RESOLUTION NO. 2026-31
OF THE FRONT RANGE PASSENGER RAIL DISTRICT
ADOPTING THE DISTRICT'S DETAILED FINANCIAL PLAN AND
CERTIFYING ITS EFFORTS TO SECURE FUNDING

WHEREAS, pursuant to Section 32-22-101, *et seq.*, C.R.S. (the "Act"), the Front Range Passenger Rail District (the "District") was established as a body politic and corporate and a political subdivision of the state to research, develop, construct, operate, and maintain an interconnected passenger rail system within the front range ("Front Range Passenger Rail") that is competitive in terms of travel time for comparable trips with other modes of surface transportation; and

WHEREAS, pursuant to Section 32-22-105(2)(d), C.R.S., the District's Board of Directors (the "Board") is vested with the power to make and pass resolutions necessary for the execution of the District's powers and duties; and

WHEREAS, pursuant to Section 32-22-105(1)(a), C.R.S., the Board is vested with the power to refer a ballot issue seeking voter approval for the District to levy taxes or issue or refinance bonds; and

WHEREAS, pursuant to Sections 32-22-109(1)-(2), C.R.S., no action by the District to establish or increase any tax and no action by the District creating a multiple-fiscal year debt or other financial obligation may take effect unless it is first submitted to a vote of the registered electors of the District; and

WHEREAS, pursuant to Section 32-22-109(1)(a), C.R.S., before submitting a ballot issue to establish any tax to the registered electors of the District, the District must publish "a detailed financing plan" that identifies "committed and potential financial partners, including but not limited to the regional transportation district, the federal government, Amtrak, and private partners"; and

WHEREAS, in furtherance of its statutory powers and duties outlined in this resolution, the District has prepared its detailed financing plan (the "Financing Plan"), attached hereto and incorporated herein as **Exhibit A**, to deliver Front Range Passenger Rail service, which the District has branded the "Colorado Connector"; and

WHEREAS, the Financing Plan provides a credible and financially sustainable framework to fund, finance, construct, operate, and expand the Colorado Connector as a phased passenger rail system connecting the Front Range based on a 0.333% sales and use tax, the continued pursuit of state, federal, and other funding opportunities, and dedicated revenues to support a substantial capital investment program and fund future operations and maintenance; and

WHEREAS, the Financing Plan identifies its partners in the Joint Service Executive Oversight Committee, including the Colorado Department of Transportation, the Regional Transportation District, the Clean Transit Enterprise, the Colorado Transportation Investment Office, and the Governor of Colorado, which along with the District are leading and helping fund the delivery of "starter service" from Denver Union Station to Fort Collins no later than January 1, 2029, as contemplated in Section 32-22-103(5)(c), C.R.S.; and

WHEREAS, the District has engaged in discussions with Amtrak regarding the potential use of Amtrak's new Airo trainsets for the Colorado Connector; and

WHEREAS, the District has conducted outreach to build relationships with various private partners that specialize in services, such as providing rolling stock, operating and maintaining equipment, and providing financing, which will allow the District to enter partnerships with private entities to support the delivery and operation of the Colorado Connector; and

WHEREAS, the Financing Plan identifies the potential use of a Railroad Rehabilitation and Improvement Financing loan, a federal loan program administered by the United States Department of Transportation that provides below-market financing for intercity rail projects and expand borrowing capacity within voter-authorized debt repayment limits; and

WHEREAS, adoption of the Financing Plan establishes a framework for the District's to deliver the Colorado Connector, and it fulfills the District's statutory obligation to publish a detailed financing plan for developing the passenger rail service under the Act; and

WHEREAS, the Board's Executive and Finance Committees have reviewed the Financing Plan and recommended its adoption to fulfill the District's statutory obligation and to guide the District in delivering the Colorado Connector; and

WHEREAS, pursuant to Section 32-22-109(1)(b), C.R.S., the District must further adopt a resolution certifying that it has "made every reasonable effort to secure federal, state, or special purpose authority funding to support the development, financing, construction, operation, or maintenance of the passenger rail system"; and

WHEREAS, the District has pursued various federal funding opportunities, including the United States Department of Transportation-administered Rebuilding American Infrastructure with Sustainability and Equity and Consolidated Rail Infrastructure and Safety Improvements grants, the Federal Railroad Administration's Corridor Identification and Development Program, and is in discussions with Amtrak regarding grant support for the delivery of the Colorado Connector; and

WHEREAS, the District has pursued state funding opportunities and will be supported by its partners on the Joint Service Executive Oversight Committee as described in the Financing Plan; and

WHEREAS, the District has fulfilled its statutory requirement to make every reasonable effort to secure federal, state, and special purpose funding.

NOW, THEREFORE, BE IT RESOLVED that the Board approves and adopts the Financing Plan in the form attached hereto as the District's financing framework to guide the District's development of the Colorado Connector; directs the General Manager to cause publication of the Financing Plan in accordance with Section 32-22-109(1)(a), C.R.S.; certifies that the District has made every reasonable effort to secure funding in accordance with Section 32-22-109(1)(b), C.R.S.; and authorizes the General Manager to make non-material modifications to the Financing Plan prior to publication.

APPROVED this 28th day of August 2026.



Chair

ATTEST:

Joan Peck

Secretary

EXHIBIT A

Financing Plan

[*Separately attached.*]



WORKING DRAFT – SUBJECT TO CHANGE
RELIANCE RESTRICTED

Front Range Passenger Rail District Financing Plan

August 2026

SECTION 01

Executive Summary

This Financing Plan ("Plan") demonstrates a financially sustainable pathway for the Front Range Passenger Rail District ("the District") to deliver the Colorado Connector ("Coco" or the "Project") as a phased intercity passenger train between Fort Collins and Pueblo, comprising 13 permanent stations and 2 potential special-event stations.

This Plan has been prepared to support the Board's decision on a proposed November 2026 ballot measure that would authorize a dedicated 0.333% sales and use tax and provide the borrowing authority needed to fund, finance, construct, operate, and expand passenger train service throughout the Front Range corridor.

Under the proposed measure, voter-approved sales and use tax collections would begin in July 2027 and serve as the District's primary revenue source for the CoCo capital costs, operations and maintenance ("O&M") costs, vehicle costs, debt repayment, and Local Return program costs to local governments with a CoCo station.

Key elements of the Plan include:

- **Starter Service by 2029 (Phase 1).** The District's partnership with the Colorado Department of Transportation ("CDOT"), Colorado Transportation investment Office ("CTIO"), Clean Transit Enterprise ("CTE") and Regional Transportation District ("RTD") through the Joint Service Executive Oversight Committee ("JSEOC") will deliver Starter Service—3 daily round trips between Denver and Fort Collins—using a combination of FasTracks and fee revenues.
- **Full Service by mid-2032 (Phase 2).** The District's Delivery Plan has established a goal of achieving full service from Fort Collins to Pueblo by mid-2032, within five years of securing new and dedicated permanent funding.
- **Affordable capital program.** The entire Project can be delivered through the planned dedicated 0.333% sales and use tax revenues and a limited amount of voter-approved debt financing repaid from these sales and use tax revenues.
- **Limited reliance on borrowing.** Debt financing is assumed only for Phase 2, with subsequent Phases 3–5 expansions being funded from accumulated revenues. Limited reliance on borrowing supports strong debt service coverage ratios, reduces long-term financing costs, and preserves future flexibility.
- **Long-term financial sustainability.** Projected sales and use tax and fare revenues are sufficient to fund operating costs, vehicle lease costs, Local Return program obligations, and debt service throughout the forecast period (2027–2060).
- **Resilient financial structure.** Prudent assumptions for tax revenue growth, debt financing costs, capital cost contingencies, and reserves enable the District to withstand a range of economic and project delivery risks while maintaining planned service levels. While risks remain related to sales tax performance, construction cost escalation, debt market conditions, and host railroad coordination, the analysis indicates that the District maintains sufficient financial capacity to manage downside scenarios.

Overall, the Financing Plan is designed to balance early project delivery with long-term fiscal responsibility. The District has pursued various federal funding opportunities and will continue to pursue federal, state, and other funding opportunities, this Plan does not assume any discretionary grant awards or federal credit assistance to deliver the next major phases of the system. This approach reduces implementation risk while preserving the flexibility to pursue additional funding opportunities as they become available.

SECTION 02

Introduction

The purpose of this document is to fulfill the District's statutory requirement under Section 32-22-109 (1)(a). C.R.S., to publish a detailed financing plan to support the District's proposed plan for developing Front Range Passenger Rail service that identifies both committed and potential financial partners, including but not limited to RTD, the federal government, Amtrak, and private partners. This financial plan fulfills this requirement by detailing how the District intends to fund, finance, delivery and – over the long term – sustainably operate passenger train service connecting communities along Colorado's Front Range.

CoCo will be implemented through a phased investment program that incrementally expands passenger train service between the Front Range's biggest population and job centers. By advancing service in phases, the District can begin delivering meaningful mobility benefits while aligning future investments with available revenues and evolving transportation needs.

The implementation strategy is based primarily on revenues generated within the District through a dedicated sales and use tax to be decided by voters in November 2026. While the District will continue to pursue federal, state, and other funding opportunities as appropriate, the Financing Plan does not rely upon discretionary grant awards or federal credit assistance to deliver the next major phases of the system. Instead, the Plan is designed around funding sources that are expected to be available within the District's control.

The financial analysis indicates that dedicated District revenues can support the CoCo capital program while also funding future O&M needs. The Plan combines sales tax revenue pay-as-you-go ("pay-go") funding with a measured use of sales tax revenue bonds to accelerate project delivery and maximize benefits for taxpayers. Debt issuance would be subject to the authorization provided by voters and structured to preserve the District's long-term financial sustainability.

Under the District's current planning assumptions, The planned 0.333% sales and use tax revenues and authorized debt capacity provide a pathway to deliver full service from Fort Collins to Pueblo by mid-2032. The phased approach outlined in this Plan allows the District to advance near-term implementation priorities while preserving flexibility regarding future system expansion, financing decisions and partnership opportunities.

Revenue forecasts, operating costs, vehicle costs, capital costs, and debt obligations have been evaluated using planning assumptions intended to support resilience under a range of economic conditions, with contingencies included to reflect the current level of project design maturity.

The result is an achievable roadmap for advancing intercity passenger train service along the Front Range. By establishing a dedicated funding source and implementing a disciplined financing strategy, the District can begin making long-term investments in regional mobility while maintaining accountability to taxpayers and preserving financial flexibility for future generations.

SECTION 03

Project Overview

The Project runs roughly 190 miles along the Front Range and I-25 corridor, from Fort Collins in the north through Denver Union Station to Pueblo in the south - mostly on existing tracks. The Project will have 13 permanent stations (Fort Collins, Loveland, Longmont, Boulder, Louisville, Broomfield, Westminster, Denver, Littleton, Sterling Ranch, North Colorado Springs, Colorado Springs and Pueblo) and two special event stations (Denver Broncos stadium at Burnham Yard and Denver Summit FC stadium at South Broadway and I-25).

Phasing. The Delivery Plan, which outlines the full-buildout vision for CoCo, segments the Project into five phases, each corresponding to a defined set of infrastructure improvements that will enable an increased level of service.

- **Phase 1 (Starter Service):** Also known as Joint Service, Phase 1 will have 3 daily round trips between Fort Collins and Denver on freight infrastructure owned by private railroad partners, and 8 stations including Denver Union Station, Westminster, Broomfield, Louisville, Boulder, Longmont, Loveland and Fort Collins.
- **Phase 2 (Full Service):** Phase 2 will Increase service between Fort Collins and Denver to 4 daily round trips, adds stations south of Denver (Littleton, Sterling Ranch, North Colorado Springs, Colorado Springs and Pueblo) to extend service to Pueblo with 2 daily round trips and complete the full corridor between Fort Collins and Pueblo.
- **Phase 3 (Expanded Service):** Phase 3 will add 2 additional round trips from Fort Collins to Denver and 2 additional round trips from Denver to Pueblo.
- **Phases 4 and 5 (Expanded Service):** Phase 4 will add 4 additional round trips from Fort Collins to Denver and 4 additional round trips from Denver to Pueblo.

Implementation schedule. The target completion date for Phase 2 is mid-2032, or within five years of the new District sales and use tax taking effect in July 2027. Subsequent phases will be implemented over a 20-year planning horizon, and their timing will be dependent on continued collaboration and negotiation with host railroads.

Phase	North Service (Fort Collins - Denver)	South Service (Denver – Pueblo)	Delivery Date
Phase 1 (Starter Service)	3 RT/day	–	2029
Phase 2 (Full Service)	4 RT/day	2 RT/day	mid-2032
Phase 3 (Expanded Service)	6 RT/day	4 RT/day	2037*
Phases 4 – 5 (Expanded Service)	10 RT/day	8 RT/day	Mid-2045*

* These delivery dates are the earliest completion date based on the sales and use tax revenue availability to fund these phases on a pay-go basis.

SECTION 04

Capital Investment Plan

Capital cost by phase.

- **Phase 1**: The JSEOC, an interagency governance group consisting of the District, CDOT, RTD, CTE, CTIO, and the Governor's Office, is leading the delivery of Phase 1, a Starter Service from Fort Collins to Denver.
- **Phases 2–5:** The District is leading the delivery of Phases 2–5. Phase 2 represents the largest capital investment where District debt financing will be needed to meet the mid-2032 completion goal. Phases 3–5 are expected to be funded on a sales and use tax revenue pay-go basis only.
- Contingency: The capital cost estimates in the table below include contingency for the CoCo Project, including allocated contingency, unallocated contingency and escalation.

Vehicle lease approach. Amtrak is expected to be the operator and vehicle lessor for Phase 1 starter service. While the operator for Phases 2–5 has yet to be confirmed, the District has engaged in discussions with Amtrak regarding securing Amtrak's new Airo trainsets for CoCo. Vehicles are assumed to be leased from the operator and therefore do not appear as a capital cost in the table below.

Under the assumed lease structure, payments to the operator will commence upon the start of revenue service. Treating vehicle leases as an operating expense improves affordability and reduces the capital costs that would otherwise need to be financed during the design and construction period, limiting the amount of funding that needs to be reserved for vehicle rehabilitation and future replacement.

Stations. The Delivery Plan assumes that the District will deliver station platforms and canopies that meet passenger boarding requirements, host railroad and operator requirements. Any additional station amenities will be the responsibility of local governments through the Local Return program.

The Local Return Program, established by the District in April 2026 by Resolution 2026-11, is an optional mechanism through with local governments hosting permanent stations may elect to receive annual funding for a 25-year period, with funding amounts based on population, to be used for the design, construction, operation and maintenance of their station and eligible station-area investments that enhance access, connectivity and functionality.

($M)	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Civil Infrastructure (incl. 25% allocated contingency)	$332	$1,121	$348	$53	$936
Vehicles(1)	-	-	-	-	-
Design & Professional Services	-	$222	$70	$11	$188
Financing Costs(2)	-	$79	-	-	-
Escalation (3% annual)	-	$197	$138	$25	$719
Unallocated Contingency (10%)	-	$154	$56	$9	$184
Total Project Capital Costs (YOE)	**$332**	**$1,772**	**$611**	**$99**	**$2,027**

(1) Vehicles are assumed to be leased and treated as an operating cost.
(2) Includes issuance fees and funding of debt service reserves.

SECTION 05

Funding Strategy

Phase 1 Funding Strategy.

- **SB 24-184:** CTIO, a CDOT enterprise, plans to use a portion of SB 24-184 rental car fee revenues to fund both Phase 1 construction costs and CTIO's agreed share of Phase 1 operating costs.
- **SB 24-230:** CTE, a CDOT enterprise, plans to use a portion of the Rail Funding Program (which is 20% of the SB 24-230 oil and gas production fee revenues) to fund Phase 1 construction costs and CTE's agreed share of Phase 1 operating costs.
- **RTD contribution:** Approximately $156 million of Phase 1 project elements are located within RTD's service area and may be funded through an RTD upfront capital contribution. It is currently assumed that RTD will also share Phase 1 operating costs with CTIO and CTE.
- **Farebox and ancillary revenues:** Once revenue service commences, the system is expected to generate farebox, food and beverage, and other ancillary revenues, which will offset a portion of operating costs.

The Financing Plan assumes that CTIO, CTE and RTD will continue funding the O&M and vehicle lease costs associated with Phase 1 service (3 daily round trips from Fort Collins to Denver) following the launch of Phase 2 service.

	Phase 1 Capital	Phase 1 O&M
SB24-184 (CTIO)	✓	✓
SB24-230 (CTE)	✓	✓
RTD contribution	✓	✓
Farebox and ancillary revenue		✓

Phase 2-5 Funding Strategy.

- **District sales and use tax:** The implementation strategy for Phases 2 – 5 is based on establishing a dedicated sales and use tax within the District, subject to passage of a future ballot measure. If approved, this revenue source would provide the principal long-term funding for capital costs, O&M costs, vehicle lease costs and debt repayments for Phases 2 – 5.
- **Farebox and ancillary revenues:** The expanded system is also anticipated to generate additional farebox, food and beverage, and other ancillary revenues that will offset a portion of the operating period costs.
- **Discretionary funding programs: The** District has pursued various federal funding opportunities, including the U.S. Department of Transportation-administered Rebuilding American Infrastructure with Sustainability and Equity and Consolidated Rail Infrastructure and Safety Improvements grants, the Federal Railroad Administration's Corridor Identification and Development Program, the National Railroad Partnership Program / Federal-State Partnership for Intercity Passenger Rail (FSP) Grant Program and is in discussions with Amtrak regarding grant support for the delivery of CoCo. The District may continue to pursue additional federal, state, and other funding opportunities as appropriate. However, these sources are not assumed in the base case funding strategy. This approach avoids reliance on uncertain discretionary grant awards while retaining the flexibility to pursue such funding opportunities as available.

	Phase 2-5 Capital	Phase 2-5 O&M
Sales and use tax (0.333%)	✓	✓
Farebox and ancillary revenue		✓

SECTION 06

Financing Strategy

This Financing Plan is focused primarily on the delivery of Phase 2, which is expected to require debt financing to meet its target completion date of mid 2032, whereas Phases 3 and beyond are anticipated to be funded over time on a pay-go basis.

The District's sales and use tax is projected to raise $295 million in its first full year of collection, which will be used to cover Local Return program costs, debt service costs, and following completion of Phase 2, ongoing O&M and vehicle lease costs.

- **Debt authorization.** The amount of debt the District is legally permitted to issue is established in the ballot issue referred to voters. The ballot issue as currently contemplated limits total debt issuance to $580 million, with the maximum debt repayment cost capped at $785 million.

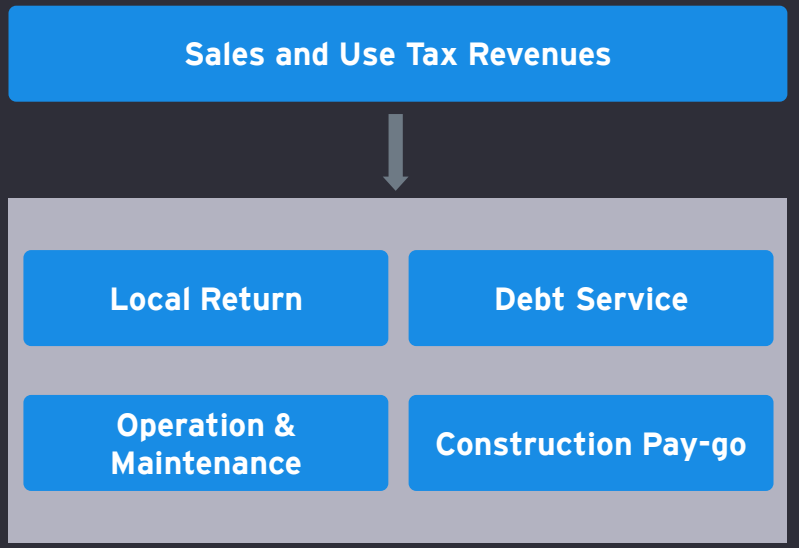
- **Sales tax revenue bonds.** The District will issue 30-year municipal bonds secured by a pledge of the sales and use tax collected by the District (less amounts committed for the Local Return program). The assumed interest rate of 5.75% on the bonds is based on the credit rating achieved on comparable issuances and an interest rate cushion to account for future rate uncertainty.

  The Plan assumes that the District will utilize $398 million in debt proceeds issued in 2030, with a 30-year level repayment period, representing an annual debt service cost of $29 million.

- **RRIF loan potential.** Railroad Rehabilitation and Improvement Financing ("RRIF") is a federal loan program that provides below-market financing for intercity rail projects. A RRIF loan could expand borrowing capacity within voter-authorized debt repayment limits. However, given the current Plan assumes no federal participation, no RRIF loan has been assumed, although this financing option could be explored in the future.

- **Phases 3–5 Implementation.** Not all annual revenue raised can be used as pay-go for construction for future phases. Other District obligations will take priority over the use of those revenues, including payments associated with the Local Return program, O&M costs, vehicle lease costs, and debt service.

Financing Plan Uses of District Revenues

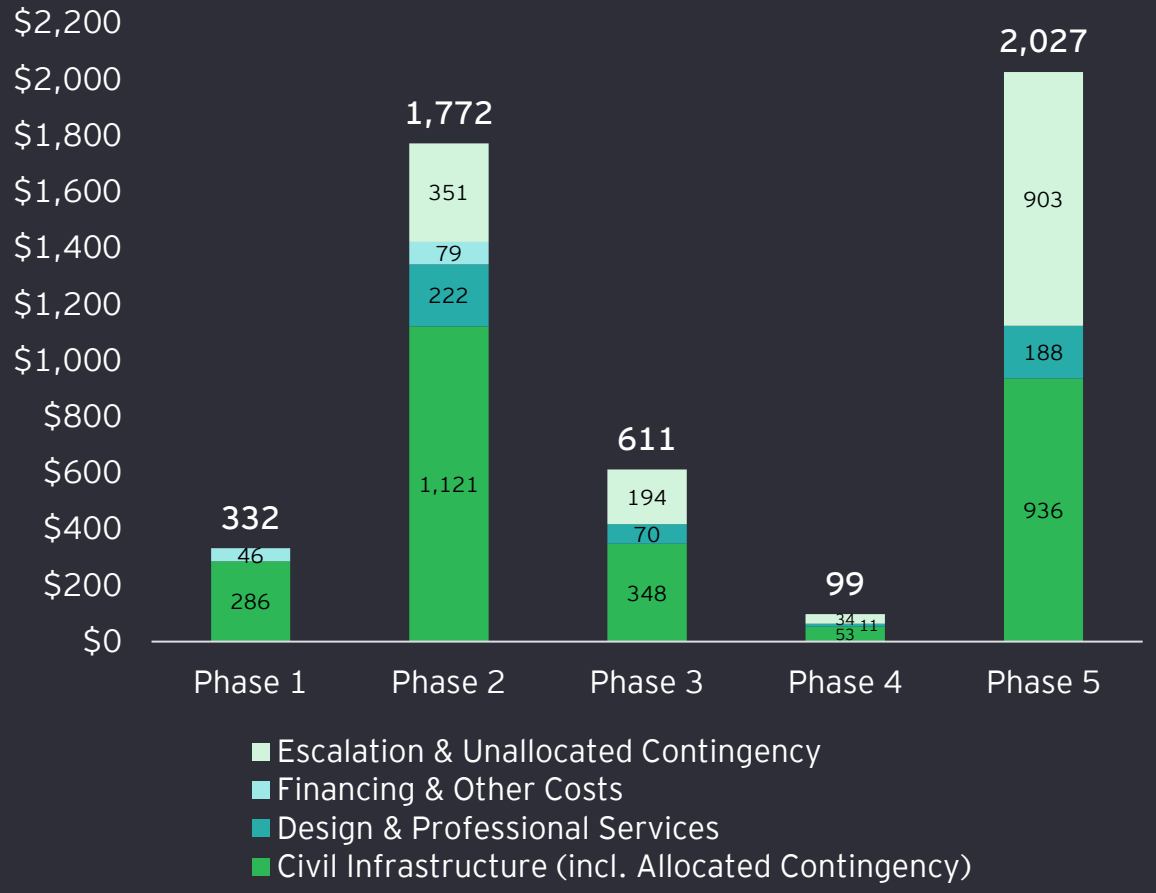


SECTION 07

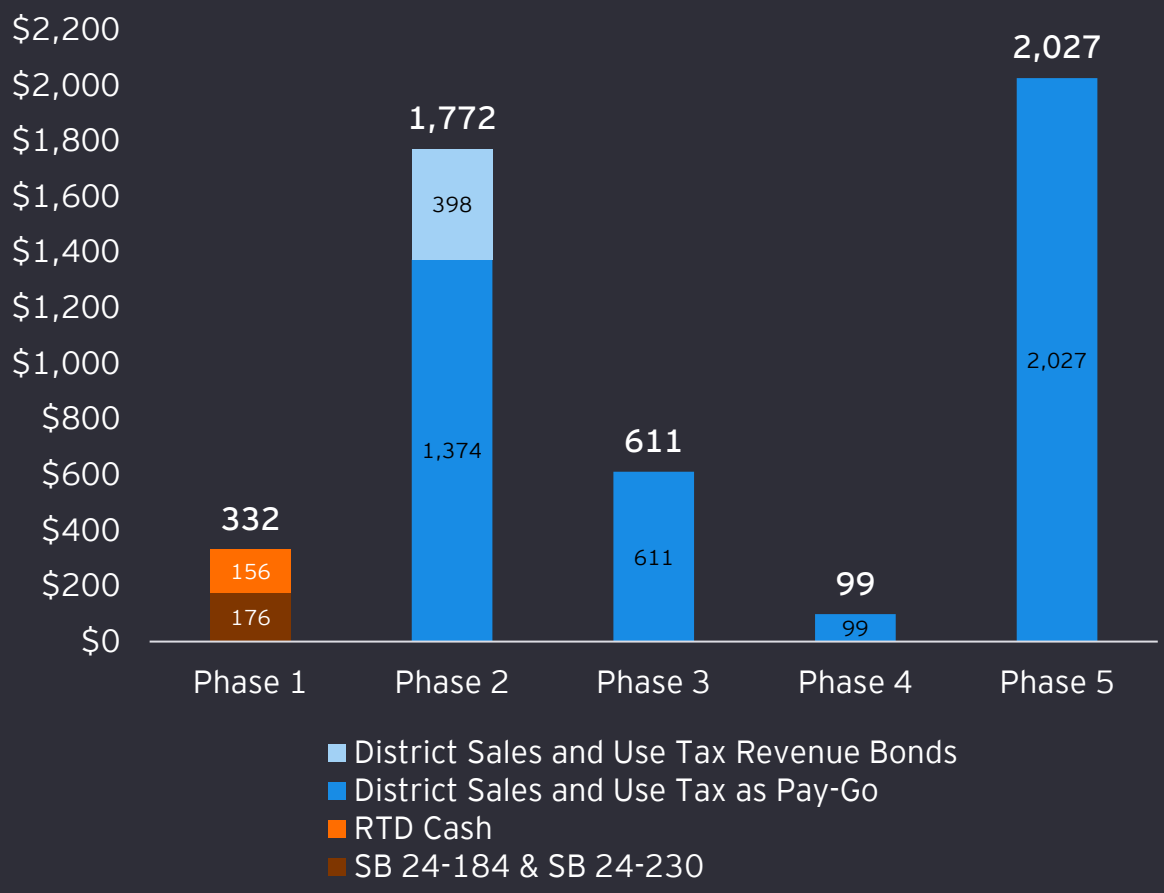
Construction Sources and Uses

The charts below illustrate construction sources and uses for each phase of the Project. Phase 1 will be fully funded by the District's funding partners (CTE / CTIO / RTD). Phase 2 will require limited District debt financing. Phases 3 through 5 will utilize sales and use tax revenues on a pay-go basis only.

Construction Uses ($M)



Construction Sources ($M)

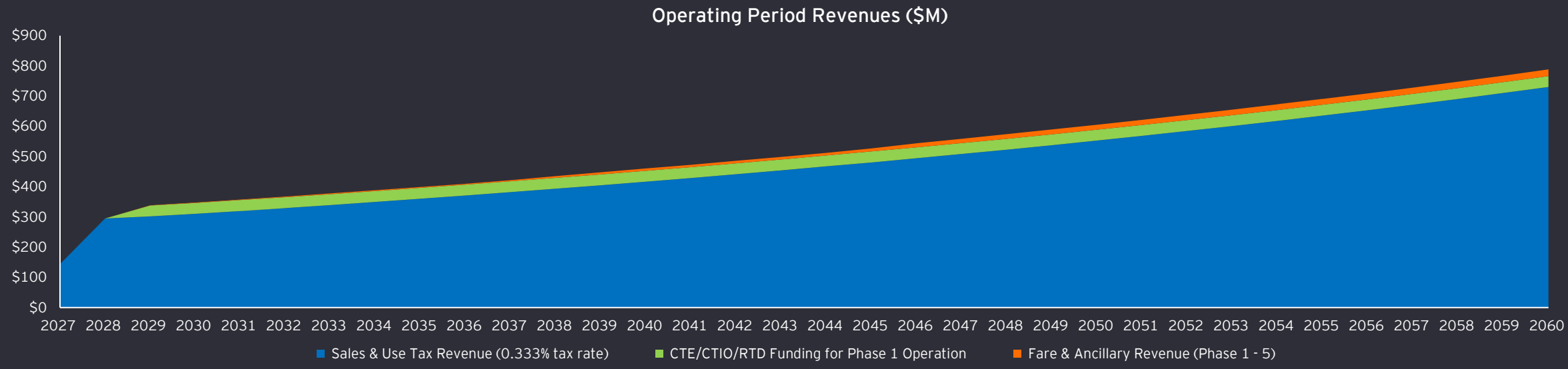


SECTION 08

Financial Sustainability (Operating Period Revenues)

The chart below illustrates total operating revenues, including:

- **CTIO/CTE/RTD funding for Phase 1 operations:** It is assumed that the District's funding partners will continue to cover the O&M and vehicle lease costs associated with Phase 1 operations (3 daily round trips between Fort Collins and Denver) after the launch of Phase 2 service in mid-2032 and throughout the forecast period.
- **Sales and use tax revenue:** Subject to voter approval, the District's 0.333% sales and use tax would take effect with collections beginning in July 2027. The long-term sales and use tax forecast is based on the 2025 actual taxable base data from the Colorado Department of Revenue, a long-term taxable base growth rate of 2.5% to 3.0% p.a., and a 0.333% tax rate. The first full year of collections (2028) is estimated to yield $295 million in receipts.
- **Farebox & ancillary revenue:** The expanded system is anticipated to generate additional farebox, food and beverage, and other ancillary revenues that will offset a portion of operating costs.

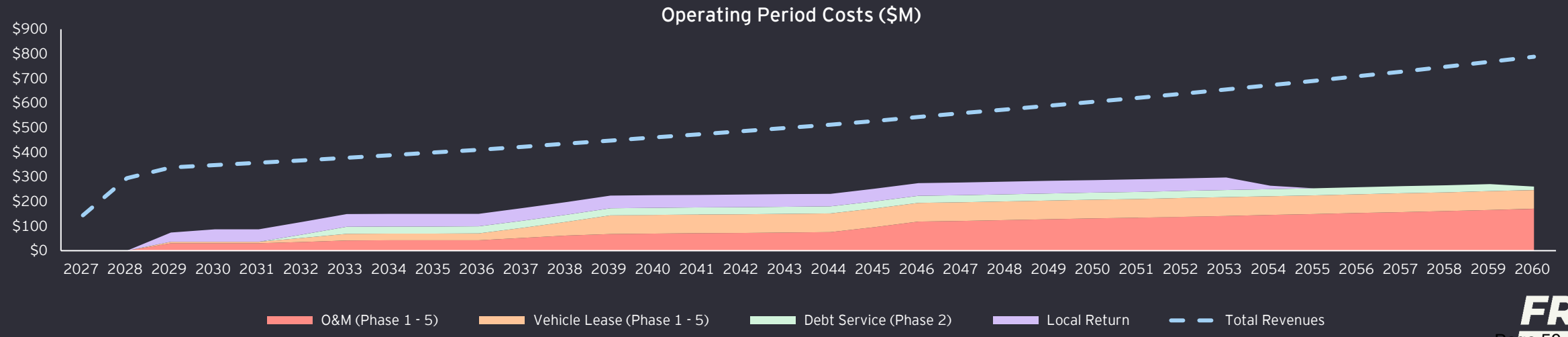


SECTION 08

Financial Sustainability (Operating Period Costs)

District has conducted outreach to build relationships with various private partners that specialize in services, such as providing rolling stock, operating and maintaining equipment, and providing financing, which will allow the District to enter partnerships with private entities to support the delivery and operation of CoCo. The chart below illustrates total operating period costs, including:

- **Local Return.** Starting in 2029, a portion of sales and use tax receipts will be set aside ($51.3 million per year) for 25 years to fund the District's Local Return program. Each of the local governments having at least one CoCo station will receive an annual allocation based on its current population. Trinidad, Colorado, which is served by the Southwest Chief but does not currently have a passenger train station depot, will also receive an annual allocation for the same purpose. The Local Return funding may be used for a variety of station enhancements and connectivity improvements, allowing communities to further shape their station areas.
- **O&M costs**. The O&M costs mainly include payments to the operator for passenger train service, freight railroads for track access, and a budget for the District's oversight and management of the service. Phase 1 Starter Service O&M cost is approximately $30 million/year and assumed to be funded by CTE/CTIO/RTD. When Phase 2 construction is completed, the total O&M cost will increase to $40-51 million (between 2033-2037).
- **Vehicle lease costs.** Each phase's vehicle cost is converted into a level annual lease payment over a 30-year term, assuming a 20% residual value at end of term and a 6.5% lessor yield. The estimated vehicle lease cost for Phase 1 is approximately $6 million/year and assumed to be funded by CTE/CTIO/RTD. When Phase 2 is completed, total vehicle lease cost will increase to $27 million/year in 2033 dollars, growing thereafter with the completion of each subsequent phase as service frequencies increase and additional vehicles are required.
- **Debt service.** Sales tax revenue bonds are issued only for Phase 2. Level annual debt service payments are estimated at $29 million over the 30-year term of the bonds, with coverage ratios ranging from 8.6x – 24.1x (averaging 15.0x).
- **Debt service reserve.** A debt service reserve account equal to 12 months of debt service is also assumed to be funded as part of lender requirements at the time of bond issuance.

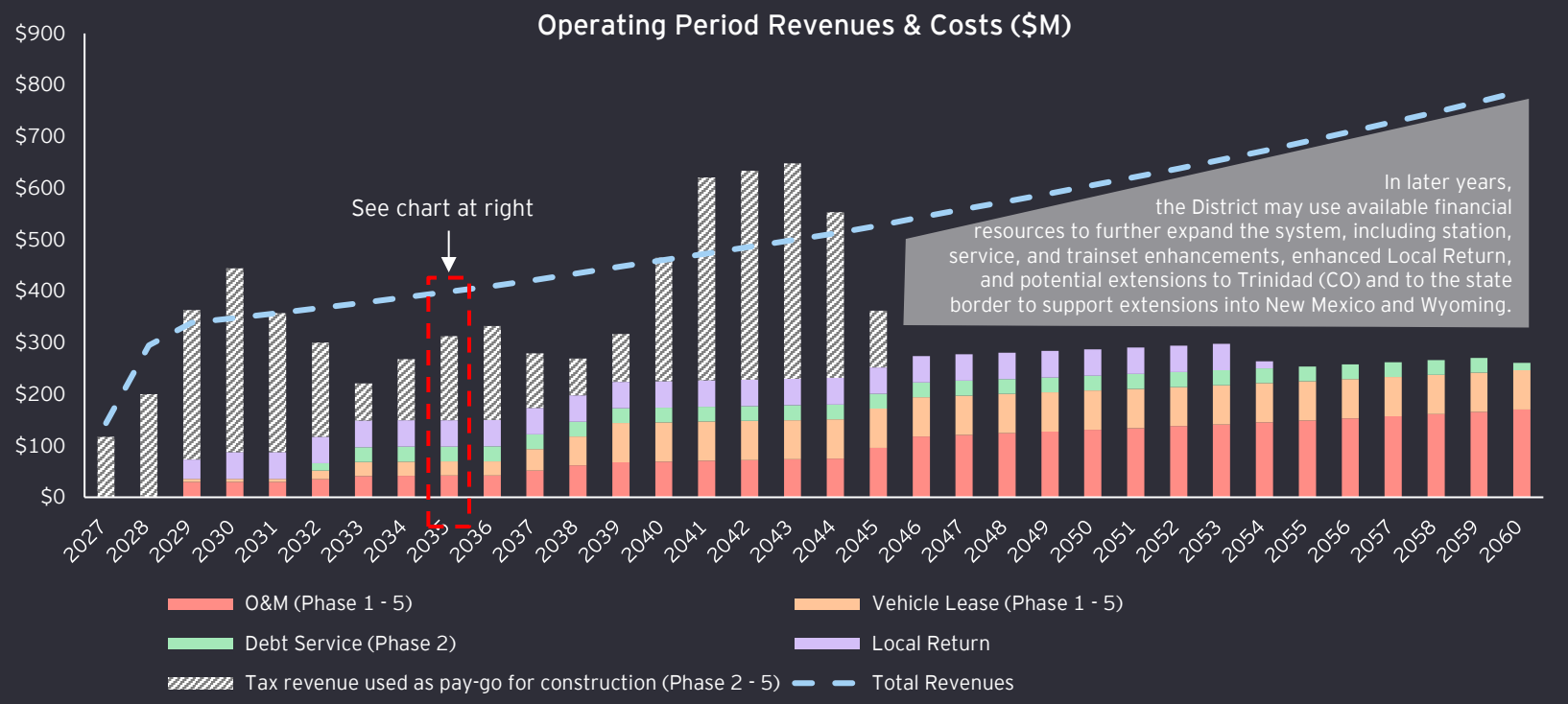


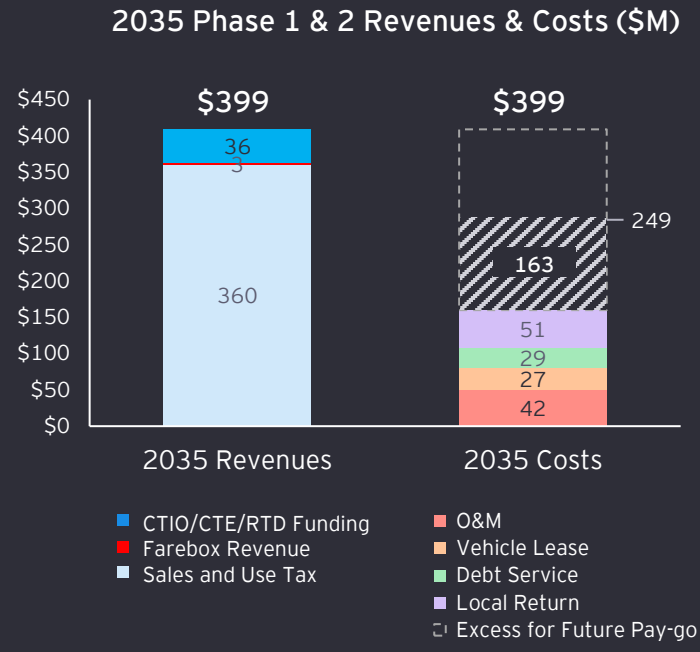
Financial Sustainability (Operating Revenues & Costs)

Operating revenues vs operating costs. The chart below shows that the District's operating revenues – sales and use tax, farebox, and contributions from state and local partners – are projected to keep pace with and exceed total operating costs across the forecast period. Even with expected increases in operating costs with each successive phase, revenues are expected to fund these obligations in full.

An average debt service coverage ratio of 15.0x provides a cushion against revenue volatility, underscoring the Project's ability to absorb downside scenarios.

Available cash for construction pay-go. Critically, after meeting all operating and debt obligations, the Project is projected to generate additional cash – allowing the District to fund future system expansion and capital improvements on a pay-go basis, thus limiting reliance on additional borrowing. As shown by the hatched bars in the chart below, the District is using the debt service coverage to fund design and construction costs until full buildout of the system is achieved in 2045. After 2045, as additional financial resources become available, the District may pursue further expansion of the system, including station, service, and trainset enhancements, enhanced Local Return, and potential extensions to Trinidad (CO) and to the state border to support extensions into New Mexico and Wyoming.





SECTION 09

Key Variables Impacting Project Feasibility

	Downside scenario	Upside scenario
Revenue volatility Sales and use tax is sensitive to demographic trends and macroeconomic conditions that may impact future tax revenue growth.	Sales tax underperformance could reduce funding available for debt service, O&M and construction pay-go for future phases.	On the other hand, sales tax overperformance may allow the District to accelerate future phases, reduce borrowing needs, or strengthen financial reserves.
Debt capacity Market conditions constrain the timing and amount of sales tax revenue bonds that can be issued and their impact on cashflows.	If interest rates increase unexpectedly, the debt financing capacity will decrease.	For each 50 basis-point decrease in the interest rates, debt financing capacity increases by approximately $5 million within the voter approved limit.
Cost escalation Construction / rail infrastructure costs may increase as design advances. Moreover, construction cost inflation may increase at historically high rates before construction advances.	Increased construction costs or schedule delays could create funding gaps, requiring additional financing, phase deferrals, or scope adjustments.	Favorable market conditions and efficient project delivery could create cost savings that allow the District to develop additional stations, increase service level, accelerate delivery of future phases, reduce borrowing, or increase reserves.
Host railroad partnership Access, operations, capacity and implementation depend on agreement with host railroads (BNSF Railway and Union Pacific)	Host railroad constraints could impact delivery schedule, implementation costs, and service levels.	Strong collaboration with the host railroads could accelerate project delivery, improve operational flexibility, and reduce implementation risks and costs.

SECTION 10

Risk Management Strategy

The District's risk management framework pairs active governance and disciplined financial monitoring with the flexibility to adapt delivery as conditions evolve.

Governance & oversight

- **Board governance and financial oversight:** The Project is managed by the District's Board, with a Finance Committee that meets monthly to oversee the Project.
- **Dedicated financial management function:** The District may establish a dedicated management function (e.g., CFO role) to lead ongoing financial monitoring, reporting, and stewardship of the Financing Plan.

Disciplined monitoring and real-time adjustment

- **Financing Plan updates:** If the ballot measure passes, this Financing Plan is expected to be updated annually to incorporate actual construction - and operation - period performance data, along with revised projections based on actual performance.
- **Real-time adjustments:** The District can then adjust its financing, construction, and operation approach in real time to manage the key risks identified on the right.
- **Independent annual review and public accountability:** All dedicated revenues will be reviewed annually by an independent auditor and a rotating group of citizen taxpayers who live in the District. The annual Financing Plan update will accompany this review to inform the Board and public of the CoCo Project's construction and operations progress.

Key risk areas & mitigation levers

Risk area (from p.12)	What is monitored (from p.12)	Mitigation lever
Sales and use tax performance	Actual collections vs. forecast; demographic and macroeconomic trends	Accelerate or defer future phases, adjust borrowing, or build reserves as receipts over-/under-perform
Debt market conditions	Interest rate movements and available debt capacity vs. voter-authorized limits	Adjust planned debt issuance and/or explore use of other debt instruments
Construction cost escalation	Capital cost trends and schedule variance against contingency allowances	Access contingency and/or adjust construction phasing by deferring, adjusting scope, and/or accelerating construction projects as funding allows
Host railroad partnership	Progress and terms of BNSF/UPRR access agreements; O&M cost estimates affecting delivery and service levels	Adjust access agreement and O&M terms with BNSF and UPRR; seek to reduce uncertainty with operations and related cost