



# Gondola Long-Term Planning

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## Leadership Committee Meeting

January 29, 2024

# Leadership Agenda: Jan. 29

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1. **Action–Survey #1 Results:** Review Polling Summary, Campaign Roadmap and Gsub Recommendation
2. **Project Development Update:** 2024 Budgeting and Inter-Governmental Agreement (IGA) Process
3. **Action–Funding Strategy:** RAISE Grant and Guiding Principles for Determining an Optimal Local Match
4. **Peer Systems Tour:** Itinerary for Gondola Delegation to Winter Park and Steamboat
5. **Public Comment**



# Leadership Committee: **New Members**

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## Town Council (7 with 3 new)

- Mayor Teddy Errico
- Councilmember Elena Levin
- Councilmember Ashley Story Von Sprecken



Board of County  
Commissioners (3)



## Mtn Village Entity (6 with 1 new)

- TMV Town Council (3)
  - Mayor Marti Prohaska
  - Harvey Mogenson
  - Scott Pearson
- TMVOA Representation (3)
  - Jim Royer
  - Park Brady
  - Anton Benitez



Executive Leadership



Board of Directors

# Gondola Subcommittee: **New Members**

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Meehan Fee

Ashley Story Von Sprecken



Lance Waring

Mike Bordogna



Jim Royer

Harvey Mogenson



Jeff Proteau

Chad Horning



David Averill

Joe Dillsworth



# Survey #1 Results: **Action**

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*Summary, Roadmap & Gsub Recommendation*

## **Polling:** Summary Results of Survey 1 of 2

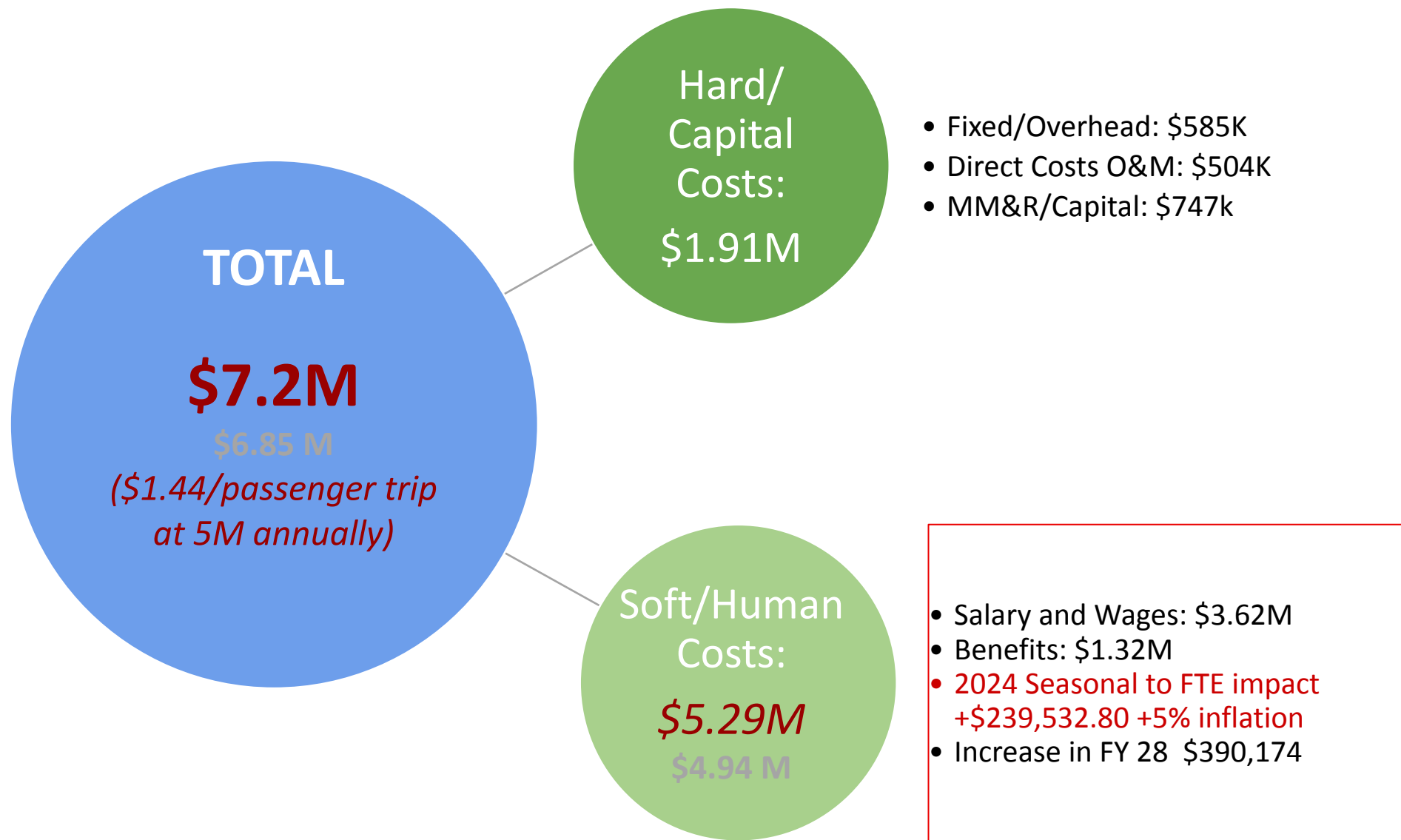
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***KEATING RESEARCH TO PRESENT SLIDES***

# Campaign Roadmap: Discussion

DRAFT Timetable 1			DRAFT Timetable 2			DRAFT Timetable 3		
	Campaign Committee	Entities		Campaign Committee	Entities		Campaign Committee	Entities
Jan	survey #1 results/summary	survey #1 results/summary	Jan		Survey #1 results/summary	Jan		survey #1 results/summary
Feb	files - fundraise ongoing	determine campaign kickoff timing	Feb		draft possible language	Feb		draft possible language
Mar	outreach to electeds on supporting potential ballot committee		Mar		shop language with key stakeholders	Mar		shop language with key stakeholders
April	build-out/partnership building	education	April		shop language with key stakeholders	April		shop language with key stakeholders
May	business outreach	education	May		shop language with key stakeholders	May		shop language with key stakeholders
June	events asking ppl to ask SMART to act	take meetings with campaign committee	June	files post survey - create campaign committee		June		district tour asking for feedback "labeling"
July	build whisper campaign via petition	take meetings with campaign committee	July	fundraise and endorsements		July		gather petition signatures in support of going to ballot
Aug	celebrate SMART going to ballot	education at some big gondola use summer event	Aug	fundraise and town hall tour	education at some big gondola use summer event	Aug	files end of month - campaign committee meets weekly	education
Sept	campaign	education	Sept	campaign	education	Sept	fundraise and campaign	education
Oct	campaign	education	Oct	campaign	education	Oct	campaign	
Nov	win		Nov	win		Nov	win	

**Forecasted 2028 OpEx Costs** (excludes Chondola) +%5 inflation cost calculated y/y (using FY 23 Budget)  
*Amended with FY24 change to staffing requirements Seasonal to FTE increase of \$239,533 per year +5% inflation*



# OpEx - Assumptions for 2028 costs

## Estimated Cost

\$2.06M Maintenance  
**\$3.72M** Operations  
\$747K MM&R/CAP  
\$660K Fixed/Overhead  
**\$7.2M** Total O/M Gondola

## Additional Assumptions

- Existing system (all segments)
- New system double's capacity
- Shorter travel time
- Increased operational efficiencies
- Reduced maintenance costs
- 5% inflation year over year
- Base numbers 2023
- **2024 Seasonal to FTE impact +\$239,532.80**  
**+5% inflation = Increase in FY28 \$390,174**

## Anticipated additional SMART Needs

\$1.1 M per year for service expansion and projects  
**Total new Revenue for SMART = \$8.3M** (\$7.95M)

# Gsub Recommendation: **January 22, 2024 (Action)**

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## *Gondola Ballot Initiative*



Given strong baseline results from survey 1 of 2, proceed with plan for Nov. 2024 ballot initiative:

- Updated number for gondola and SMART service in 2028: **\$8.3M annually**
- Specific ballot language to be determined and tested in survey 2 of 2 (Summer 2024)



# Project Development: **Discussion**

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*2024 Budgeting and IGA Process*

# Update: 2024 Budgeting

Project Budget		
	Funded 2023 IGA 11/14/2023	2024 IGA Amendment -TBD
	2023	2024
Gondola Sr. Project Manager	\$85,000.73	\$142,516.48
Election Consultant Services	\$60,000.00	\$109,333.33
Financial Advisor Services	\$24,000.00	\$24,000.00
Community/Government Affairs Consultant Services	\$50,000.00	\$50,000.00
Project Development Services (SME)	\$75,000.00	\$250,000.00
	\$294,000.73	\$575,849.81
Contingency (10%)	\$29,400.07	\$57,584.98
<b>TOTAL</b>	<b>\$323,400.81</b>	<b>\$633,434.79</b>
Cost Share Distribution 4 Partners	2023 Funded	2024
Total w/ contingency	\$80,850.20	\$158,358.70

- Reimbursement invoices will began at the end of December and will occur on a regular basis.
- Development of IGA amendment to begin in December, anticipated approval by boards Feb/March

# Update: IGA Next Steps

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## Addendum to IGA for 2024 Cost-Sharing.

Addendum discussions will include the following:

- Updated 2024 Budget for Consultant Services
- *Commitment for Local Matching funds for the RAISE Grant 2024 Application (\$5M minimum local match requirement) \**

Proposed Timeline:

- **Partner discussion at December 18 GAC meeting.**
- Draft Addendum by January 1, 2024 to legal teams for review.
- Approval of Addendum by Leadership Committee at January 29th Meeting
- Execution of Addendum at February Board/Council Meetings

*\*RAISE Grant Requires Local Match Commitment, IGA Addendum for FY 2024 could express said commitment from certain partners.*



## Project Development: **Action**

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*RAISE Grant, Optimal Local Match & Gsub Recommendation*

# Update: RAISE Grant

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- RAISE NOFO Issued 11/30/2023
- RAISE Grant Due 2/28/2024
- AECOM has begun work
- Background and Informational information has been prepared to begin work on grant application

# Discussion: Determining an Optimal Local Match

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## Value Drivers: Previously Confirmed by the Subcommittee and Leadership Committee (Part 1)

- **System Flexibility**

- The existing gondola system is at capacity and ridership growth is ahead of forecasted levels.
- Current ridership during peak periods results in significant lines and wait times that diminish rider experience (e.g., ~20 – 40 minutes)
- Right-sized for current and future demand – Maximum future buildout capacity of up to 3500 people per hour

- **Total Cost of Ownership**

- Expansion of SMART Regional Funding Model
- CapEx and OpEx of the new system are comparable to a major upgrade of the existing gondola with much less risk
- The cost per rider is substantially lower for a new system

# **Discussion: Determining an Optimal Local Match**

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## **Value Drivers: Previously Confirmed by the Subcommittee and Leadership Committee (Part 2)**

- **Passenger Experience**
  - Fare free gondola
  - Level-loading is directly tied to capacity, wait times, visitor experience, ADA compliance and future funding competitiveness
  - Full reliability of the machine
- **Environmental, Economic and Quality of Life Benefits**
  - Greenhouse Gas (GHG) Emissions and Vehicle Miles Traveled (VMT) Reductions
  - The gondola is iconic to the Telluride/Mountain Village identity and the lifeline of our regional economy
  - Minimize gondola downtime during construction

# Discussion: Determining an Optimal Local Match

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## Key Assumptions: Part 1

- **Updated Capital Cost Estimate:** As part of the RAISE Grant Application, an updated cost estimate will be developed with input from both major gondola manufacturers and industry experts. This and the supporting numbers for the RAISE Grant will be used to develop the Ideal Local Match Scenario.
  - Based on previous discussions at Gsub and Leadership, the CapEx we were using for total project cost was \$90M (\$65M plus annual 5% inflation rate)
  - Updated Estimate will be based on the following assumptions:
    - Direct Drive Machine
    - 10 Person Cabins (Industry Standard)
    - Minimizing impact to transit function
    - Ability to meet capacity 1200 pph - 3400 pph
    - Replacing Stations with like

# Discussion: Determining an Optimal Local Match

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## Key Assumptions: Part 2

- **2024 RAISE Grant Application:**

Represents the most immediate opportunity to pursue significant outside funding.

- The maximum award is \$25M with a minimum 20% local match (\$5M).
- A successful RAISE Grant would not preclude the project from seeking additional grant opportunities.

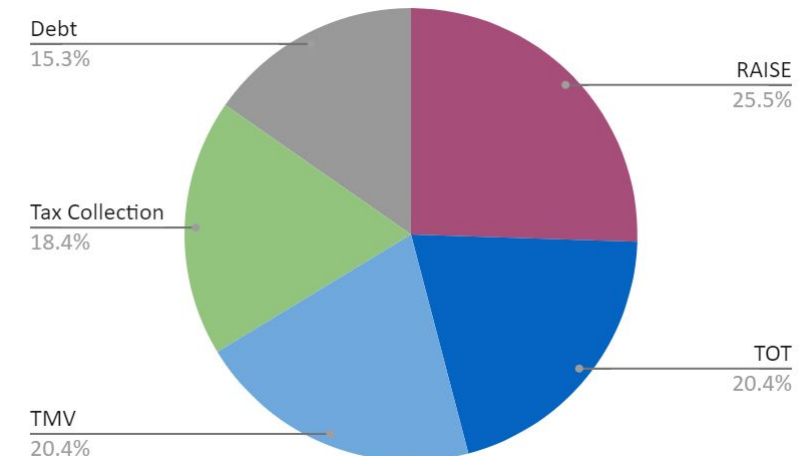
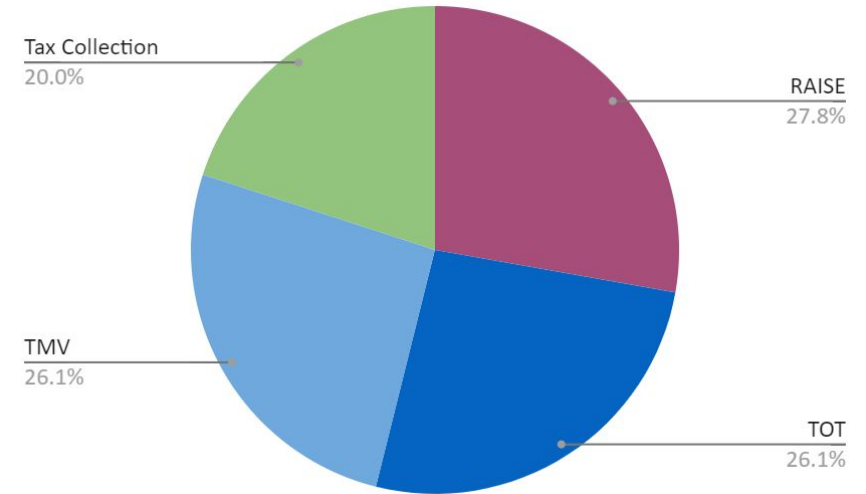
- The larger the local funding commitment, the more competitive our grant application(s) will be.

- We all share in the benefits of the gondola and its costs should be distributed equitably across user groups (i.e., residents, visitors and recreationalists).

# Discussion: Determining an Optimal Local Match

## Key Assumptions: Part 3

- Assuming a ballot question is asked and approved in Nov. 2024 to generate revenue in the amount of \$8.3M annually, collection could begin in 2025 for use towards the capital outlay until funding is allocated towards O/M in 2028 (estimate \$18M).
- We should strive to develop an Ideal Local Match Scenario that maximizes the potential for outside grant funding and, by developing a strong local match, minimizes debt incurred by taxpayers.
  - SMART Tax Payer Debt - The maximum level of debt that SMART could incur is \$15M and would require voter approval.



# Gsub Recommendation: **January 22, 2024 (Action)**

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## *Determining an Optimal Local Match*



The Assumptions Presented Should be Used as Guiding Principles for Determining an Optimal Local Match for Grand Funding.

*Note: Scenarios with and without debt will be considered.*



# Peer Systems Tour: **Discussion**

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## *Gondola Delegation Itinerary*

# Discussion: Tour of Peer Systems

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- **Monday, 2/26**

- Travel to Winter Park early morning
- Tour new Winter Park gondola and Q&A with staff / Alterra / Leitner POMA
- Spend the night at Gravity Haus Winter Park

- **Reservations: Contact Sunny Siegel (720.452.9748 or [sunny.siegel@gravityhaus.com](mailto:sunny.siegel@gravityhaus.com))**

- **Tuesday, 2/27**

- Travel to Steamboat
- Tour Wild Blue Gondola and Q&A with Steamboat Resort staff / Alterra / Doppelmayr
- Spend the night at Steamboat Grand

- **Reservations: [Book Directly Online](#) or call 1-877-269-2628 and identify the Telluride Mountain Village Gondola Group \*\*\*BOOK ASAP\*\*\*ROOMS ARE LIMITED**

- **Wednesday, 2/28:** Travel back to Telluride



## Next Steps

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# Outcomes & Next Steps

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- Election Services and Polling Survey 2 of 2 (summer)
- Draft 2024 Project Development IGA
- Develop RAISE Grant Application and Local Match Letter of Intent
- **Upcoming Meeting Dates:**
  - March 25: Leadership Committee (tentative)
  - Peer systems tour: February 26-28
    - February 26: Gsub (in Winter Park)

# Public Comment

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Please raise your hand and limit your question or comment to 3 minutes.

*Additional public comments and questions may be submitted to [OurGondola@gmail.com](mailto:OurGondola@gmail.com).*