transportation Authority District (3-5 months)
 - Finalize governmental funding (6-8 months)
 - Issue bonds (4-6 months)

8. Summary & Next Steps

Summary:

1. This project has been on the radar for over 20 years. It is the key to opening up the only significant job providing development left in Castle Rock.
2. This project solves a significant problem at Plum Creek Parkway that is only growing, and can not be stopped or prevented.
3. There is not one solution that makes this project a reality, but several, that all have to be aligned simultaneously. Now is that time, that window will close very soon if we do not take advantage of this opportunity.
4. This project is a progressive measure to solve significant safety issues, versus waiting to solve safety issues in a reactive position.

Next Steps:

1. Request that Castle Rock Town Council set-up a “Special Work Session”, to work through details of all the preliminary information provided within this packet.
2. Determine cost and funding breakouts.
3. Work with all involved parties and formalize a win-win solution.
4. Council provide Staff with direction to complete necessary items to meet required deadlines.
5. Complete ROW acquisitions.