



Kimley»»Horn

# Charlottesville Area Transit *Transit Strategic Plan*

Fiscal Year 2025 – 2034

Chapter 5: Financial Plan

June 2024



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## Chapter 5: Financial Plan

Chapter 5 of the Transit Strategic Plan presents the financial plan and provides projections of the anticipated expenditures and revenues over the ten-year TSP timeframe. This chapter is organized into two sections:

- **Section 5.1 Operating and Maintenance Costs and Funding Sources** discusses the projected operating and maintenance costs and funding sources,
- **Section 5.2 Capital Costs and Funding Sources** discusses the costs of vehicle purchases and facility improvements.

### 5.1 Operating and Maintenance Costs and Funding Sources

#### Revenue Assumptions

The values presented in each section are based on data provided by CAT and the City of Charlottesville. Projections for future years are calculated using a combination of forecasts provided by CAT staff, CAT's FY 2025 projected budget, the FY 2024 DRPT Six Year Improvement Program (SYIP), and standard escalation rates. As with any projection, it is important to note that the uncertainty increases through time; therefore, values and figures are subject to change over time. All costs in this chapter have been inflated to year of expenditure dollars (YOES), accounting for the minimum three percent annual factor specified in the DRPT TSP Guidelines. For a retrospective look into CAT's annual costs and funding sources, refer to **Appendix A**.

**CAT is still determining whether to continue fare-free service as of the publishing of this document. As a result, CAT's projected revenues were calculated under two scenarios: a scenario where CAT maintains fare-free service past the conclusion of the DRPT TRIP grant and a scenario where CAT reintroduces fares. This was done for both the baseline scenario and the service change scenario.**

CAT generates operating and maintenance revenue that is grouped into six categories: farebox revenue, contract service, advertising and other revenue, federal funding, state funding, local funding, and other income. Future years beyond the already budgeted FY 2024 are based on the following assumptions.

#### *Farebox Revenue*

Starting in 2020, CAT began operating fare-free service in response to the COVID-19 pandemic. In 2021, CAT received a \$1,066,620 grant from the Commonwealth Transportation Board under DRPT's Transit Ridership Incentive Program (TRIP) which allows CAT to maintain fare-free service until June 30, 2026.

CAT is still determining whether to continue fare free service as of the publishing of this document. As a result, CAT's projected revenues were calculated under two scenarios: a scenario where CAT maintains fare-free service past the conclusion of the DRPT TRIP grant and a scenario where CAT reintroduces fares. This was done for both the baseline scenario and the service change scenario.

For the fare-free scenario, no farebox revenue was assumed for the duration of the ten-year TSP timeframe. This assumption was used for both the baseline and service change scenarios.

For the scenario where fares are reintroduced, fares are assumed to begin in FY 2027 upon the conclusion of the DRPT TRIP grant. Projected farebox revenues were calculated based on ridership and FY 2019's farebox recovery. FY 2019 was chosen as it was the last full fiscal year before the COVID-19 pandemic; farebox revenue for FY 2019 was \$553,400 for 1,871,952 annual unlinked trips (UPT). For the baseline scenario, FY 2027 was assumed to have 90 percent of FY 2019's UPT as transit ridership is still slowly recovering from the COVID-19 pandemic, thus FY 2027's farebox revenue was also assumed to be 90 percent of FY 2019's



farebox revenue (\$539,000). Farebox revenues were escalated by 1.5 percent each year to account for further ridership recovery and potential increases to CAT’s previous fare structure.

For the service change scenario, the base level of ridership was also assumed to be 90 percent of FY 2019’s ridership. The level of ridership is then expected to increase based on the ridership projections for the service changes outlined in Chapter 3. **Table 5-1** shows the total projected ridership and changes in ridership for the distinct TSP timeframes.

*Table 5-1: Projected Ridership for Each TSP Timeframe*

	Total Annual Ridership	Ridership Change
Base (90% of FY 2019’s Ridership)	1,684,757	-
Short-Term	1,725,011	40,254
Mid-Term	2,215,379	490,368
Long-Term	2,431,275	215,896

Source: CAT TSP Chapter 3

To calculate the increase in farebox revenue expected with the projected increase in CAT’s ridership, CAT’s FY 2019 farebox revenue per trip of 32 cents was applied to projected ridership in each year to obtain the projected farebox revenue. The 32 cents per trip was also escalated by 1.5 percent each year from FY 2027 to account for further ridership recovery and potential increases to CAT’s previous fare structure.

### *UVA - Trolley Service*

The University of Virginia (UVA) pays annually for CAT’s Free Trolley route, and their annual contribution in FY 2025 is projected to be \$88,750. For the baseline scenario, UVA’s payment is expected to remain at the FY 2025 level with it being escalated by 3 percent year over year to account for inflation. For the service change scenario, UVA is projected to increase their payment due to service improvements. The Free Trolley route will receive frequency improvements and Sunday service as part of the TSP’s mid-term improvements which will raise UVA’s annual contribution by approximately \$43,000 (FY 2030\$) beginning in FY 2030, the planned year for the improvements’ implementation. UVA’s contribution increase was calculated using UVA’s percent contribution percentage from FY 2024 and applied to the estimate increase in the Free Trolley route’s operating expenses. UVA’s contribution was also escalated by 3 percent annually for the service change scenario.

### *Advertising and Other*

CAT’s revenues from advertising have steadily decreased since the COVID-19 pandemic. In FY 2019, the last full year before the pandemic, advertising revenues were \$186,382, but CAT’s adopted FY 2024 budget only estimates \$25,000 from advertising. Advertising revenues are expected to stay low in the short-term and then make a gradual rebound as Charlottesville and CAT recover from pandemic-related impacts. For projection purposes, advertising revenues will remain at \$25,000 over the short-term TSP period (FY 2025–FY 2027). Advertising revenues are projected to increase consistently over the four-year mid-term period (FY 2028–FY 2031) from the base level of \$25,000 to the pre-pandemic level of \$186,382.





Advertising revenues will then increase by the 3 percent escalation rate from FY 2031 through FY 2034. The advertising and other revenue assumptions remain the same between the baseline and service change scenarios.

**Federal Funding**

Federal operations assistance funding for CAT comes from two sources: FTA Section 5307 and Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) funding. FTA Section 5307 funding for CAT is proportioned through DRPT as CAT is classified as a small, urbanized area. DRPT then proportions their federal allotment of 5307 grant money between small, urbanized transit agencies based on their respective operating expenses. CAT’s projected FTA Section 5307 for their FY 2025 budget is \$3,879,00, approximately 25 percent of total O&M costs for FY 2025. FTA 5307 operating funding is assumed to consistent and remain at 25 percent of total O&M costs for FY 2026 – FY 2034 for both the baseline and service changes scenarios.

CAT received a significant influx of federal funding during the COVID-19 pandemic and the following years due to the public transit allocations in the CARES Act. The additional federal funding from CARES was allocated through the 5307 apportionments. The last of the funds CAT received from CARES are projected to be spent by FY 2026 with FY 2025 and FY 2026 budgeted to receive approximately \$973,000 and \$608,000 in CARES funding. FY 2027 through FY 2034 will receive no CARES funding, thus federal funding for FY 2027 – FY 2029 will fall below FY2025’s level of funding. Overall, federal operations funding is expected to increase by \$3,871,000 over the TSP timeframe.

**State/DRPT Funding**

CAT’s state funding is comprised of both DRPT Operating Assistance funding and DRPT TRIP Grant revenue. The FY 2025 DRPT operating funding is from the FY 2025 CAT proposed budget. FY 2026 – FY 2034 DRPT Operating Assistance funding is based on the change of total Operating Assistance funding estimated in the DRPT FY 2024 SYIP shown in **Table 5-2**. For the baseline scenario, FY 2026 – FY 2029 DRPT Operating Assistance funding is anticipated to change at the same rate of total state funding. For FY 2030 – FY 2034, DRPT Operating Assistance funding is expected to increase at 2.0 percent.

*Table 5-2: Annual Change in DRPT Operating Funding Estimates*

Year	Percent Change from Previous Year
<b>FY 2025 to FY 2026</b>	2.0%
<b>FY 2026 to FY 2027</b>	2.1%
<b>FY 2027 to FY 2028</b>	1.9%
<b>FY 2028 to FY 2029</b>	1.6%

Source: DRPT FY 2024 SYIP

The projected state operating assistance funds in the FY 2025 proposed budget provides a basis to project CAT’s future state funding, but the exact allocation from the state will vary year to year. This is due to the Virginia General Assembly, passing a statute in 2018 requiring transit grant funding be based on performance (Section 33.2-1526.1 of the Code of Virginia). Performance-based allocation of state transit operating funding, which began in FY 2020, accounts for both the size of the agency and three years of performance trends. Sizing metrics are used to correlate funding allocations with the size of the agency and include operating cost (50 percent), ridership (30 percent), revenue vehicle hours (10 percent), and revenue vehicle miles (10





percent). The sizing allocation is then adjusted based on a comparison of the performance trends of the agency to the statewide trends for five performance metrics:

- Passengers per Revenue Vehicle Hour
- Passengers per Revenue Vehicle Mile
- Operating Cost per Revenue Vehicle Hour
- Operating Cost per Revenue Vehicle Mile
- Operating Cost per Passenger

As the allocation of performance-based funding is dependent on CAT’s performance relative to the performance of all transit agencies statewide, reliably projecting state funding allocation is difficult. As a result, the analysis presented in this chapter for the baseline scenario assumes that the state funding received by CAT is proportional to the statewide operations funding increases projected in the FY 2024 SYIP.

For the service change scenario, the DRPT Operating Assistance was calculated using DRPT’s MERIT allocation formula. CAT’s anticipated increases in ridership, revenue miles, revenue hours, and operating costs for each TSP timeframe (short-term, mid-term, and long-term) were put into the formula. As previously stated, the DRPT Operating Assistance is based on a performance-based allocation, so the future performance of Virginia’s other transit agencies needs to be calculated. Future performance was calculated using each agency’s FY 2022 input variables and escalated them by the assumptions listed in **Table 5-3**.

*Table 5-3: Escalation Assumptions for DRPT’s MERIT Inputs*

Input	Annual Assumption
<b>Ridership</b>	1.5% increase
<b>Revenue Miles</b>	3% increase
<b>Revenue Hours</b>	3% increase
<b>Operating Cost</b>	3% increase
<b>Operating Cost Sizing</b>	2021’s Split

Ridership is a major variable in the DRPT MERIT allocation formula, and it is predicted that the reintroduction of fares will decrease ridership. The DRPT MERIT allocation formula was rerun for the fare reintroduction scenario but with CAT’s predicted ridership being reduced by 10 percent beginning in FY 2027. The reduced ridership resulted in CAT receiving 5 percent less operating assistance. This 5 percent reduction was applied to the DRPT Operating Assistance allocations for fare reintroduction scenario for both the baseline and service change scenarios.

CAT also receives state operating assistance through their TRIP Zero and Reduced Fare grant which provides state funds to help CAT run fare-free service. The grant began in FY 2023 and spans four years with the level of state assistance decreasing each year: state funding covered 80 percent of the costs in year one (FY2023), followed by 60 percent in year two (FY 2024), 30 percent in year three (FY 2025), and CAT is expected to completely pay for the fare-free service in year four (FY 2026). TRIP funding for FY 2025 is budgeted at \$188,277. CAT cannot reapply for the zero and reduced fare TRIP grant, so no TRIP funding is expected for FY 2026 through FY 2034. However, CAT is still eligible to apply for other TRIP grants such the TRIP Regional Connectivity grant.





### City of Charlottesville Funding

Local funding projections are estimated annually for inclusion in the City of Charlottesville’s operating budget produced by the City Manager and City staff, then approved by the Charlottesville City Council. Localities in Virginia are required by law to maintain a balanced budget; therefore, local funding for operations for all years was assumed to cover the remaining balance of costs after all other revenue sources are applied. This remaining cost was split with Albemarle County based on a prorated percentage of the revenue hours operated between the City of Charlottesville and Albemarle County. The baseline scenario has Charlottesville providing 64.6 percent of the remaining revenue, while Charlottesville’s contribution split varies in the service change scenario for each timeframe, displayed in **Table 5-4**.

### Albemarle County Funding

Albemarle County pays for transit service for ten of CAT’s routes, and the revenue from contracted service is budgeted at approximately \$1,859,000 for FY 2025. Albemarle County’s contribution is determined based on the prorated number of revenue hours CAT operates within Albemarle County. Under CAT’s current service conditions, Albemarle County is responsible for 35.4 percent of CAT’s revenue hours. For the baseline scenario, Albemarle County is assumed to pay 35.4 percent of the remaining balance of costs after all other revenue sources are applied; the City of Charlottesville is expected to pay the other 64.6 percent.

The same assumptions were applied to the service change scenario, but the percentage Albemarle County owed changed based on the TSP’s proposed improvements and how the improvements affected the split in revenue between Albemarle County and the City of Charlottesville. **Table 5-4** displays the prorated percentage Albemarle County is assumed to owe for each timeframe in the TSP.

*Table 5-4: Albemarle County and City of Charlottesville Contribution Percentage Splits by TSP Timeframe*

Timeframe	Prorated Percentage	
	Albemarle County	Charlottesville
Baseline	35.4%	64.6%
Short-Term	34.6%	65.4%
Mid-Term	33.6%	66.4%
Long-Term	35.9%	64.1%

Source: CAT’s Department of Finances

The costs for both the baseline and service change scenarios are projected to increase at a 3 percent escalation rate for each year of the ten-year TSP timeframe.

### Ten-Year Financial Plan Scenarios

Two ten-year financial plan scenarios were developed: a baseline scenario and a service change scenario. The baseline scenario assumes no service changes are implemented during the TSP timeframe but the service change scenario assumes the service changes discussed in Chapter 3 are implemented. CAT’s revenue hours were held constant for the baseline scenario, while the service change scenario has CAT’s revenue hours increasing based on the planned service improvements and their proposed year of implementation. Projected operating expenses reflect an assumed 3 percent escalation rate each year, as well as additional operating expenses associated with any increased service.





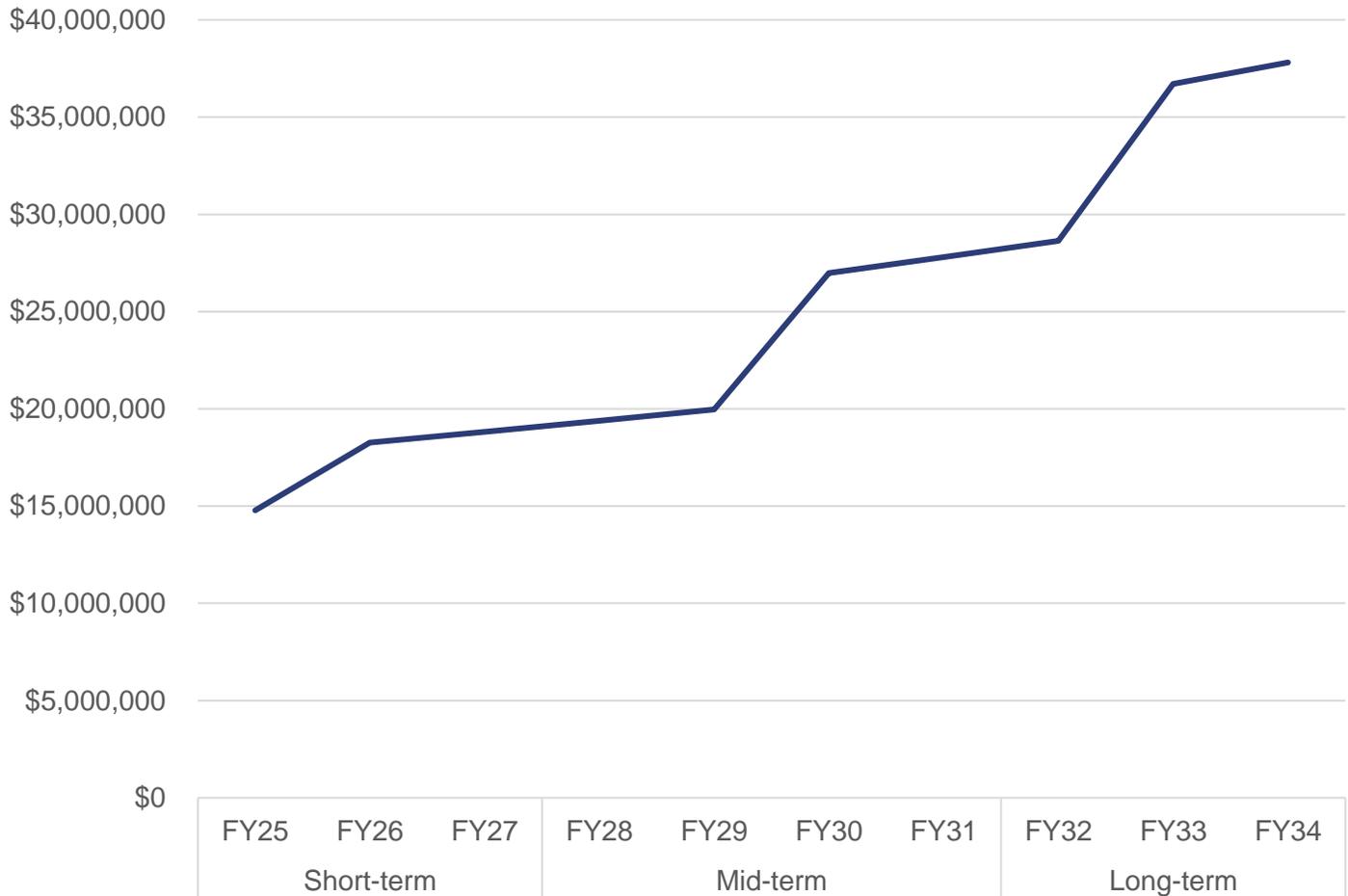
**Baseline Scenario**

**Table 5-5** shows the baseline operations scenario. Operating costs are projected to increase by \$5,206,000 over the ten-year TSP timeframe due to inflation. The end of the CARES funding will significantly decrease the amount of federal operations assistance CAT receives. Assuming consistent levels of Section 5307 funding, CAT's federal funding will remain at a similar level over ten years, with a dip during the mid-term when CARES funding expires. This stagnation in federal funding will result in a gap requiring a need to increase local funding. The reintroduction of fares could help to offset some of the decrease in federal funding, but a reintroduction of fares could decrease CAT's ridership which could in turn negatively affect CAT's allocation for the state's operating assistance.

**Service Change Scenario**

The service change scenario, shown in **Table 5-6**, has higher operating costs due to the expansion of service from the proposed improvements detailed in Chapter 3 of the Transit Strategic Plan. **Figure 5-1** shows the annual costs of the proposed improvements included in Chapter 3 for implementation over the TSP timeframe.

*Figure 5-1: CAT's Annual Operating Expenses Over Ten-Year Transit Strategic Plan Timeframe*



Source: CAT Transit Strategic Plan Chapter 3





CAT will need to secure additional funding to implement the proposed service improvements. As CAT's service grows, CAT will become eligible for increased state funding due the increase in their service and agency size. However, if additional funding is not procured, Charlottesville's annual contribution would have to increase by \$10,777,000 by FY 2034 to maintain a balanced budget; the amount of additional local funding needed would decrease to \$9,942,000 if fares were reintroduced.

**Table 5-7** compares the total revenue hours and operating costs of the baseline and service change scenarios. The proposed service improvements increase CAT's total revenue hours by 97,445 (131 percent) to 171,924 revenue hours. This also causes CAT's operating expenses to more than double with CAT's operating costs increasing by \$22,452,000 to \$36,801,000.





Table 5-5: Projected CAT Operation Costs and Revenues Under the Baseline Scenario (\$1000s, YOES)

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
<b>Revenue Hours</b>	74,479	74,479	74,479	74,479	74,479	74,479	74,479	74,479	74,479	74,479
<b>Total Operating Cost</b>	\$14,349	\$14,614	\$15,052	\$15,504	\$15,969	\$16,448	\$16,941	\$17,449	\$17,972	\$18,511
<b>Expected Operating Revenue Sources</b>										
<b>Fare Free</b>										
<b>Farebox</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>UVA</b>	\$88	\$90	\$93	\$96	\$99	\$102	\$105	\$108	\$111	\$114
<b>Advertising</b>	\$25	\$25	\$25	\$65	\$106	\$146	\$186	\$192	\$198	\$204
<b>Federal</b>	\$4,852	\$4,695	\$3,920	\$4,038	\$4,159	\$4,283	\$4,412	\$4,544	\$4,681	\$4,821
<b>State</b>	\$3,113	\$2,984	\$3,046	\$3,104	\$3,154	\$3,217	\$3,281	\$3,347	\$3,414	\$3,482
<b>Albemarle</b>	\$1,859	\$2,630	\$3,043	\$3,132	\$3,227	\$3,322	\$3,421	\$3,535	\$3,653	\$3,775
<b>Charlottesville</b>	\$3,790	\$4,799	\$5,553	\$5,715	\$5,889	\$6,063	\$6,242	\$6,451	\$6,665	\$6,888
<b>Reintroduction of Fares</b>										
<b>Farebox</b>	\$0	\$0	\$539	\$547	\$555	\$563	\$572	\$581	\$589	\$598
<b>UVA</b>	\$88	\$90	\$93	\$96	\$99	\$102	\$105	\$108	\$111	\$114
<b>Advertising</b>	\$25	\$25	\$25	\$65	\$106	\$146	\$186	\$192	\$198	\$204
<b>Federal</b>	\$4,852	\$4,695	\$3,920	\$4,038	\$4,159	\$4,283	\$4,412	\$4,544	\$4,681	\$4,821
<b>State</b>	\$3,113	\$2,984	\$2,894	\$2,949	\$2,996	\$3,056	\$3,117	\$3,179	\$3,243	\$3,308
<b>Albemarle</b>	\$1,859	\$2,630	\$2,906	\$2,993	\$3,087	\$3,180	\$3,276	\$3,389	\$3,505	\$3,625
<b>Charlottesville</b>	\$3,790	\$4,799	\$5,303	\$5,462	\$5,632	\$5,803	\$5,979	\$6,184	\$6,395	\$6,614

1. Revenue hours remain constant under baseline scenario.
2. Total operating costs are based on CAT's FY 2025 proposed budget. Future year operating costs are escalated 3 percent annually.
3. All costs are based on the year of expenditure in \$1,000s.



Table 5-6: Projected CAT Operation Costs and Revenues Under the Service Change Scenario (\$1,000s, YOY)

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
<b>Rev Hours</b>	74,479	98,260	98,260	98,260	98,260	137,430	137,430	137,430	171,924	171,924
<b>Total Operating Cost</b>	\$14,349	\$17,421	\$17,944	\$18,482	\$19,037	\$26,282	\$27,070	\$27,883	\$35,729	\$36,801
<b>Expected Operating Revenue Sources</b>										
<b>Fare Free</b>										
<b>Farebox</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>UVA</b>	\$88	\$90	\$93	\$96	\$99	\$145	\$149	\$153	\$158	\$163
<b>Advertising</b>	\$25	\$25	\$25	\$65	\$106	\$146	\$186	\$192	\$198	\$204
<b>Federal</b>	\$4,852	\$4,599	\$4,111	\$4,235	\$4,361	\$6,099	\$6,282	\$6,470	\$8,469	\$8,723
<b>State</b>	\$3,113	\$3,369	\$3,437	\$3,506	\$3,577	\$4,777	\$4,872	\$4,970	\$5,880	\$5,997
<b>Albemarle</b>	\$1,859	\$3,231	\$3,556	\$3,661	\$3,769	\$5,230	\$5,391	\$5,570	\$7,274	\$7,513
<b>Charlottesville</b>	\$3,790	\$6,107	\$6,722	\$6,919	\$7,124	\$10,036	\$10,346	\$10,689	\$13,476	\$13,918
<b>Reintroduction of Fares</b>										
<b>Farebox</b>	\$0	\$0	\$558	\$567	\$575	\$741	\$752	\$763	\$859	\$872
<b>UVA</b>	\$88	\$90	\$93	\$96	\$99	\$145	\$149	\$153	\$158	\$163
<b>Advertising</b>	\$25	\$25	\$25	\$65	\$106	\$146	\$186	\$192	\$198	\$204
<b>Federal</b>	\$4,852	\$4,963	\$4,486	\$4,621	\$4,759	\$6,570	\$6,768	\$6,971	\$8,932	\$9,200
<b>State</b>	\$3,113	\$3,201	\$3,265	\$3,331	\$3,398	\$4,538	\$4,628	\$4,722	\$5,586	\$5,697
<b>Albemarle</b>	\$1,859	\$3,163	\$3,295	\$3,394	\$3,497	\$4,752	\$4,901	\$5,067	\$7,178	\$7,419
<b>Charlottesville</b>	\$3,790	\$5,979	\$6,228	\$6,415	\$6,610	\$9,390	\$9,686	\$10,014	\$12,817	\$13,246

1. Revenue hours remain constant under baseline scenario.

2. Total operating costs are based on CAT's FY 2024 budget with increases in operating costs sourced from Chapter 3 of the Transit Strategic Plan. Future year operating costs are escalated 3 percent annually.

3. All costs are based on the year of expenditure in \$1,000s.



Table 5-7: Projected Operating and Maintenance Costs for Service Additions (\$1,000s, YOES)

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
<b>Existing System</b>										
<b>Revenue Hours</b>	74,479	74,479	74,479	74,479	74,479	74,479	74,479	74,479	74,479	74,479
<b>Existing Operating Cost</b>	\$14,779	\$15,223	\$15,680	\$16,150	\$16,634	\$17,133	\$17,647	\$18,177	\$18,722	\$19,284
<b>Service Additions</b>										
<b>Additional Revenue Hours</b>		23,781				39,170			34,494	
<b>Additional Operating Costs</b>		\$3,072				\$7,245			\$7,846	
<b>Cumulative Additional Operating Costs</b>		\$1,186	\$2,721	\$2,803	\$2,887	\$9,648	\$9,937	\$10,235	\$17,552	\$18,078
<b>Totals</b>										
<b>Total Revenue Hours</b>	74,479	98,260	98,260	98,260	98,260	137,430	137,430	137,430	171,924	171,924
<b>Total Operating Costs</b>	\$14,349	\$17,421	\$17,944	\$18,482	\$19,037	\$26,282	\$27,070	\$27,883	\$35,729	\$36,801

1. Costs are stated in year of expenditure dollars, with the assumed annual escalation rate of 3 percent.
2. Operational changes include only changes that incur additional operating costs.
3. All costs in \$1,000s.



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## 5.2 Capital Costs and Funding Sources

The anticipated capital costs presented in this section are driven by the implementation plan presented in Chapter 4 and are grouped into vehicle purchase costs, facility costs, and other capital costs. Chapter 4 should be referenced for additional information regarding the planning of these capital purchases.

### Vehicle Purchase Costs and Funding Sources

CAT's vehicle replacement schedule discussed in Chapter 4 shows the anticipated new vehicle needs for each year in the TSP timeframe and ranges from one (FY 2030) to 15 vehicles (FY 2029). The anticipated vehicle costs by year are shown in **Table 5-8**. CAT will spend an average of \$5,577,000 annually over the ten-year TSP timeframe. FY 2027 will incur the highest capital cost for vehicle purchases, as \$9,957,000 is expected for the purchases of the expansion, replacement, and support vehicles.

The capital funding for vehicle purchases will be split between federal, state, and local sources. CAT's replacement bus purchases will be placed in the State of Good Repair category for DRPT's Making Efficient and Responsible Investments in Transit (MERIT) capital assistance funding, and each year's expansion purchases will be placed in the Minor Enhancements category. For these two categories, total capital funding for these purchases is divided between the three funding sources with 28 percent of funding coming from federal, 68 percent from state, and 4 percent from local. No single year in the TSP timeframe is planned for a purchase of more than five expansion vehicles, so all expansion vehicle purchases are classified under the Minor Enhancement category.



Table 5-8: Financial Plan for Funding Vehicle Purchases (\$1000s, YOES)

Vehicle Classification <sup>1</sup>	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
35-ft Diesel		\$1,212								
30-ft Diesel	\$2,088									
BOC Diesel		\$137								
Trolley Diesel		\$1,885								
BEB	\$1,854									
FCEB		\$2,864								
ZEB <sup>2</sup>			\$9,957	\$7,977	\$1,114		\$8,717	\$1,283	\$7,926	\$8,164
Support Vehicles	\$247	\$32			\$278	\$36				
<b>Total Vehicle Costs<sup>3</sup></b>	<b>\$4,266</b>	<b>\$5,993</b>	<b>\$9,957</b>	<b>\$7,977</b>	<b>\$1,452</b>	<b>\$36</b>	<b>\$8,717</b>	<b>\$1,283</b>	<b>\$7,926</b>	<b>\$8,164</b>
<b>Anticipated Funding Source</b>										
Federal	\$1,264	\$876	\$2,788	\$2,234	\$484	\$20	\$2,441	\$359	\$2,219	\$2,286
State	\$3,069	\$2,308	\$6,771	\$5,424	\$1,176	\$49	\$5,928	\$872	\$5,390	\$5,552
Local	\$181	\$1,557	\$398	\$319	\$69	\$3	\$349	\$51	\$317	\$327

Source: Vehicle costs identified in Chapter 4 of the Transit Strategic Plan

<sup>1</sup> Vehicle purchases assume 28% funding through FTA (Section 5339 program), 68% from State, and the remaining 4% from local.

<sup>2</sup> As of the publishing of this document, CAT is undergoing a zero-emission transition feasibility study which will decide how CAT will transition to zero-emission vehicles. As a zero-emission bus technology has not yet been selected by CAT and CAT plans to begin purchasing only alternative fueled vehicles starting in FY 2029, zero-emission bus (ZEB) was used as a stand-in, and the ZEB is based on the average price between a BEB and an FCEB.

<sup>3</sup> All costs assume a 3% escalation rate.





## Facility Improvement and Other Capital Costs and Funding Sources

In addition to vehicle costs, CAT has capital needs to improve facilities, passenger amenities, and technology over the course of the Transit Strategic Plan life cycle. **Table 5-9** shows the anticipated capital cost by category and by year, as well as anticipated revenue from federal, state, and local funding sources. The greatest local funding need occurs in FY 2026, where a need of \$1,755,000 in local funding is estimated, primarily due to the 8 percent local match expected for rehabilitation of the administrative and maintenance buildings. The next greatest local funding need occurs the following year, FY 2027, as the rehab of the administrative and maintenance facilities needs three years to complete.

As with vehicle purchase costs, the facility improvements and other capital costs are accounted for by a combination of federal, state, and local dollars. Additionally, the funding for these capital costs is expected to remain at a split of 28 percent federal, 68 percent state, and 4 percent local for State of Good Repair and Minor Enhancement MERIT projects, with state funding tied to project prioritization scores for all improvements. The rehabilitation of the administrative and maintenance facilities, planned for FY 2025 and FY 2026, is classified as a Major Enhancement project under MERIT. For this project, federal funds being utilized do not include the State controlled FTA Section 5339 funding, so the split in capital funding is expected to be 28 percent federal, 50 percent state, and 22 percent local.

Additionally, **Table 5-9** is split into two sections: Battery electric buses (BEB) and fuel cell electric buses (FCEB). As previously mentioned, CAT has not yet decided upon a zero-emission transition strategy and the zero-emission bus technologies it plans to transition to. As the two zero-emission technologies require very different infrastructural needs, the capital costs associated with purchasing the required infrastructure differ significantly between BEBs and FCEBs. FY 2025 through FY 2028 in **Table 5-9** is the same between the two scenarios as CAT plans on piloting both BEB and FCEBs buses; the capital costs associated with BEBs and FCEBs in FY 2025–FY 2028 reflects the necessary capital costs to fuel and maintain the pilot buses. FY 2029 and beyond shows the capital requirements exclusive to a 100 percent transition to either BEBs or FCEBs.



Table 5-9: Financial Plan for Funding Facility Improvements and other Capital Costs (\$1000s, YOES)

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
<b>Anticipated Costs<sup>4</sup></b>										
<b>Facilities<sup>5</sup></b>										
Rehab/Renovation of Maintenance Facility	\$250	\$11,594	\$11,867							
Rehab/Renovation of Admin Building	\$250	\$10,219	\$2,245							
Rehab/Renovation of Maintenance Facility (28% Federal)	\$350									
BEB Charger Purchase and Installation <sup>6 7</sup>	\$125	\$67			\$144	\$185	\$76	\$39	\$239	\$41
FCEB Fueling Station <sup>5 8</sup>				\$1,582		\$13,194				
Purchase Shop Equipment				\$67	\$69				\$67	\$69
<b>Passenger Amenities</b>										
Passenger Shelters and Amenities				\$200	\$200				\$230	\$230
<b>Technology</b>										
ADP Hardware	\$51					\$59				
<b>Total (BEB)</b>	<b>\$901</b>	<b>\$21,879</b>	<b>\$14,112</b>	<b>\$3,698</b>	<b>\$413</b>	<b>\$244</b>	<b>\$76</b>	<b>\$39</b>	<b>\$536</b>	<b>\$340</b>
<b>Total (FCEB)</b>	<b>\$901</b>	<b>\$21,879</b>	<b>\$14,112</b>	<b>\$1,849</b>	<b>\$269</b>	<b>\$13,253</b>	<b>\$0</b>	<b>\$0</b>	<b>\$297</b>	<b>\$299</b>
<b>Anticipated Funding Source<sup>9 10 11</sup></b>										
<b>BEB</b>										
Federal	\$342	\$10,053	\$6,492	\$1,035	\$116	\$68	\$21	\$11	\$150	\$95
State	\$523	\$10,952	\$7,056	\$2,515	\$281	\$166	\$52	\$27	\$364	\$231
Local	\$36	\$875	\$564	\$148	\$17	\$10	\$3	\$2	\$21	\$14

<sup>4</sup> All costs assume a 3% escalation rate.

<sup>5</sup> Non-BEB and FCEB costs are sourced from DRPT's FY 2024 SYIP.

<sup>6</sup> BEB and FCEB capital costs are sourced from AFLEET.

<sup>7</sup> FY25 BEB charger costs include cost of transformer in addition to materials & labor. Future costs only assume cost of materials & labor. Costs are based on DC fast 50kW charger.

<sup>8</sup> FCEB fueling station cost for FY28 assumes costs for constructing a fueling station for three FCEBs. FY30 FCEB fueling station cost assumes cost for completing the constructing of the fueling station for CAT's eventual 67 bus fleet.

<sup>9</sup> Costs above \$3,000 assume 28% federal, 50% state, and 22% local funding, not including the maintenance and admin facilities rehab.

<sup>10</sup> Costs under \$3,000 and non-rehab of maintenance and admin facilities assume 28% funding through federal, 68% funding from State, and the remaining 4% funding from local.

<sup>11</sup> Costs above \$3,000 for maintenance and admin facilities rehab assume 46% funding through federal, 50% funding from State, and the remaining 4% funding from local.





	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
<i>FCEB</i>										
Federal	\$342	\$10,053	\$6,492	\$1,035	\$116	\$3,763			\$83	\$84
State	\$523	\$10,952	\$7,056	\$2,515	\$281	\$6,763			\$202	\$203
Local	\$36	\$875	\$564	\$148	\$17	\$2,912			\$12	\$12



