

MEMORANDUM

DEPARTMENT OF TRANSPORTATION

Division of Transit and Rail
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TO: Transit & Intermodal Committee
FROM: Mark Imhoff, Director, Division of Transit & Rail
DATE: December 10, 2012
RE: Regional-Commuter Bus Plan Concept

Purpose:

As part of CDOT's mission to provide a multimodal transportation system, DTR is promoting the concept of developing and funding regional-commuter bus (RCB) services on the I-25 corridor between Fort Collins, Denver and Colorado Springs; and on the I-70 mountain corridor between Grand Junction, Glenwood Springs, Vail, Frisco, and Denver. The goal is to focus RCB service in congested, high-volume corridors at peak commuting times. FASTER Statewide Transit funds would be the funding source of RCB operations and maintenance. The capital expenses of purchasing buses could utilize the remaining SB 1 funds reserved for transit, the FREX escrow and bus sale funds, and any new federal funding options identified in MAP-21. In addition, as part of the local partnership efforts, we would explore the possibilities of applying for and utilizing CMAQ funds to assist in the purchase of buses for use along the Front Range. Any residual bus capital needs would be covered by FASTER Statewide Transit funds.

Staff Recommendation:

Staff proposes to develop a formal Regional-Commuter Bus Plan over the winter for action by the TC in the spring, 2013. To that end, we will present the RCB Plan concept to the T& I Committee at the December, 2012 meeting. If the T&I Committee concurs, the Plan concept will be presented to the Transportation Commission in January, 2013; the requested action item would be to work in partnership with the local entities to formalize a plan for further TC consideration in the spring.

Legal Authority:

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. Transit operations would be a new endeavor for CDOT. In addition, the FASTER funds flow through the Highway Users Trust Fund (HUTF) which is protected by the Constitution. The Colorado Attorney General's Office agrees and supports CDOT's authority to fund and operate transit service, and the AG's office also believes the RCB plan and the use of FASTER funds for the plan implementation do not violate the HUTF provisions. An opinion is being prepared by the AG's office and will be available for the January Commission meeting.

Statewide Transit System Integration:

The RCB system will not only provide interregional transit service in the most congested corridors, it will also serve to connect many of the largest transit agencies in the state where service gaps currently exist. The local transit systems will function as feeder and distribution networks for the RCB. Most significantly, RTD, through the FasTracks program, has an extensive distribution network with its hub at the Denver Union Station (DUS) intermodal facility; thereby connecting the I-25 and I-70 RCB service with the entirety of the RTD network.

Both RFTA and TransFort have Bus Rapid Transit (BRT) systems under construction. The RFTA BRT (VelociRFTA) will be the first rural, and the longest (and highest) BRT system in the country connecting Glenwood Springs to Aspen along the SH 82 corridor; the RCB system would connect Summit County, Vail, Gypsum, Rifle and Grand Junction with the high-capacity VelociRFTA at Glenwood Springs. The Ft. Collins BRT (MAX) will connect the current north transit terminal through downtown to a new South Transit Station; the RCB would connect with MAX at the South Transit Station.

The most efficient transit services are those that are well-integrated into a cohesive network where connections can be made between local and regional transit service. While CDOT would be the owner/operator of the RCB service, the plan needs to be implemented, and integrated, with strong local partnerships. Over the winter months, DTR proposes to address the issues related to developing a network that is well-integrated with existing service providers and which maintains local involvement in planning of services.

Funding and Preliminary Cost Estimates:

The funding and operating plan that is being proposed has CDOT purchasing and owning the rolling stock (bus fleet), and contracting out the operations and maintenance. In this way, if there is ever a contractual issue with the private operator, CDOT can bring in a new operator and utilize the same bus fleet.

Annual O&M: The proposed RCB plan would utilize up to 25% of the annual FASTER Statewide Transit funds (\$2.5 million) for bus service operations and maintenance. CDOT would contract with a private carrier to operate the service, thus being the sole provider and funding entity for the service; no local match would be required. IGAs would be executed with local entities for "in-kind" facility utilization and system integration.

The preliminary analysis identifies an annual RCB operating and maintenance expense to CDOT in the range of between \$459,060 and \$2,448,320; this represents actual operating costs minus the fare box receipts. DTR believes that once RCB ridership has matured and stabilized during the first year, a maximum annual operating expense of \$1,874,495 or less can be achieved.

Capital: A total of 14 coaches (50 seats each) are needed for the identified I-25 and I-70 service. At \$535,000 each, the total estimated capital expenditure is \$7.49M to begin service. These buses have a 12-year/700,000 mile useful life. The buses would be over-the-road coaches with high-back reclining seats, drop down work tables, under-bay and overhead luggage racks, restrooms, and Wi-Fi connections. Buses would include safety features such as drop-down chains, brake retarders, and passenger seat belts. Over the winter, the vehicle fleet size and type, including CNG potential, will be explored further.

It is proposed to fund the purchase of buses using the remaining SB 1 funds reserved for transit (\$2.1M), the FREX escrow and bus sale funds (\$500K), applying for CMAQ funds, and exploring any new federal funding options identified in MAP-21. Any residual bus capital needs would be covered by FASTER Statewide Transit funds.

RCB Plan Development:

With Transportation Commission direction, the RCB Plan will be further developed over the winter, with a comprehensive plan brought back to the TC in the spring, 2013. If approved at that time, DTR would be prepared to execute the plan, including bus procurement, and bidding for the bus operation and maintenance.

This memo gives a brief overview of the RCB Plan concept. The attached White Paper provides more thorough documentation of the RCB Plan and the staff estimations to date. We have executed a contract this month for the *Statewide Intercity and Regional Bus Study*. If given the approval to further develop the RCB plan, DTR will use the *Statewide Intercity and Regional Bus Study* to assist in the development of a comprehensive RCB Plan, including detailed annual ridership, operating costs and revenue estimates over the winter; tasks and budget exist in this consultant contract.

Critical to the success of the RCB program is the partnership with the local transit systems. Over the winter DTR will work with each local entity, and the group as a whole, to define and develop a local partnership agreement. The local partnership ultimately would be consummated through an IGA for "in-kind" services from local transit systems, such as station access, park and ride utilization and service integration. A Task Force through the Transit & Rail Advisory Committee (TRAC) is pending with representatives from TransFort, RTD, Mountain Metro Transit, RFTA, Grand Valley Transit and CASTA. The Task Force would assist in identifying in-kind opportunities and bring forward knowledge and expertise in service planning, service integration, cost validation, and contract options.