



COLORADO
Department of Transportation
Division of Transit & Rail
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DATE: July 12, 2019
TO: TRAC
FROM: David Krutsinger, Director, Division of Transit & Rail
Michael Timlin
SUBJECT: Bustang Planned Expansion 2019 - Snowstang

Purpose

The purpose of this memo is to update the T & I Committee on 2019 Bustang expansion plans beyond the normal "line" frequency upgrades within budgetary guidelines and in response to increasing ridership demands.

Action

No action is necessary.

Background

DTR last conducted a service test of "Snowstang" in February 2017 on two (2) Saturdays, February 11 & 25. This service test was operated with a private operator, Front Range Ski Bus. Front Range operated as normal to Loveland Ski Area and Copper Mountain Ski Area charging their normal round trip fare of \$45 (Front Range Ski Bus was operating all season long on Weekends and Fridays). In order to minimize any effect of Front Range, Bustang offered the same fare of \$45 to A-Basin, Keystone and Winter Park. Breckenridge travelers paid \$50 and Vail-Beaver Creek paid \$55. It should also be noted there were no value incentives offered to Bustang customers. Front Range Ski Bus offered on-board discounted lift tickets.

Transit professionals from RTD advised that two operating days is not standard nor adequate for a pilot of this type of service, and our results were predictably poor.

- We offered service to six resorts and over the two day period to which we handled a total of 68 passengers on vehicles with a total of 612 available seats for a load factor of 11%
- Fare box recovery ratio (expenses covered by fares) was a poor 12.7%

However, there were several important lessons learned from the experience and from surveys conducted provided what we believe is guidance to make Snowstang service successful in the long term:

- There is little or no political support for public funded transit service to the ski resorts- a P3 project where the resort community is offered substantial equity stake covering 60% of the operational and maintenance expenses and fares cover the remaining 40% may be an acceptable alternative.
- \$45 fare was too high but significant demand was seen- February 2017 ridebustang.com daily website hits quadrupled to over 4,000 per day with the \$45 fare but did not translate into sales.
- Surveys showed transit service to the resorts is needed and wanted by many
- Riders were usually first time riders who enjoyed the amenities: rest room, free WiFi, plug in's etc.

Details

Operational Details

The Snowstang season will run from December 14, 2019 to April 12, 2020, forty (40) operating days only to resorts whom contract for the service. The fare for Clear Creek County, Summit County and Park County resorts will be \$25 Round Trip - \$12 children 11 & under - \$20 for Senior >65 years old and disabled. \$30 for Eagle County & \$40 for Routt County along with ½ fares for Children under 12 and 25% discount senior/disabled. Fares must be purchase on-line or mobile app with a guaranteed seat. All routes will originate from Denver Union Station with intermediate stops at Denver Federal RTD Station and Idaho Springs.

Service launches with one departure to each resort. It is best to start small. We anticipate that Loveland, Arapahoe Basin, Copper Mountain and one or two of Vail Resorts (Keystone and Breckenridge are the closest) at the most. Concentrate operations on reliability and allow ridership to mature before adding multiple arrivals departures.

We will provide vehicles, drivers and operational and maintenance expertise. We will guarantee fares covering 40% of variable direct O & M expenses - approximately 26-27 paying passengers/bus/day. Participating resort contributes the remaining 60% in cash or a combination of cash and/or in-kind contribution. Total operating and maintenance expenses have been computed and 60% equity stake has been calculated for each participating resort:

	Total 40 days Expenses	Resort Share 60%
Loveland	\$ 66,687.56	\$ 40,012.54
A-Basin	\$ 69,496.60	\$ 41,697.96
Winter Park	\$ 70,189.24	\$ 42,113.54
Copper Mountain	\$ 74,883.80	\$ 44,930.28
Keystone	\$ 76,230.60	\$ 45,738.36
Breckenridge	\$ 76,307.56	\$ 45,784.54
Vail	\$ 82,695.24	\$ 49,617.14
Beaver Creek	\$ 86,543.24	\$ 51,925.94
Ski Cooper	\$ 86,543.24	\$ 51,925.94
Steamboat	\$ 105,013.64	\$ 63,008.18

In consideration for their contribution, each resort would be allowed to wrap 1 bus with their resort livery (approved by CDOT and wrap can cover only sides, front and back must remain in the Bustang livery). The corresponding wrapped bus will operate to that resort on operating days (as maintenance and force majeure allow) and will be in normal system service on the the non-Snowstang operational days. The buses will act be a rolling billboards.

The the resort chose in-kind contribution in lieu of direct cash the contribution to CDOT should be the equivalent to or and offset of expense to CDOT. For example if the resort offered to let CDOT sell discounted lift tickets the value to CDOT applied to the expense would be any contracted commission paid to CDOT for selling their lift tickets.

Friday and Sunday operations between Fort Collins and Colorado Springs will be added to ensure fleet is available each operational day and redeployed back on Sundays/Holidays to be ready for Weekday operations.

Contracts

A twelve month agreement will be executed for each participating resort detailing operational service as well as bus wrap details and resort facility access agreement. We may be able to avoid amending the personal service agreement with Ace Express by using the Additional Required Element (A.R.E) language of the current agreement.

CDOT will guarantee a minimum 40% Fare Box recovery which is equal to a 50% load factor on each bus.

Risk Assessment

- Risk #1 - Major risk -failure to execute the P3 agreement with each participating resort by December 1, 2019, will prevent all operations for winter 2019-20.
- Risk #2 - Major Risk -If personal service agreement is required to be amended, failure to execute by December 1, 2019 will cancel all operations for the 2019-10 winter period.
- Risk #3 - Major Risk -Ace Express Coaches, LLC has a unanticipated large turnover of qualified CDL bus operators causing unfulfilled resort operations. Continue to assist Ace Express In recruitment efforts. Possible procurement for extra operators.
- Risk #4 - Fleet - Minor risk Five (5) new buses are being delivered the last week of June 2019 and will be prepped well in time for December launch. Additional fleet can be leased if fleet is not available.

- Risk #5 - Ticket platform - Minor risk - We will use Ticket Spice platform. This platform is and has been used for RamsRoute and Bustang to Broncos for 3 seasons without failure.
- Risk #6 Facility access agreement - Minor risk - We do not anticipate Issues with resort access and RTD facility access is already in place.

Service Goals

- Minimum 40% farebox recovery
- (Set a minimum of traffic mitigation) and require an X% reduction in peak traffic year over year

Next Steps

- Prep new fleet upon delivery and develop livery wrap designs.
- Mitigate and eliminate identified risk factors.
- Begin immediate contracting processes with committed resort operators
- Launch December 14, 2019