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RTD issues start-work order to Denver Transit Partners to build FasTracks rail line to Denver International Airport

NOTICE TO PROCEED COMES WITH FINANCIAL CLOSING ON BONDS THAT PROVIDE PRIVATE FINANCING FOR FASTTRACKS EAGLE P3 PROJECT

Denver, August 12, 2010 – The Regional Transportation District (RTD) has issued the official Notice to Proceed to Denver Transit Partners (DTP) with the FasTracks Eagle P3 Project’s first phase, the 22.8-mile East Corridor Commuter Rail Line to Denver International Airport.

The notice was given concurrently this morning with financial close in New York on \$397.8 million in private activity bonds for the innovative Eagle P3 public-private partnership. Groundbreaking is scheduled for Aug. 26 on the south lawn of DIA’s Jeppesen Terminal. The East Corridor and the other elements of the Eagle P3 Project will combine to provide an estimated 5,400 jobs at the peak of construction in 2012 and 2013, including those hired directly on the job and those it induces in the larger economy.

The Notice to Proceed is for Phase 1, which includes the East Corridor, a new maintenance facility, provision of the trains that will provide service on the project and final design work on the FasTracks Gold Line and Northwest Rail Electrified Segment.

Fluor Enterprises Inc. will lead the design-build team during the six-year design-build phase of the Eagle P3 Project. Fluor will also form part of the team that will operate and maintain the project’s commuter rail lines for the 28-year operating period.

“The RTD staff has worked diligently for more than two years to bring this innovative public-private partnership to a reality,” said RTD Board Chairman Lee Kemp. “We said in 2007 that we would explore all avenues to keep FasTracks moving ahead, and this is a prime example. We are keeping that pledge today with closing on the private financing for the Eagle P3 Project. But there’s no time to rest. We continue to forge ahead on securing funding for the rest of the program.”

DTP will now work on the final design for the project. It expects to begin early construction work such as site-clearing and utility relocation along the East Corridor in the coming months. The East Corridor is scheduled for completion in January 2016.



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“Fluor is proud to have worked with RTD and our Denver Transit Partners team members to bring this prestigious project to financial close,” said Patrick Flaherty, head of Fluor's Infrastructure business. “We now look forward to working closely with RTD, local businesses and other stakeholders to complete the construction of the project safely and on time, and establish a benchmark for rail transit service in the U.S. market.”

This type of public-private partnership, rare in the United States, allowed RTD to put the Eagle P3 Project under contract for \$300 million less over six years than its capital budget estimate. Its capital cost is now pegged at just under \$2.1 billion. The deal drew attention from financial and infrastructure interests around the United States and internationally, and keeps the overall FasTracks program moving forward through today's difficult economic environment.

“It is gratifying that the success of our public-private partnership has been watched with great interest by transportation and finance entities all over the world,” said Phil Washington, RTD General Manager. “But closer to home, here in metro Denver, I take particular pleasure in noting that with today's Notice to Proceed, RTD will be putting people to work and moving FasTracks forward in difficult times. We are building a transit system that will be in place and in use for the next hundred years. As we continue the build out of this great investment program, the benefit to future generations is clear.”

The Eagle P3 Project received an allocation of tax-exempt private activity bonds from U.S. Department of Transportation, which will save RTD millions in financing costs over the life of the bonds. The bonds were underwritten by Barclays Capital and Bank of America Merrill Lynch. DTP is responsible to repay the bonds through service payments made by RTD. At the financial closing, Macquarie Capital Investments Ltd., which acted as developer of the Eagle P3 Project for the past two years with Fluor, brought in subsidiaries of two international infrastructure investment groups, John Laing plc and Uberior Investments, as the long-term equity investors. RTD retains the right to approve any future changes in the equity investors.

“This is a significant project for John Laing as it marks our first U.S. project, as well as one of the first P3 projects in the U.S. transit sector,” said Gary Lucas, Director for International Business Development at John Laing. “We are delighted to be working alongside our consortium partners to deliver outstanding transport facilities for the Denver region.”

In addition to the East Corridor, the Eagle P3 Project also includes design, build, operation and maintenance of the Gold Line Commuter Rail to Arvada and Wheat Ridge as well as a short segment of the Northwest Rail Line to Westminster. Construction and operation of these portions are part of a Phase 2 Notice to Proceed, which is dependent on receipt of a \$1 billion grant from the Federal Transit Administration anticipated next year. Combined with the West Corridor Light Rail Line now in full construction in Denver, Lakewood and Golden, RTD now has 48



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miles of new rail in construction or under contract – 40 percent of the 122 miles of new rail that will be built through the FasTracks transit expansion program.

FasTracks is RTD's voter-approved program to expand rail and bus transit throughout the RTD service area. FasTracks will build 122 miles of commuter rail and light rail, 18 miles of bus rapid transit service, add 21,000 new parking spaces, redevelop Denver Union Station and redirect bus service to better connect the eight-county District. The FasTracks investment initiative is projected to create more than 10,000 construction-related jobs during the height of construction, and will pump billions of dollars into the regional economy.

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