

City Council Work Session, October 27, 2014

Questions raised by members of Council with responses

Question: How will the project be funded? How long will it take to raise the necessary funds to perform the restoration? Who has an interest in providing funding?

Response by C&TSRR - A fund raising campaign will be run by the Cumbres & Toltec Scenic RR. We will approach several organizations including but not limited to the Friends of the Cumbres and Toltec Scenic RR, the Narrow Gauge Preservation Foundation, and several private donors who wish to remain anonymous at this time. There are a large number of individuals nationally and internationally who have a strong interest in seeing this locomotive pull the historic equipment originally built for Gen. Palmer's D&RG in the 1880s. Those passenger cars are currently being restored by the C&TS and the Friends of the C&TS. The City of Colorado Springs, and the Colorado State Historical Fund will not be asked to participate in this funding effort. We anticipate that the funding effort will be ongoing but that a significant portion of the funding will be raised within 6 months. A part of our fund raising planning will also include the option of making strategic donations as seed money out of the historic preservation fees we charge our passengers.

Question: Who thus far has been involved in the stakeholder process and who else will you consult with?

Response by Matt Mayberry, Cultural Services Manager – The concept of leasing Old 168 has been presented in public meetings on the following instances:

October 6, 2014 – Historic Preservation Board presentation

October 9, 2014 – Parks Board presentation

October 27, 2014 – City Council informal presentation

October 28, 2014 – public input session with invitation sent to property owners within 1,000' of Antlers Park and other stakeholder groups

December 9, 2014 – Parks Board presentation and action item

Question: One council member noted that someone called this a “Chief Theater” moment for Colorado Springs, where we potentially stood to lose in invaluable resource we couldn't get back.

Response by C&TSRR - The lease agreed to by the Colorado Springs Parks Advisory Board and the Cumbres & Toltec Scenic RR Commission is for 3 consecutive 15 year leases. At the end of the term the locomotive will be returned to the City of Colorado Springs in a condition suitable for long term display (a condition equivalent to its condition when the last “cosmetic” restoration was completed in 1984. Also, during the terms of these leases, the locomotive can be returned to Colorado Springs for special events and at no time does the ownership of the locomotive change.

Question: How does Colorado Springs get the engine back if they want it?

Response by C&TSRR - The agreement calls for temporary return of the locomotive with adequate notice for special events. Otherwise, the lease agreement states that either party may terminate this Agreement for cause at any time by giving prior written notice to the other party specifying the

effective date thereof. For the purposes of the agreement and “for cause” means a violation of the lease terms. In the event of an emergency, City may at its sole discretion, take immediate action to repossess or to relocate the locomotive to a safe location.

Question: Where would the engine go if it came back to Colorado Springs?

Response by Matt Mayberry, Cultural Services Manager – There is no specific plan at this time and additional public process would be required to develop a plan. In order to retain National Register status, given current standards and best practices, the engine should return to an appropriate railroading context. This means that it should be placed very near the existing corridor of the Denver and Rio Grande Railroad.

Question: If Colorado Springs got the engine back, what condition would it be in? What if it is in an accident? The general opinion was voiced that it would need to return in as good or better than current condition.

Response by C&TSRR - At the end of the term the locomotive will be returned to the City of Colorado Springs in a condition suitable for long term display (a condition equivalent to its condition when the last “cosmetic” restoration was completed in 1984. Any damage that occurs will be repaired by the railroad at its own expense to meet the requirements of the Federal Railroad Administration if the locomotive is intended to be put back in service after an accident. The railroad will insure the locomotive just as it does those we own and are equally irreplaceable. In all cases the City will be notified and the C&TS will state its intentions in response to such a situation.

Question: Why hasn't the City undertaken restoration of the resource itself? What would be the cost associated with performing a cosmetic restoration that would preserve it in situ but not restore it to operating condition?

Response by Matt Mayberry, Cultural Services Manager – There has not been sufficient resources available to maintain the locomotive. C&TSRR personnel estimate that a cosmetic restoration of the Old 168 would cost \$150,000.

Question: A concern was voiced that the engine would be located very far away from Colorado Springs and largely inaccessible to the public of this area.

Response by C&TSRR - The locomotive will be farther from Colorado Springs. It will be in context and in a location where it operated as part of Palmers vision. The residents of Colorado Springs will receive special pricing when they come to ride the Cumbres & Toltec whether they ride behind #168 or any other train. Further, unlike in its present location, the locomotive will be promoted, especially in Colorado Springs, to increase its awareness and, when not operating, it will be displayed as part of our stated mission to interpret the important historical aspect of the C&TSRR.

Question: What is the value of this project to the citizens of Colorado Springs?

Response by C&TSRR - See above. In addition the Cumbres & Toltec will may create such things as, for example, school system educational materials that help improve the students understanding of railroads, the Rio Grande in particular, and the role of Gen. Palmer in the development of Colorado.

It is in the railroad's interest to promote the locomotive in as many ways as possible to enhance the relationship between the residents of Colorado Springs and the railroad.

Question: Should there be additional financial compensation to the City for the use of the engine?

Response by C&TSRR - Due to the expense of restoration, the minimal profit that may occur as a result of operation, and the discount available to all Colorado Springs residents the C&TS is not in position to offer any additional compensation to the city. We have negotiated in good faith with the City and have reached the unanimous approval of the Parks Board on all terms in our agreement. We have already factored in as much benefit to the citizens as we can afford for the privilege of implementing this program.

Question: What will happen in the park if the engine is removed and how much will that cost the City?

Response by Matt Mayberry, Cultural Services Manager – The removal of Old 168 is part of an ongoing discussion about way to improve desirable public use of Antlers Park. At present, the Parks Department has agreed to grade and re-turf the site of Old 168. The fixed cost of this will be relatively minor, but an exact cost is unknown.

Question: Can we replace engine 168 with another train-related resource?

Response by Matt Mayberry, Cultural Services Manager – That is possible but further public process is needed to determine the best uses for the park. Preservation and maintenance would continue to be a problem. The C&TSRR does not have and has not offered to locate any railroad assets appropriate for this purpose.