



Board of Directors

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Jefferson Parkway Public Highway Authority Budget Message for the 2011 Annual Budget

October 14, 2010

Members of the Board:

In accordance with the requirements of CRS 29-1-105, I am pleased to present to you the proposed 2011 budget for the Jefferson Parkway Public Highway Authority. 2010 has been a year of significant progress for the Jefferson Parkway. We achieved a major milestone early this year by inclusion of the Parkway on the DRCOG fiscally-constrained regional transportation plan. The DRCOG vote also satisfied the one remaining legislative requirement imposed by Congress to initiate the transfer of the Rocky Flats transportation corridor from Federal government to JPPHA. We are making progress on that front as well and anticipate the transfer to be completed in the near future. This is the key parcel needed to assemble the right-of-way, recognizing that there are some additional private parcels to obtain. Once the land assembly is complete, the Authority is positioned to begin the process of identifying a private partner to design, construct, operate, maintain and finance the Jefferson Parkway.

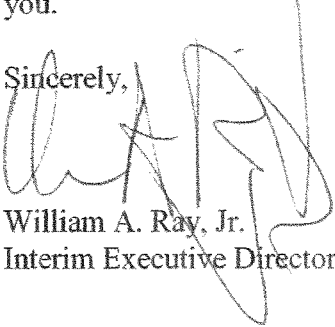
The budget being presented to you has as its goal the completion of a pre-concession agreement by July 4, 2011. This will require our project team to prepare, distribute and evaluate Requests for Proposals and for our legal team to craft the pre-concession contract. Issuing and reviewing the Request for Proposals, evaluating the merits of the respondents, crafting a pre-concession agreement, developing the framework for a full concession agreement, due diligence efforts, financial analysis and risk assessment will all be required for the Authority to bring a private partner on board and begin work. There are ongoing operational costs and activities that will require funding as well. The budget as presented will require a financial contribution from each member government of \$220,000, or a total of \$660,000.

Future steps beyond the pre-concession agreement are not within this budget proposal; this is based on the premise that the resources needed to complete more detailed environmental, permitting, engineering and financial analysis will be borne by the private partner as part of the pre-concession stage. Please note that this budget does not include the cost of any land acquisitions needed to complete assemblage of the right of way. This budget is being presented to the Authority Board in order for the member jurisdictions to continue discussions on these matters. As was noted in last year's budget message, it is possible that global financial conditions may slow down our ability to access private equity and credit markets needed to finance the Jefferson Parkway. It is also possible that we will identify a private partner with the resources at-hand to proceed with all deliberate speed.

The next steps in the 2011 budget process are to set the place, time and date for a public hearing, to officially note that the budget is now publicly available for review and inspection, to further note that any elector may file objections to the budget prior to adoption, and to cause a public notice to be published.

To return to my opening remarks, 2010 has been a year of significant progress toward making this project a reality. You should be justly proud of the milestones you have achieved since the inception of the Authority. I appreciate the opportunity to continue serving the Authority. It has been a genuine pleasure to work with all of you.

Sincerely,



William A. Ray, Jr.
Interim Executive Director