

# MEMORANDUM

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**DEPARTMENT OF TRANSPORTATION**

Division of Transit and Rail  
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**TO:** Transportation Commission

**FROM:** Mark Imhoff, Director, Division of Transit & Rail

**DATE:** November 13, 2013

**RE:** Interregional Express Bus Workshop

**Purpose:**

The purpose of this memo is to present the Transportation Commission with the proposed Interregional Express Bus plan. We seek your input at the Commission Workshop in November, and will request approval to implement the plan at the December Commission meeting. The Policy Brief for the Interregional Express Bus Service (including maps) is attached at the end of this memo.

**Background:**

In December 2012, DTR presented a concept to the Commission for CDOT to provide bus service in the I-25 corridor connecting Fort Collins, Denver and Colorado Springs; and on the I-70 mountain corridor between Grand Junction, Glenwood Springs, Vail, Frisco, and Denver. The goal was to focus service in congested, high-volume corridors at peak commuting times. FASTER Statewide Transit funds would be the funding source of the operations and maintenance, while the capital expenses of purchasing buses could be made up of a combination of remaining SB-1 Transit Funds and FASTER Statewide Transit funds.

Under the plan, CDOT would become the operating entity, purchase the buses, and contract with a private provider for the annual operation and maintenance. The CDOT buses would connect with local transit systems at key intermodal stations thereby linking communities and providing good collection and distribution capabilities. No entity, except CDOT, has the jurisdiction and authority to provide interregional transit service, nor a stable funding source to pay for multi-jurisdiction transit services.

The statutory language creating the Division of Transit & Rail and the FASTER Statewide Transit funds gives CDOT the authority to develop and fund transit services, including the use of FASTER Statewide Transit funds for operations. In addition, the FASTER funds flow through the Highway Users Trust Fund (HUTF). The Colorado Attorney General's Office agrees and supports CDOT's authority to fund and operate transit service, and that the FASTER funds for the plan implementation do not violate the HUTF provisions.

The Commission directed staff to prepare an operating and implementation plan for consideration once developed.

DTR has developed the Interregional Express plan with the following guidance and assistance:

- Transit & Intermodal Committee input at their regular March meeting and a special April workshop.
- A Sub-Committee of the Transit & Rail Advisory Committee (TRAC) supplemented with transit providers in the I-70 and I-25 corridors; monthly meetings.
- Consultant expertise through the *Intercity and Regional Bus Network Study*. The Interregional Express element is near complete and the draft of this element will be provided as part of the November TC Workshop.

The conceptual plan presented last December has evolved over the past nine months. In March and April we received clear direction from the T&I Committee to (1) focus on the I-25 and I-70 corridors, (2) focus on express service, few stops over long distances, (3) scale the service for success, but start small with possible phasing, and (4) reserve options for serving shorter distance communities along the routes for TC future policy discussions and cost sharing provisions.

This memo gives a summary overview of the Interregional Express Bus plan. Two more in-depth documents are available:

- The Interregional Express Bus description being prepared for the prospective contract operators; to be a part of the RFP. <http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusDraftServicePlan.pdf>
- The *Interregional Express Appendices to the Statewide Intercity and Regional Bus Network Study*. The study effort had specific tasks for the analysis and development of the Interregional Express Bus service, including peer research and analysis, ridership forecasts, service planning, cost estimation, and stakeholder involvement. The results are shown in three appendices and describe the service plan contained in this memo, plus recommendations for service expansion if and when additional revenue sources become available:
  - *Appendix A: Technical Memorandum for the I-70 Mountain Corridor (Draft)*
  - *Appendix B: Interregional Express Bus (Draft)*
  - *Appendix C: Demand Estimation (Draft)*<http://www.coloradodot.info/about/committees/trac/Documents/SST7035.163and.164.pdf>

Also throughout this memo there are references to other supporting documents:

- Draft consultant scope of services for branding and initial marketing concept and materials: <http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusBrandingandCommunicationsScope.pdf>
- Draft Customer Service Plan: <http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusDraftCustomerServicePlan.pdf>

- Bus purchase procurement schedule: [http://www.coloradodot.info/about/committees/trac/Documents/INTERREGIONALEXPRESS\\_BUSDRAFTVEHICLEPROCUREMENTSCHEDULE.pdf](http://www.coloradodot.info/about/committees/trac/Documents/INTERREGIONALEXPRESS_BUSDRAFTVEHICLEPROCUREMENTSCHEDULE.pdf)
- 10 year annual financial statement: <http://www.coloradodot.info/about/committees/trac/Documents/Combined1.pdf>

### **Service Plan:**

The I-25 service will focus on commuter travel from Fort Collins and Colorado Springs to downtown Denver on weekdays; no weekend service. One off-peak trip will also be offered to provide flexibility to commuters when needed, and to accommodate other essential travel trip needs.

- Fort Collins to Denver
  - 5 round trips/weekday - 4 concentrated in the peak commute periods, 1 off-peak round trip; budget for expansion to 6 round trips/day if demand warrants.
  - Park-and-ride/stations: I-25/Harmony Road, I-25/Us 34. Express to Denver Union Station.
- Colorado Springs to Denver
  - 6 round trips/weekday - 5 concentrated in the peak commute periods, 1 off-peak round trip; budget for expansion to 7 round trips/day if demand warrants.
  - Park-and-ride/stations : I-25/Tejon Blvd, I-25/Woodman Road, I-25/Monument Hill. Express to Downtown Denver with a at the I-25/Broadway station and curbside stops at Civic Center Station, 17<sup>th</sup> Ave/Stout Street, with a final stop in Denver Union Station.
  - Service to Pueblo was also evaluated. Currently “essential service” trip purposes can be accommodated by the inter-city provider, Greyhound; offering 6 trips in each direction throughout the day connecting Pueblo to Colorado Springs to Denver. The Greyhound schedule is not conducive for peak period commuting needs, and commuter-based trips could be added to the Interregional Express network in a later phase, if resources become available.

The I-70 service will have a focus on essential travel needs. The I-70 corridor is quite different in character from the I-25 corridor, and has a unique set of long distance travel needs. Initially the concept was to connect the commuting needs along the corridor between Grand Junction, Glenwood Springs, Vail and Summit County. In-depth dialogue and evaluation with the corridor stakeholders revealed the following: (1) The demand between Grand Junction and Glenwood Springs is too low to justify service at this time. (2) The service gaps between Glenwood Springs, Eagle County and Summit County exist; an expansion of local/regional services already offered by the local transit entities with a focus on commuter patterns is the more efficient and preferred solution. (3) There is a need and demand from Glenwood Springs and Eagle and Summit Counties to the Denver metropolitan area for a multitude of trip purposes, or “essential travel”. Essential travel includes business, shopping, medical, air travel, pleasure and other trip purposes; recreational trips (like skiing) is not intended to be a primary purpose of the Interregional Express service.

- Glenwood Springs to Denver
  - 1 round trip/day; budget for an additional daily round trip from Vail to Denver if demand warrants. The service schedule will be set to accommodate travel to Denver in the morning and return to Glenwood in the late afternoon, and to

complement the existing Greyhound service in the corridor to offer flexibility and options to riders.

- The local RFTA, Eagle County, Vail, Summit County, and Breckenridge transit systems will provide coordinated feeder service to the Interregional Express.
- Park-and-rides/stations: SH 82/29<sup>th</sup> Street BRT station, I-70/Eagle PNR, Vail Transit Center, Frisco Transit Center, the Denver Federal Center. Express to Downtown Denver with curbside stops at Civic Center Station, 17<sup>th</sup> Ave/Stout Street, with a final stop in Denver Union Station.

### **Rolling stock/vehicles:**

The buses will be owned by CDOT and leased to the contract operator. 13 Over the Road Coaches will be needed; 5 for the Fort Collins service, 6 for the Colorado Springs service, and 2 for the mountain service. The fleet includes one spare for each corridor. RTD recently made a large purchase of over the road coaches, and offered their specifications and contract terms as a starting point for our procurement. We have modified and embellished the specifications for the IX service; specified features:

- 50 passenger capacity with comfortable leg room,
- Handicap/wheelchair accessible,
- Reclining seats with 3 point restraining belts, fold down tray tables,
- Wi-Fi and 110 electrical outlets,
- Bike racks, and
- Restrooms.

For budgeting purposes an estimated \$600K per vehicle, or \$7.8M is required. Fare boxes and a vault will be leased from Colorado Springs Mountain Metro.

An outstanding question for discussion at the Commission Workshop is whether or not the vehicle procurement should abide by Buy America. We are not using any federal funds to procure the bus fleet, therefore there is no requirement to meet Buy America. There is only one Over the Road Coach manufacturer that meets the Buy America provisions. The procurement specifications will require that any manufacturer be USDOT certified, and there are multiple manufacturers with this designation. More competition will likely get a better price point, and delivery date.

### **Park and Rides:**

All of the park and rides in the I-25 corridor exist. Along the I-70 corridor, parking exists at the current transit centers (paid parking only at the Vail Transit Center), and a new/relocated park and ride will be constructed at the Eagle interchange. All park and rides will provide, at a minimum, passenger waiting areas with shelters, benches, lighting, and heaters. Specific capital improvements needed for opening day:

- I-25/Harmony Road – expand by 120 spaces with paving. Budget: \$500K
- I-25/Woodman Road – trade existing park and ride with mall overflow parking lot, or construct a round-about to allow bus stop access whichever is the most cost effective option. Budget: \$250,000
- I-70/Eagle – relocate park and ride and shelter. This relocation is locally funded 50-50 with the Town of Eagle but the project is simultaneous with the RAMP project.
- Passenger amenities – all park and rides where needed. Budget: \$250,000

Future park and ride needs will be programmed, pending funds availability, as part of the

Interregional Express Financial Plan.

**Fare Structure, Ticket Sales and Collection:**

The fare structure analysis included the fare structures from five peer express bus operations, and the fare structures of agencies around the state. The proposed fare structure is based on \$0.17/mile for a single ticket purchase with significant discounts for multiple ride packages. The following table depicts the full fare structure:

**I-25 North**

	Walk up	10 ride 10% Discount	20 ride 20% Discount	40 ride 25% Discount
<b>Ft. Collins – Denver</b>	<b>\$17.00</b>	<b>\$153</b>	<b>\$272</b>	<b>\$510</b>
<b>Loveland – Denver</b>	<b>\$12.00</b>	<b>\$108</b>	<b>\$192</b>	<b>\$360</b>

**I-25 South**

	Walk up	10 ride 10% Discount	20 ride 20% Discount	40 ride 25% Discount
<b>Colorado Springs - Denver</b>	<b>\$5.00</b>	<b>\$45</b>	<b>\$80</b>	<b>\$150</b>
<b>Monument - Denver</b>	<b>\$12.00</b>	<b>\$108</b>	<b>\$192</b>	<b>\$360</b>

**I-70 West**

	Walk up	10 ride 10% Discount	20 ride 20% Discount	40 ride 25% Discount
<b>Glenwood Springs – Denver</b>	<b>\$28</b>	<b>\$252</b>	<b>\$448</b>	<b>\$840</b>
<b>Glenwood Springs – Frisco</b>	<b>\$17</b>	<b>\$153</b>	<b>\$272</b>	<b>\$510</b>
<b>Glenwood Springs – Vail</b>	<b>\$12</b>	<b>\$108</b>	<b>\$192</b>	<b>\$360</b>
<b>Glenwood Springs – Eagle</b>	<b>\$5</b>	<b>\$45</b>	<b>\$80</b>	<b>\$150</b>
<b>Eagle - Denver</b>	<b>\$22</b>	<b>\$198</b>	<b>\$352</b>	<b>\$660</b>
<b>Eagle - Frisco</b>	<b>\$12</b>	<b>\$108</b>	<b>\$192</b>	<b>\$360</b>
<b>Eagle - Vail</b>	<b>\$5</b>	<b>\$45</b>	<b>\$80</b>	<b>\$150</b>
<b>Vail - Denver</b>	<b>\$17</b>	<b>\$153</b>	<b>\$272</b>	<b>\$510</b>
<b>Vail - Frisco</b>	<b>\$5</b>	<b>\$45</b>	<b>\$80</b>	<b>\$150</b>
<b>Frisco – Denver</b>	<b>\$12</b>	<b>\$108</b>	<b>\$272</b>	<b>\$510</b>

Paper tickets will be sold in single, 10, 20 and 40 ride denominations, using the magnetic strip technology. The ultimate goal is to convert to SMART Card technology when the funds are available, and the technology has advanced. For initial operations 12 magnetic strip fare collection machines, vaults and safe will be leased from Colorado Springs Mountain Metro; one additional fare collection machine will be purchased. These fare collection machines will allow drivers to sell single ride cash tickets on-board the bus.

Ticket sales outlets will be located in each major origin and destination city; not at Park and Rides. Over the winter, we will coordinate with the local transit providers to serve as ticket sales agents for the Interregional Express. Ticket outlets will exist in Denver at DUS and Civic Center Station, Fort Collins at the MAX South Station, Colorado Springs through their ticket vending machines, Glenwood Springs at the VelociRFTA 29<sup>th</sup> Street Station, Vail at the

Vail Transit Center, and Frisco at the Frisco Transit Center.

### **Operating Costs:**

The Interregional Express service operations and maintenance will be contracted out to a private provider. The RFP is being prepared with an advertisement date in the late winter 2014. RTD and Colorado Springs Mountain Metro are working closely with and advising us through this process; they bring extensive contract operations expertise and are sharing their procurement documents as a guide. The annual operating and maintenance costs for the proposed five year operating contract (three year base with two one-year options) are estimated to be near \$2.25M/year. The estimate is based on \$4.15/revenue mile; this is an industry standard and assumes owner provided buses. The estimate is a gross amount and is not off-set by fare box revenues.

The service plan outlined above indicates budget inclusion for one additional round trip in each corridor if demand warrants. The proposed operating budget is sufficient to include these additional trips by the contract operator; the additional buses would be funded out of the fare box proceeds. No service will be added without approval by the Transportation Commission; a full service and cost analysis will be performed and presented prior to any service expansion consideration.

### **Communication Plan:**

DTR is partnering with the Communications Division on the Marketing & Branding effort. Amy Ford brings exceptional expertise to this effort; she led the branding efforts for both TREX and the Fort Collins MAX BRT that will open next year.

The branding effort will begin in January, and include development of the identifying brand, and the associated public information elements; system maps, schedules, website, social media, brochures, etc. An education program also will be developed to articulate the operations, benefits, integration with local agencies, and a “how to ride” guide. The communications plan will also identify project messaging and a media relations campaign.

In close consultation with Amy, a three tier approach is planned:

- Branding and initial marketing concept and materials – utilize a current On-Call communications consultant. The scope of service for this effort can be viewed at <http://www.coloradodot.info/about/committees/trac/Documents/InteregionalExpressBusBrandinandCommunicationsScope.pdf> Budget: \$200K (FY 2014)
- Marketing execution and advertising – utilize internal staff and resources to insure integration with the overall CDOT identity and message. This effort also would include coordination and integration with the local transit entities. Budget: \$150K (FY 2015); \$100K (FY 2016 and beyond)
- Social Media development – task the contract operator with the development of mobile applications (real time bus location, etc), Facebook and Twitter pages. Most potential contract operators have in-house capability for these elements, and they have similar applications already in use. These activities would be closely monitored and managed by the Communications Division, and all products would become the property of CDOT at the end of the contract. Budget: included in the contract operator contract.

### **Customer Service:**

A draft Customer Service Plan has been developed; DTR is working closely with the Communications Division and the Civil Rights Office on completion. The draft Customer

Service Plan can be viewed

at <http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusDraftCustomerServicePlan.pdf> The plan includes a customer call line, operator/driver sensitivity training, ADA Help Desk, customer security assurance, a Guaranteed Ride Home program (with limitations), and customer feedback surveys.

### Procurement:

Both capital and services will need to be procured for the IX operation:

- Rolling Stock – 13 Over the Road Coaches will be procured. Manufacture and delivery of the buses is the longest lead item and will dictate the actual opening of the service. RTD recently procured Over the Road Coaches for their regional routes. The RTD buses meet nearly all of our needs, and RTD has provided us with their procurement specifications. The specifications are being modified to meet the CDOT requirements (e.g. bathrooms and WiFi). DTR is working with the CDOT Procurement Office to have the RFP/specifications ready for advertisement pending Transportation Commission approval in December. We will utilize a two-step procurement; step one qualifications screening, step two low bid from qualified manufacturers. The procurement schedule can be viewed at <http://www.coloradodot.info/about/committees/trac/Documents/INTERREGIONALEXPRESSBUSDRAFTVEHICLEPROCUREMENTSCHEDULE.pdf> We will request a September delivery, but are uncertain if the market can respond.
- Contract Operator – We will contract with a private provider to operate and maintain the IX service through a three year contract with two one-year options. We are working with the CDOT Procurement Office on the RFP and solicitation of these services. We also are working closely with RTD and Colorado Springs Mountain Metro in the development of the scope of services as they both utilize contract operators for significant amounts of their service. We anticipate issuing the RFP in February, and to have selected the operator with Transportation Commission approval by June, 2014.
- Park and ride improvements – Once the IX plan and budget is approved by the Transportation Commission in December, DTR will work with Regions 2, 3 and 4 to design and construct the opening day park and ride improvements.

### Finance/Budget Plan:

The Finance/Budget Plan has been developed for a comprehensive accounting of all IX related costs, expenditures and revenues. It starts with FY 2014 “seed” funds of remaining SB 1 funds dedicated for transit (including the remaining FREX escrow funds and proceeds from the sale of the FREX buses), and existing and unallocated FASTER Transit Statewide funds as a basis for the capital requirements needed for opening day. The on-going operating and maintenance, and future year capital requirements will be programmed not exceed a budget of \$3M/year to be funded out of the annual FASTER Transit Statewide pool; fare box revenues will be used to supplement the \$3M/year budget.

- Initial capital/start-up fund (FY 2014): \$ 10.9M
  - SB 1 Unallocated Transit: \$ 4.9M
  - SB 1 FREX escrow and bus proceeds: \$ 0.5M
  - Unallocated FASTER Statewide Transit: \$ 5.5M
- FY 2014 capital expenditure estimates: \$ 10.9M

- Bus purchase (13): \$ 7.8M
  - Park and ride improvements: \$ 1.0M
  - PR/branding: \$ 0.2M
  - Misc/contingency: \$ 1.9M
- Annual operating (and capital) budget (FY 2015+): \$ 3.0M+
    - FASTER Statewide Transit \$ 3.0M
    - Fare Box revenue: variable

A five year (FY 2014 – FY 2018) forecast and resulting Interregional Express Bus balance sheet is shown below. It includes assumptions/estimates for capital and annual operating expenses and fare box recovery ratios; and shows a scenario where SMART Card fare boxes are purchased in FY 2017 (\$160k) and service is expanded in FY 2018 by one run per corridor requiring 3 additional buses (\$1.8M).

**Annual Balance Sheet (in 000,000)**

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Budget/Revenues</b>					
Previous year Roll Forward	\$ 10.90	\$ 1.45	\$ 1.96	\$ 2.38	\$ 3.21
FASTER Statewide Funds	\$ -	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Fare Box Revenue	\$ -	\$ 0.68	\$ 1.11	\$ 1.43	\$ 2.03
<b>Total Revenue</b>	<b>\$ 10.90</b>	<b>\$ 5.13</b>	<b>\$ 6.07</b>	<b>\$ 6.81</b>	<b>\$ 8.24</b>
<b>Operating Costs</b>					
Contractor Operator	\$ -	\$ 1.68	\$ 2.25	\$ 2.25	\$ 2.68
Advertising	\$ 0.20	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.10
Maint. Compliance Eng	\$ 0.10	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.10
Misc Other	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
DTR Salaries (2 positions)	\$ -	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Depreciation/bus replacement fund	\$ -	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
<b>Total Operating Costs</b>	<b>\$ 0.40</b>	<b>\$ 2.92</b>	<b>\$ 3.44</b>	<b>\$ 3.44</b>	<b>\$ 3.89</b>
<b>Capital Costs</b>					
Bus purchase	\$ 7.80	\$ -	\$ -	\$ -	\$ 1.80
PNR improvements	\$ 1.00	\$ -	\$ -	\$ -	\$ -
Misc capital	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.16	\$ 0.25
<b>Total Capital Costs</b>	<b>\$ 9.05</b>	<b>\$ 0.25</b>	<b>\$ 0.25</b>	<b>\$ 0.16</b>	<b>\$ 2.05</b>
Roll-forward to next year	\$ 1.45	\$ 1.96	\$ 2.38	\$ 3.21	\$ 2.30
Fare Box Recovery Ratio	NA	14%	24%	33%	41%

Fare box revenue is estimated to grow under the initial operating scenario to approximately \$1.4M/year, and potentially \$2.5M/year if successful fare box recovery receipts warrant service expansion. The Fare box revenues will be TABOR revenues in the State budget and accounted for accordingly. A complete estimated annual financial statement for 10 years can be found at: <http://www.coloradodot.info/about/committees/trac/Documents/Combined1.pdf>

**Staffing:**

Bus operations will be a new endeavor for CDOT. Additional expertise and staff capacity are needed to effectively manage, monitor and administer to program. DTR is requesting two new FTEs; a Bus Operations Manager (GP VI), and a Bus Operations Planner (GP III). Once approved by the Transportation Commission, these positions will be filled to lead the implementation. The salaries for these positions are included in the DTR FY2014 Administrative budget. For FY2015 and beyond, these positions would be covered in the Interregional Express operating/administrative budget.

Currently on staff is a temporary position, a Bus Operations Specialist. Mike Timlin is in this position. Mike brings 34 years of experience from Greyhound, the last 17 where he served as the District Manager for the Northwest United States. Mike's experience and expertise has brought focus and credibility to the finalization of the Interregional Express Plan.

**Transportation Commission Oversight & Measuring IX Success:**

Commission oversight is proposed to be assigned to the Transit & Intermodal Committee; which would serve as the Interregional Express Operating Committee (IX Ops Committee). The IX Ops Committee would monitor the performance of the service, and serve as the recommending body for any substantial modification, addition or deletion of service, including capital needs. The TRAC would provide input to the IX Ops Committee.

The IX service enters CDOT into the public transportation realm, and we need to commit to our service. We are starting small, with no room to cut, but plenty of room to expand with success. Our stated funding level is \$3M/year plus fare revenue; we must live/operate within this budget. Although we expect a long term fare box recovery ratio of at least 40% is attainable, we suggest a minimum fare box recovery ratio goal of 20% to be met within two years. Therefore, we need to manage the service, monitor performance, and remain flexible to adjust to maximize performance. DTR will work with the IX Ops Committee (or whomever they assign) to establish performance goals, and manage/strive within our means to meet those goals.

Once IX service has been initiated, it is proposed that quarterly performance reports be made to the Transportation Commission, with more in-depth oversight given by the IX Ops Committee. The quarterly performance reports would include:

- Ridership by corridor and total,
- Fare box revenue by corridor and total,
- Fare box recovery ratio by corridor and total,
- On-time by corridor and total,
- Safety-miles between collisions by corridor and total,
- Contractor violations, as prescribed in the operator contract.

## CDOT Plans First-Ever State Operated Interregional Express Bus Service

In an effort to further develop and connect the statewide transit network, CDOT has proposed establishing an Interregional Express (IX) bus service for the I-25 Front Range and I-70 Mountain Corridor. The IX would connect major population and employment centers and local transit entities with Colorado's first-ever state owned and operated bus system. The IX proposal helps further CDOT's multi-modal mission and fulfills a key responsibility outlined in the 2009 FASTER legislation, which established CDOT's Division of Transit and Rail. In addition, the IX helps accomplish transit-related action items recommended by the I-25 North and I-70 West environmental studies.

### Background

The purpose of the IX is to provide an interregional element to the local transit network, to connect population and employment centers, and to provide a peak period express service that enhances the capacity of the existing transportation system without major infrastructure costs. CDOT proposes providing service along the I-25 corridor connecting Fort Collins, Denver and Colorado Springs; and on the I-70 mountain corridor connecting Glenwood Springs, Eagle, Vail, Frisco, and Denver.

Over the last year, the Division of Transit and Rail (DTR) has been working with corridor stakeholders, including a special IX Subcommittee, to seek input on the IX concept. DTR also conducted a peer review of similar state-run services. This outreach provided critical feedback and helped inform many important details of the service, including linkages with local transit systems, fare structure and ticketing, and bus procurement.

### Status and Timing

This fall, CDOT is conducting another round of outreach to key stakeholders along the two corridors. DTR plans to seek final approval to initiate the service from the Transportation Commission at their December 2013 meeting. The goal is to establish service along both corridors in late 2014.

### Finance/Budget Plan:

Capital and start-up costs will be funded by existing unallocated FASTER Transit Statewide funds and remaining SB 1 funds dedicated for transit. The on-going operating and maintenance, and future year capital requirements will be programmed to not exceed a budget of \$3M/year to be funded out of the annual FASTER Transit Statewide pool. Fare box revenues would be used to supplement the \$3M/year budget or to expand service if desired.

### Frequency of Service

Along the I-70 mountain corridor, 1 round trip will operate per weekday between Glenwood Springs and Denver Union Station. Along I-25, 6 round trips per day (5 peak, 1 off-peak) are proposed from Colorado Springs to Denver and 5 round trips per day (4 peak, 1 off-peak) from Fort Collins to Denver.

### Rolling stock/vehicles:

13 over-the-road buses will be acquired by CDOT and leased to the contract operator.

### Park and Rides:

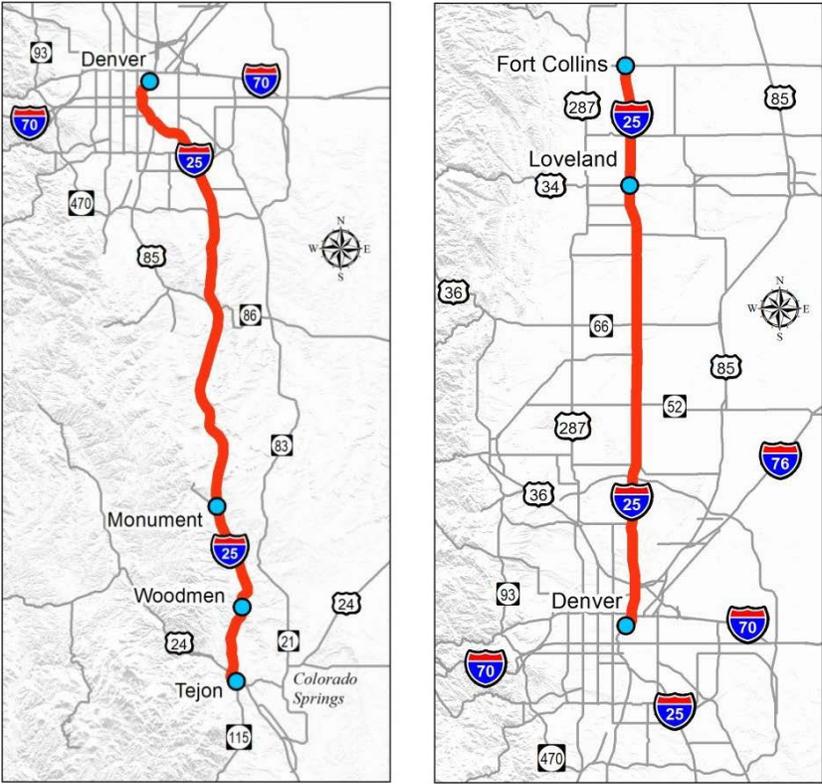
All of the necessary park and rides exist in the I-25 corridor, but need some improvements for opening day to accommodate buses and expansion where near capacity. Future capital improvements will be programmed as budget allows. The I-70 corridor has existing bus accessible park and rides, and will need no capital

improvements. Park and ride needs will be programmed for initial start-up and future years as part of the Interregional Express Financial Plan.

Fare Structure:

The fare structure concept being considered is based on \$0.17/mile for a single ticket purchase with significant discounts for multiple ride packages.

Service Maps:



For more information, please contact Michael Timlin at [303\) 757-9648](tel:3037579648).

# Interregional Express Bus Plan



**TRANSPORTATION COMMISSION WORKSHOP  
NOVEMBER 21, 2013**

Mark Imhoff, DTR Director  
and  
Amy Ford, Communications Director

# Interregional Express Bus Plan



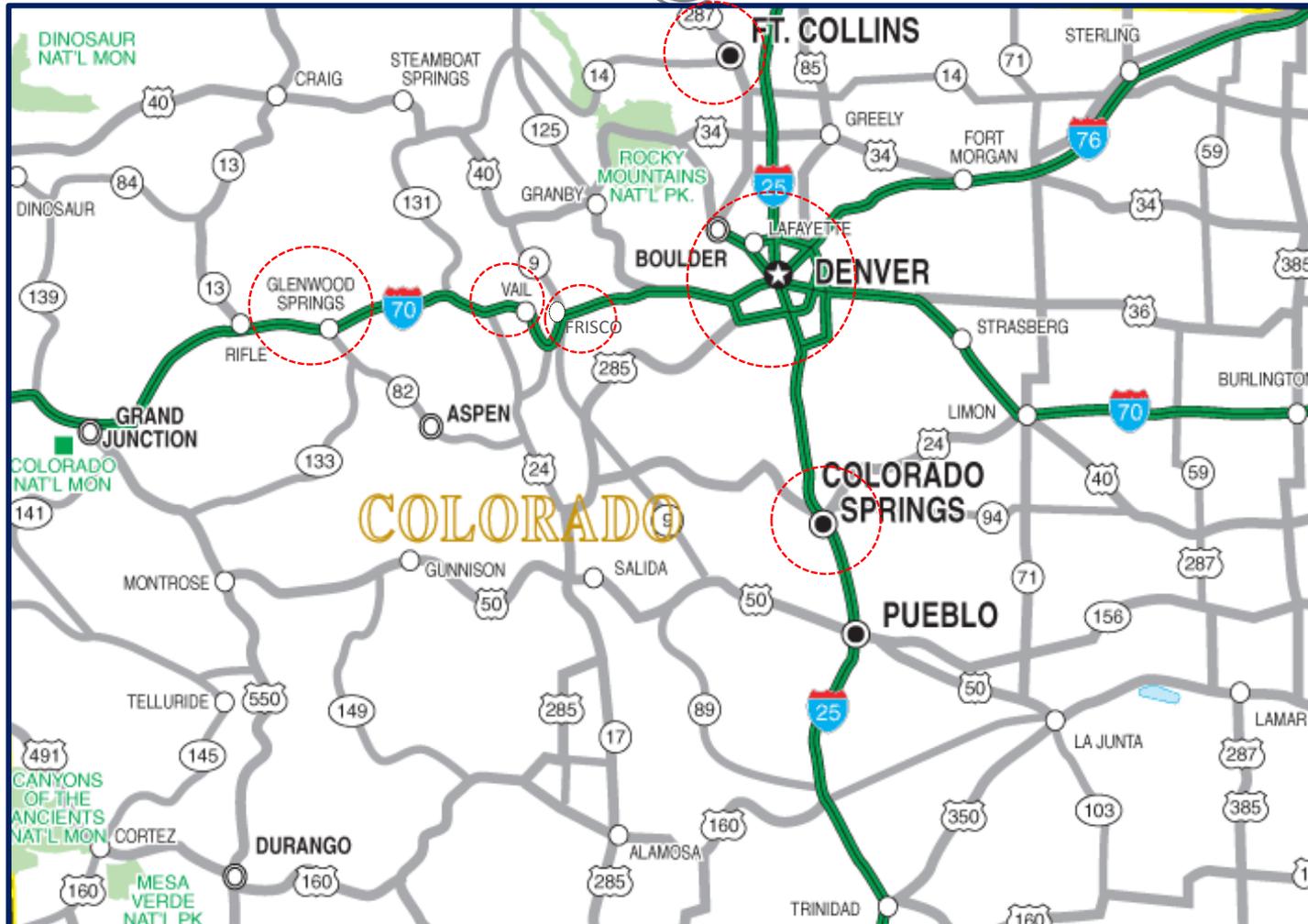
- **Today's Purpose:**
  - Present IX plan/Approval requested in December
  - Present PR & branding plan
  - Seek TC input
- **IX Sub-Committee**
  - Transit & Rail Advisory Committee (TRAC) representatives
  - Linked transit agencies/entities
  - Assist CDOT in final development of the IX Plan
- **Stakeholder outreach: October – December**
  - Final Plan Update/seek endorsements
    - ✦ Inter Mountain TPR
    - ✦ North Front Range MPO
    - ✦ Pikes Peak Area COG
    - ✦ DRCOG
    - ✦ RTD Board
    - ✦ Transit and Rail Advisory Committee (TRAC)
    - ✦ STAC

# CDOT Mission: "...provide the best multi modal transportation system..."



- **SB 09-094: Created Division of Transit & Rail (2009)**
  - Authority to operate transit
- **SB 09-108: FASTER (2009)**
  - \$10 M/year for statewide transit
  - Authority to spend on transit operations
  - Funds flow through the HUTF
- **AG concurrence (2013)**
  - Authority to operate and fund
- **TBD Colorado recommendation (2012)**
  - The **state** should play an **enhanced role** in helping to **catalyze and secure funding** for transit projects, such as **interregional bus service**
- **State Transit Plan stakeholder input (2013 on-going)**
  - Desire/need for more regional/interregional service

# Interregional Express Bus Plan



# Interregional Express Bus Plan



## **IX Bus Concept**

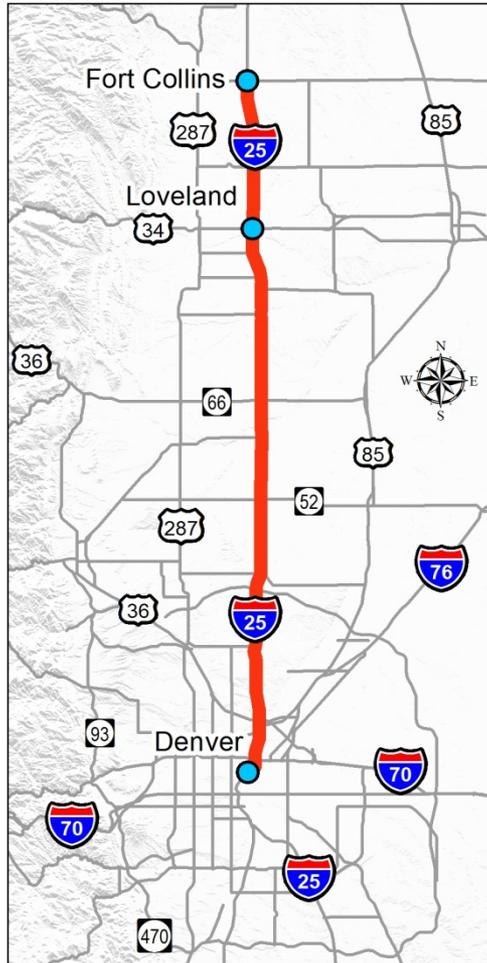
- **CDOT becomes a transit operator (using a private operator)**
  - Begins to fulfill multimodal mission
- **Interregional element to statewide transit network**
- **Connect population & employment centers**
- **Peak period commuter & “essential service” express**
  - Fast/minimize travel times
  - Limited stops/significant spacing
    - ✦ Utilize park-and-rides for broad local access
- **Maximize fare box recovery**
  - Expect at least 40% over time
  - Guarantee 20% within two years
- **Expand service as demand builds & farebox revenue allows**

# Interregional Express Bus Plan



- **Peer Agency Investigation/Lessons Learned**
  - 5 peer systems evaluated
  - Focus on park-and-ride collection points
  - Commuter peak period focus
    - ✦ Accommodate essential service needs
  - State or regional Commission or Board governance structure
  - Agency procured buses most cost effective
  - High fare box recovery: 38%-84%
    - ✦ Exception-New Mexico (15%) due to no/low CBD parking costs
  - Contract for operations
    - ✦ Minimize number of operators/contracts

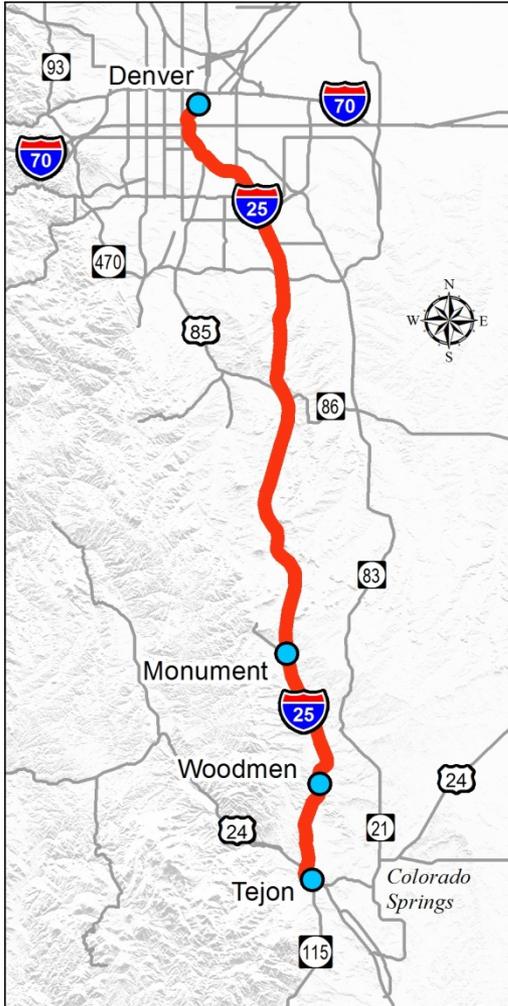
# Interregional Express Bus Plan



## Fort Collins to DUS

- 5 round trips/wkday
  - 4 peak commute times
  - 1 off-peak
  - Budget for expansion to 6 round trips/day
- Park-and-rides/stations
  - I-25/Harmony Road PNR
    - ✦ Park-and-ride expansion required
  - I-25/US 34 PNR
  - Denver Union Station
- Utilize current/future managed lanes & direct DUS access
- Ridership estimate
  - 171-257 passengers/day

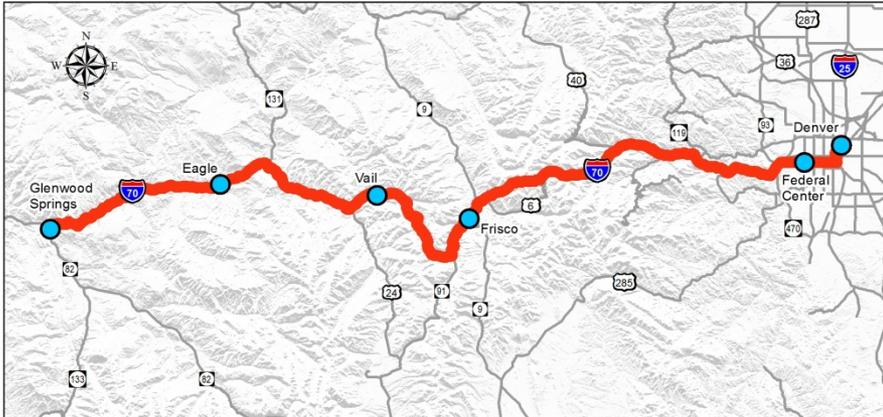
# Interregional Express Bus Plan



## Colorado Springs to DUS

- 6 round trips/wkday
  - 5 peak commute times
  - 1 off-peak
  - Budget for expansion to 7 round trips/day
- Park-and-rides/stations
  - I-25/Tejon Rd PNR
  - I-25/Woodman Rd PNR
    - ✦ Park-and-ride access required
  - I-25/Monument PNR
  - I-25/Broadway Station
  - Denver Union Station
- Ridership estimate
  - 371-556 passengers/day
- Pueblo to Colorado Springs - “essential services”
  - Current Inter-City bus (Greyhound)
  - Expand to Pueblo “commuter service” in later phase

# Interregional Express Bus Plan



## Mountain Corridor Plan

- 1 round trip/wkday
  - 7:20AM depart Glenwood Springs
  - 6:00PM depart DUS
  - Budget for expansion to 2 round trips/day (Vail to DUS)
- Park-and-rides/stations
  - South Glenwood Station PNR
  - I-70/Eagle PNR
  - Vail Transit Center PNR (pay in winter)
  - Frisco Transit Center PNR
  - Denver Federal Center
  - Denver Union Station
- Ridership estimate
  - 18-36 Passengers/day

# Interregional Express Bus Plan



- **Fare structure**
  - \$0.17/mile – consistent with industry/peer evaluation
  - **Single ticket one-way**
    - ✦ \$10/trip: Ft. Collins to DUS
    - ✦ \$12/trip: Colorado Springs to DUS
    - ✦ \$28/trip: Glenwood Springs to DUS
    - ✦ \$17/trip: Vail to DUS
  - **Multiple trip discounts:**
    - ✦ 10% discount (10 ride ticket)
    - ✦ 20% discount (20 ride ticket)
    - ✦ 25% discount (40 ride ticket)
- **Ticketing/Fare collection system**
  - **Advance purchase paper tickets/magnetic strip**
    - ✦ DUS, Civic Center Station, Fort Collins South Station, Colorado Springs Ticket Vending Machines, Glenwood 29<sup>th</sup> Street Station, Vail Transit Center, Frisco Transit Center
    - ✦ IGA's completed over winter
  - **Single trip tickets sold on bus**
  - **Ticket collection equipment/vaults and safe**
    - ✦ Lease from Mountain Metro (12)/purchase one
  - **Ultimate goal – SMART card technology; FY 2017 or later.**

# Interregional Express Bus Plan



- **13 Over the Road Coaches**
  - 50 passenger capacity, ample leg room
  - Handicap accessible
  - Reclining seats w/3 point restraining belts
  - Fold down tray tables
  - Wi-Fi and 110 volt electrical outlets
  - Restrooms
  - Bike racks
- **Question: Buy America or not?**
  - State funds – no requirement
  - One manufacturer Buy America certified
  - USDOT certified – multiple manufacturers

# Interregional Express Bus Plan



- **Operations & Maintenance**
  - **Contract with a private provider**
    - ✦ **3 year contract w/ 2 one-year options (5 years total)**
    - ✦ **Customer service performance measures**
    - ✦ **Required maintenance schedule and monitoring**
  - **RFP in development/advertise February 2014**
    - ✦ **RTD & Mountain Metro expertise/specs and process**

# Interregional Express Bus Plan



- **Finance Plan/Budget**

- **Initial capital/start-up fund (FY 2014)      \$10.9M**
  - ✦ **SB 1 unallocated/FREX proceeds      \$5.4M**
  - ✦ **Unallocated FASTER Statewide      \$5.5M**
- **FY 2014 capital expenditure estimates      \$10.9M**
  - ✦ **Bus purchase (13)      \$7.8M**
  - ✦ **PNR improvements      \$1.0M**
  - ✦ **PR/Branding      \$0.2M**
  - ✦ **Misc./Contingency      \$1.9M**
- **Annual contracted services (FY 2015+)      \$3.0 M**
  - ✦ **FASTER Statewide pool**
    - **Capped at \$3.0M – no increases**
  - ✦ **Covers operations & maintenance**
- **Fare box revenues dedicated to program**
  - ✦ **Funds other operating costs, capital needs and service expansion**
- **No local match**

# Interregional Express Bus Plan



- **Annual revenues**

- **FASTER Statewide funds - \$3.0M**
- **Fare Box revenue/FB recovery ratio (estimated)**
  - ✦ **FY 2015**                      **\$0.68M**                      **14%**
  - ✦ **FY 2016**                      **\$1.11M**                      **24%**
  - ✦ **FY 2017**                      **\$1.43M**                      **33%**
  - ✦ **FY 2018**                      **\$2.03M**                      **41%**

- **Annual budget available**

- **FY 2014**                      **\$10.9M**
- **FY 2015**                      **\$ 3.0M + FY2014 roll-forward**
- **FY 2016**                      **\$ 3.0M + \$0.68M + FY2015 roll-forward**
- **FY 2017**                      **\$ 3.0M + \$1.11M + FY2016 roll-forward**
- **FY 2018**                      **\$ 3.0M + \$1.43M + FY2017 roll-forward**

# Interregional Express Bus Plan



- **Annual Operating Expenses (no capital)**
- **Contract Operator costs - \$2.07M** **\$2.25M**
  - ✦ \$1.55M FY2015 (9 months)
  - ✦ Variable cost estimated at \$3.85/revenue mile
  - ✦ Contractor per mile costs increase as service increases
- **CDOT controlled external costs** **\$0.28M**
  - ✦ Advertising - \$100k (\$150k FY 2015)
  - ✦ Maint. Compliance engineer - \$80k (\$100k FY 2015)
  - ✦ Customer service - \$12k
  - ✦ Wi-Fi, tickets, fare vending machines - \$15k
  - ✦ Other - \$75k
- **CDOT controlled internal costs** **\$0.26M**
  - ✦ Salaries (2 positions) - \$260k
  - ✦ Misc. admin costs covered in DTR Administration Budget
- **Bus depreciation/replacement fund** **\$0.65M**
  - ✦ 12 year expected life
  - ✦ Depreciated at 8.3%/year - \$650k
- **Total** **\$3.44M**

# Interregional Express Bus Plan



- **Annual Capital Expenses**
  - **Dependent on funds available**
  - **FY 2014** **\$8.8M**
    - ✦ **13 buses** **\$7.8M**
    - ✦ **PNR improvements** **\$1.0M**
  - **FY 2015 and beyond**
    - ✦ **PNR improvements as needed**
    - ✦ **Fare-box replacements (SMART card technology)**
      - **\$160k possibly in FY 2018**
    - ✦ **Additional vehicles – service expansion if warranted**

# Interregional Express Bus Plan



## Annual Balance Sheet (000,000)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Budget/Revenues</b>					
Previous year Roll Forward	\$ 10.90	\$ 1.45	\$ 1.96	\$ 2.38	\$ 3.21
FASTER Statewide Funds	\$ -	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Fare Box Revenue	\$ -	\$ 0.68	\$ 1.11	\$ 1.43	\$ 2.03
<b>Total Revenue</b>	<b>\$ 10.90</b>	<b>\$ 5.13</b>	<b>\$ 6.07</b>	<b>\$ 6.81</b>	<b>\$ 8.24</b>
<b>Operating Costs</b>					
Contractor Operator	\$ -	\$ 1.68	\$ 2.25	\$ 2.25	\$ 2.68
Advertising	\$ 0.20	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.10
Maint. Compliance Eng	\$ 0.10	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.10
Misc Other	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
DTR Salaries (2 positions)	\$ -	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Depreciation/bus replacement fund	\$ -	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
<b>Total Operating Costs</b>	<b>\$ 0.40</b>	<b>\$ 2.92</b>	<b>\$ 3.44</b>	<b>\$ 3.44</b>	<b>\$ 3.89</b>
<b>Capital Costs</b>					
Bus purchase	\$ 7.80	\$ -	\$ -	\$ -	\$ 1.80
PNR improvements	\$ 1.00	\$ -	\$ -	\$ -	\$ -
Misc capital	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.16	\$ 0.25
<b>Total Capital Costs</b>	<b>\$ 9.05</b>	<b>\$ 0.25</b>	<b>\$ 0.25</b>	<b>\$ 0.16</b>	<b>\$ 2.05</b>
Roll-forward to next year	\$ 1.45	\$ 1.96	\$ 2.38	\$ 3.21	\$ 2.30
Fare Box Recovery Ratio	NA	14%	24%	33%	41%

# Interregional Express Bus Plan



- **Customer Service Plan**
  - **Key principles:**
    - ✦ Safe travel with friendly drivers
    - ✦ Clean, comfortable buses
    - ✦ Passenger friendly amenities: leg room, Wi-Fi, restrooms, ADA accessible
    - ✦ On-time performance
  - **Guaranteed ride home**
  - **Customer Call Center**
  - **Mobile Apps**
    - ✦ Real time bus location
    - ✦ Schedules & fares

# Interregional Express Bus Plan



- **Communications Plan**

- **Part I: Brand**

- ✦ Public information elements (system map, schedules, website, brochures, etc.)
- ✦ Marketing elements (campaigns, advertising, etc.)
- ✦ Bus stop/station treatments (signage, information posts, architectural amenities, other)
- ✦ Bus vehicle treatments (exterior and interior)

- **Part II: Education**

- ✦ Benefits
- ✦ Operations
- ✦ Partnerships with local agencies
- ✦ How to ride

# Interregional Express Bus Plan



- **Communications Plan**

- **Part I: Brand**

- ✦ **Develop brand, prepare graphic and infrastructure design standards based on the brand approach**

- **Timeframe: Jan - May 2014**

- **Part II: Education**

- ✦ **Project Organization**
- ✦ **Communications Collateral**
- ✦ **Internal Leadership/Project Communications**
- ✦ **Media Relations**
- ✦ **Project Messaging**

# Interregional Express Bus Plan



- **Operator Communications/Customer Service**
  - Responsible for mobile application, web
  - Customer Service Call Center
  - Under management of Communications

# Interregional Express Bus Plan



- **Measuring IX Success**
  - Quarterly Performance Reports
    - ✦ Ridership
    - ✦ Fare box revenues
    - ✦ Fare box recovery ratios
    - ✦ On-time performance rate
    - ✦ Contractor violations
  - Continuous performance monitoring
  - Service flexibility to maximize performance
- **Commission Oversight**
  - Suggest T&I Committee serve as IX Operating Committee
    - ✦ TRAC provides input
  - No capital expenditures or service expansion w/out TC approval

# Interregional Express Bus Plan



- **Request Commission approval – December 2013**
- **Public outreach – Spring 2014**
- **Communications/branding – Winter/Spring 2014**
- **Local Partnerships – Spring/Summer 2014**
  - Joint advertising
  - Ticket sales
  - PNR maintenance
- **Service opening – Late 2014**

# Interregional Express Bus Plan



# Questions

# ???