



6.0 CAPITAL INVESTMENT

The transit system is facing a substantial need for capital investment for both vehicles and a maintenance-operations facility. All vehicles used at present are leased and are provided by the contractor. While six new vehicles have been leased for the 2006-2007 season and the paratransit vehicles were new, most of the rest were fully depreciated before they were brought to the system. The system will need to plan for obtaining all new vehicles over the next ten to fifteen years.

The existing fleet size of 38 vehicles is used as the basis of the initial capital plan for the Winter Park Lift. The vehicle fleet is expected to increase to accommodate the additional ridership as the system almost doubles in ridership by 2020. However, the speed of the ridership increase and the effect of development on the peaking patterns of the system will impact the number of additional vehicles that will be needed. The capital plan can be adjusted every few years in response to changing conditions. A draft capital plan illustrating anticipated needs by year is contained in **Appendix B-IV**. This should be used only to provide an order of magnitude estimation of the capital requirements. As the system moves towards implementation, a detailed capital plan will need to be developed.

Heavy duty transit coaches are recommended for most service, although over-the-road vehicles would be desirable for employee bus service between Fraser and Granby. The heavy-duty transit vehicles have a standard life of 12 years, but in a resort setting often can last much longer. A 15-year or more life has been used in the estimations for the capital plan as only two full-size coaches are programmed for replacement annually.

Body-on-chassis buses will continue to be used for paratransit services and any call-and-ride service that is provided. This type of vehicle will also be appropriate for the Grand County Council on Aging services provided to seniors in the County. Grand County Council on Aging vehicle requirements are also identified in the capital plan.

Finally, there will be minor requirements for a supervisory vehicle, a maintenance truck, and office equipment.

Adding up the total cost of new vehicles gives a cost of approximately \$9 million. In addition, a maintenance and operation facility could be expected to cost \$3 to \$4 million. Based on the useful life of vehicles (estimated at 15 years for heavy duty transit coaches) and a 40-year life for a building, the amortized cost would be about \$740,000 annually in current dollars.

These are significant costs and it is worthwhile examining how other resort systems have addressed these costs. A key has been to access federal dollars for capital funding, where 80% of the costs can be covered. The various federal funding sources are described in more detail in the next section. There is significant competition for the federal funds, and over the years a good number of buses have been purchased and facilities constructed using only local dollars, with outright purchases for smaller amounts and bonding for larger amounts. Realistically, the system would not be likely to obtain the full 80% for its capital needs – but might be able to



average closer to 60% based on the amount of funding the state has been able to obtain through earmarks.

The picture has changed recently now that Senate Bill 1 is beginning to make some state funding available for transit. This past year CDOT went through a process of selecting projects for Senate Bill 1 monies for transit, and it is anticipated that this may relieve some of the pressure for federal capital funds. For example, Colorado Springs was awarded several million dollars for purchasing new buses for the commuter service between Colorado Springs and Denver.

Choices for obtaining the vehicles and building the facility include:

- ▶ Leasing or purchasing vehicles
- ▶ Slowly upgrading the fleet, purchasing an average of 2-3 buses annually; obtaining vehicles in groups of approximately 10 every few years, or bonding for the entire cost of replacing the fleet and doing it at once.
- ▶ A combination of some leases and some purchases may make it financially feasible to obtain a core of new vehicles sooner than waiting to purchase all of them.

Because the system will want to work towards a sustainable replacement plan, it may be wiser to make larger purchases every few years, although it will take longer to have a “new look”. This will also reduce the amount of work needed for obtaining the vehicles – a task you don’t want to have to do every year. Obtaining enough so that primary services can be covered with new buses and using the older buses for peak overloads may be a viable strategy.

The facility needs are critical because the current facility is inadequate and there are future plans to develop that site. Finding a viable site for an operations facility, and having it ready to go (environmental reviews completed, design work underway) will give the region a stronger position should funding become available sooner than anticipated. At present, there is a “facilities group” of agencies that are waiting for funding through the annual earmark funds that Colorado receives. It may be 2011 before all agencies currently on the list are funded.