

Capital Improvement Plan



V. Capital Improvement Plan

WATA develops long-term strategies for investing in capital assets by identifying and prioritizing needs and/or opportunities. The planning for the purchase of specific equipment and facilities over time allows WATA to achieve service goals and meet demands of policymakers and the public.

The Authority completes a CIP annually as part of its participation in the metropolitan planning process. Proposed projects must be included in the Transportation Improvement Program (TIP) for WATA to receive federal funding. The Virginia Department of Rail and Public Transportation (DRPT) also requires a long-range capital plan to be eligible for state funding.

To prepare for a CIP, there must be an accurate understanding of the replacement value and condition of existing capital assets and a projection of future service needs. Also, implicit in the development of a CIP is a projection of future availability of capital funds and overall financial capacity to supply the forecasted service levels along with any capital asset expansion and maintenance costs.

Major elements of the following CIP include:

- Funding Sources & Summary
- Capital Projects – Existing Inventory & Future Growth
- Transportation Improvement Program (TIP)
- Capital Outlay

Capital projects typically include projects that will survive more than one fiscal year such as construction, fleet acquisition and upgrade, or technology projects. These projects also involve multiple cost components such as equipment, labor or professional services. WATA's philosophy governing the development of the CIP sets useful life standards and other criteria for prioritizing projects. The CIP includes a mention of items defined as Capital Outlay, which have a shorter useful life and are generally items under \$50,000 like furniture, equipment, and hardware/software that support WATA operations. Capital Outlay cost is included in this section, but those expenses are expected to be spent on items that meet the agency's asset definition, but not quite to the federal threshold of \$50,000.



A. Funding Sources and Summary

As a small-urban provider, WATA has federal, state, and local sources available for funding capital projects. Capital funding programs are often competitive, and funds awarded depend on availability and the number of projects that are applied for.

In Fiscal Year 2026 the total CIP funding is estimated to be \$29,712,713. This amount includes both revenues that will be appropriated as current revenues in Fiscal Year 2026 and revenues that are being carried forward from a prior fiscal year to complete ongoing projects.

B. Capital Projects

WATA has retained the format of the most recent Transit Development Plan, which placed capital projects into five different categories.

- Revenue Vehicle Fleet
- Facilities
- Passenger Amenities
- Equipment
- Technology

As a member of the DRPT group II Transit Asset Management plan (TAMP), WATA utilizes the DRPT statewide targets. Integrated within the TAMP is also the Public Transportation Agency Safety Plan (PTASP) by referencing and integrating goals, measures, and targets described in the 2022 Commonwealth of Virginia Tier II Group TAM Plan.

Under the State of Good Repair (SGR) program funds are made available to a State's or territory's governor or governor's designees for small urban agencies. The governor's office is then responsible for receiving and apportioning funds to eligible projects and recipients. SGR funds are available for capital projects that maintain a fixed guideway or a high-intensity motorbus system in a state of good repair. Under the MERIT program DRPT will prioritize projects separately under the State of Good Repair (SGR), Minor Enhancements (MIN), and Major Expansion (MAJ) programs.

C. Revenue Vehicle Fleet

WATA currently owns vehicles used on fixed route services, ADA Complimentary paratransit and purchased transportation through the Colonial Williamsburg Foundation and York County Trolley service. Having a diverse mix of vehicle types by multiple



manufacturers adds a layer of complexity to WATA’s fleet management which requires additional care in the scheduling and replacement of each vehicle. Of the WATA rolling stock, there are currently 14 of 51 vehicles that have met or exceeded federal useful life. A large portion of those vehicles are the compressed natural gas buses that had been leased to the Colonial Williamsburg Foundation.

1. State of Good Repair Projects (SGR) – Rolling Stock

State of Good Repair (SGR) – Rolling Stock Chart

Rolling Stock	Number in Fleet	Eligible for SGR
New Flyer – Diesel	7	1
Gillig - Diesel	13	0
Gillig - CNG	2	0
Hometown – Diesel	3	1
Specialty – Diesel	1	0
Orion - CNG	9	9
Starcraft - Gasoline	7	1
Chevrolet - Gasoline	1	1
Ford - Gasoline	7	0
Dodge – Gasoline	1	1
Total:	51	14

Fleet Replacement Plan Chart

	FY26 Proposed	FY27 Planned	FY28 Planned	FY29 Planned	FY30 Planned
CNG Bus Replacement	\$2,854,324	-	-	-	-
Diesel Bus Replacement	\$1,321,092	\$2,409,798	\$1,662,761	\$2,581,436	\$2,544,559
Diesel Bus Expansion	-	-	\$1,662,761	-	\$1,781,191
Trolley Bus Replacement	\$534,906	--	-	-	-
Body on Chassis Replacement	\$220,532	\$619,662	-	-	-
Body on Chassis Expansion	\$220,532	-	-	-	-
Support Vehicle Expansion	\$110,000	-	-	-	\$101,782
Support Vehicle Replacement	-	\$74,589	-	\$147,511	\$127,228
Total Expenses	\$5,261,386	\$3,104,049	\$3,325,522	\$2,728,947	\$4,554,760



Fleet Replacement Revenues Chart

	FY26 Proposed	FY27 Planned	FY28 Planned	FY29 Planned	FY30 Planned
Federal	\$3,979,756	\$2,122,229	\$2,660,418	\$2,106,452	\$3,524,723
State	\$1,241,988	\$954,050	\$665,104	\$616,595	\$1,020,877
Local	\$39,642	\$27,770	-	\$5,900	\$9,160
Fund Balance	-	-	-	-	-
Total Revenues	\$5,261,386	\$3,104,049	\$3,325,522	\$2,728,947	\$4,554,760

Under the federal useful life standards for FTA grants, vehicles are measured in terms of age and mileage. The useful life benchmarks are:

- Heavy Duty Buses: 12 years / 500,000 miles
- Body on Chassis: 5 years / 150,000 miles
- Support Vehicles: 4 years / 100,000 miles

The typical turnaround time for delivery of a vehicle ranges from 12-36 months depending on the type of vehicle and requested specifications. Therefore, WATA maintains a fleet plan which projects expansion purchases and replacement purchases based on federal useful life guidelines.

For Fixed Route services WATA and its stakeholders are currently exploring growth, which is planned in WATA’s transit strategic plan, Evolving WATA. With the takeover of the Colonial Williamsburg fixed route service in September of 2023, WATA’s existing vehicle responsibility has increased by eight (8) heavy duty vehicles. These vehicles are at the end of their useful life and will require significant investment to replace them. There are currently 4 on order with an anticipated delivery in March 2026.

While growth has been significant year to year for ADA services, it appears that ridership may begin to plateau. In the current system WATA is scheduling as many as 80 trips were day. Due to this demand, WATA currently utilizes all available paratransit vehicles in service and has planned for an expansion in the FY26 budget to serve as a spare.

Through a partnership with York County, WATA also owns a mixed fleet of vehicles which are reported as purchased transportation. York County also utilizes a partnership with WATA to assist in the purchase of trolley vehicles in the historic Yorktown area. The FY26 budget includes the replacement of one of these leased vehicles.



D. Facilities Projects

Facility Construction Expenses Chart

	FY26 Planned	FY27 Planned	FY28 Planned	FY29 Planned	FY30 Planned
Admin & Ops Facility	\$15,388,883	\$4,396,824	-	-	
Northern Transfer Facility	\$8,233,974	\$2,352,564	-	-	
Total Expenses	\$23,622,857	\$6,749,388	-	-	

Facility Construction Revenues Chart

	FY26 Proposed	FY27 Planned	FY28 Planned	FY29 Planned	FY30 Planned
Federal	\$12,123,400	\$3,463,829	-	-	-
State	\$11,096,378	\$3,170,394	-	-	-
Local	\$403,078	\$115,165	-	-	-
Total Revenues	\$23,622,857	\$6,749,388	-	-	-

The facility projects listed are currently funded by as many as seventeen different grants. Some with varying match rates and scope of work. WATA is utilizing its contract with Skanska to have the Russell Group provide support for grant management throughout the duration of the project.

WATA completed the purchase of the facility at 7239 Pocahontas Trail in October 2020. Design of the facility was started in early FY2022. Construction activities began in April of 2025 and are anticipated to take around 17 months.

Staff are also engaged in the construction of a WATA Transfer Facility located at 6166 Old Mooretown Rd. The real estate purchase was completed in FY2022, and staff held a groundbreaking ceremony in April 2025. Construction is progressing well with substantial completion expected late summer of 2026.

Significant funds will be invested in these projects in FY2026 to include all costs associated with temporary facilities to be used during this process. WATA also applied for engineering and design funding for phase 2 of the Operations & Maintenance facility project. Phase 2 design would include the main driveway, CNG compressor system, and potential for additional parking. The project cost is estimated to be \$222,223, with most of the revenue coming from federal and state sources in FY26.



Additionally, WATA's main transfer hub is the Williamsburg Transportation Center, located at 468 North Boundary Street, in the City of Williamsburg. The Williamsburg Transportation Center, owned by the City of Williamsburg, is a multi-modal center served by Amtrak, Greyhound, HRT, WATA, and taxis. WATA leases space at the center to operate the WATA Customer Service Center and Store. Indoor waiting, restrooms, and vending machines are available at the center. There is no capital expense related to the lease of this space.



E. Other Capital Projects

Other Capital Projects Expenses Chart

	FY26 Projected	FY27 Proposed	FY28 Planned	FY29 Planned	FY30 Planned
Longhill Bus Shelter Improvements	\$165,200	-	-	-	-
Tam-O-Shanter Improvements	\$150,000	-	-	-	-
Bus Pull-Offs	\$255,000				
Equipment Maintenance	-	-	\$50,000	-	-
Zero Emission Feasibility Study	\$100,000	-	-	-	-
Software	\$128,863	\$132,729	\$136,711	\$140,812	\$154,690
Automatic Passenger Counter	-	-	\$200,000	-	-
AVL System Upgrade	-	-	-	-	-
Fare Collection	\$29,407	-	-	-	-
Total Expenses	\$828,470	\$132,729	\$386,711	\$140,812	\$154,690

Other Capital Projects Revenues Chart

	FY26 Proposed	FY27 Planned	FY28 Planned	FY29 Planned	FY30 Planned
Federal	\$450,516	\$37,164	\$108,279	\$39,427	\$43,313
State	\$307,824	\$90,256	\$262,963	\$95,752	\$105,189
Local	\$70,131	\$53,092	\$15,468	\$5,632	\$6,188
Total Revenues	\$828,470	\$132,729	\$386,711	\$140,812	\$154,690

This section includes Passenger Amenities, Equipment, and Technology funding. Projects can be funded through any of the available grant programs that WATA utilizes, therefore match rates may vary from project to project.

Passenger Amenities include the purchase of shelters, benches, trash cans, and similar items that improve customer experience. One such project is the installation of a new shelter on Longhill Rd where the project will improve pedestrian access to the stop, drainage, and general aesthetics. WATA is working with the localities to try and streamline the bus stop improvements processes.



Staff are currently working with the Department of Rail and Public Transportation (DRPT) on the process of installing bus shelters in a VDOT maintained right-of-way. This process may lengthen the time needed for approval in some cases. WATA has included funds in the CIP to continue engineering and construction for planned improvements.

For Technology, WATA is continuing to utilize its CAD/AVL contracts for on board vehicle technologies. The software project covers related expenses dealing directly with operations. The fare collection project will include a temporary probe which staff need to function during the construction of the O&M facility, as well as an upgrade to the point-of-sale system used by the Customer Service team out of the office at the transportation center.

F. Capital Projects Summary

As part of the adoption of WATA's new strategic plan, Evolving WATA, the agency adopted a new cost allocation formula which includes a stepped increase in capital contributions over the next 5 years. This will result in an ask to each locality for their necessary operating contribution plus 10% that will be attributed directly to capital projects. This helps provide the match rate needed on capital project grants. In the FY26 budget the budget request is 4% over operating demands. With this methodology WATA will need to manage capital projects to ensure that the capital contribution each year aligns with the projects and funding required, as opposed to setting up the projects and asking for the required funds each year. Therefore, any overages in capital contribution each year will be placed in fund balance to be set aside until required.

For capital projects related to heavy duty rolling stock, funds have been allocated in the fiscal year which the funds will be expended, however, due to the long lead times funds will be encumbered to a purchase order 12-18 months prior. Rolling stock assets are then recorded in the TransAM system provided to WATA by DRPT. These asset conditions are then updated twice a year, on July 15, and January 15. The January assessments are then used in that year's applications for grants related to State of Good Repair.

For technology projects, on board vehicle technologies typically result in a trackable asset, however most smaller equipment purchases are purchased through the capital outlay program and result in an asset managed internally based on WATA's policy for life cycle replacement.

Staff are also working towards an update with each of its partner localities to improve bus stop planning efforts. This should result in a more streamlined process, as well as proposing ways to help stretch both local and grant dollars to meet the goals and initiatives as described by each of the partner localities.



1. Transportation Improvement Program (TIP & STIP)

The Transportation Improvement Program (TIP) is a document composed by the Hampton Roads Transportation Planning Organization (HRTPO) in coordination with the State and public transportation operators. The document outlines a list of federally funded and/or regionally significant projects that require action by the Federal Highway Administration (FHWA) or the Federal Transit Administration (FTA). TIP also feeds into the Statewide Transportation Improvement Program which is a federally mandated four-year capital improvement program. Before an agency can move forward with any such projects the project must first be included in the current HRTPO-approved TIP.

WATA's approved projects list can be found on the HRTPO website under the "FY2024-2027 TIP Report Document".

2. Capital Outlay

WATA may receive funding that is targeted at a specific project or equipment/materials. These projects may include grant awards from private, non-profit, or public entities. Since these projects may be legally committed to certain items, staff prefer to budget and manage them separately from other recurring expenses.

These items include Capital Outlay, which are items that are capital in nature (i.e., a physical or technological asset) but also do not meet the dollar threshold or life expectancy as defined by federal standards. Typical examples are furniture, office equipment, or software. These items are not specific to a certain use but are used for overall operation of WATA both for operations and administration. Also included may be funds for studies such as a strategic plan or operational analysis.

3. Special Projects

Special Projects include line items related to specific project categories, but the revenue is included in the operating budget. These are typically expenses where WATA does not apply for grant funding on a project basis, and the purchase does not meet the threshold to be a trackable asset.



Special Projects Expenses Chart

	FY24 Budget Actual	FY25 Budget Adopted	FY25 Budget Amended	FY25 Budget Projected	FY26 Budget Proposed
Software	\$43,540	\$22,699	\$22,699	-	-
Operating Reserve	-	\$48,381	\$48,381	-	\$49,629
Enhancements	\$28	\$30,000	\$30,000	\$3,761	\$2,500
Furniture & Equipment	-	\$16,050	\$16,050	-	-
Uniforms	-	\$2,400	\$2,400	-	\$2,800
Equipment Maintenance	-	\$20,000	\$20,000	-	\$20,000
Advertising	-	\$13,500	\$13,500	-	\$13,500
Hardware	-	\$5,500	\$5,500	-	\$5,500
Transit Strategic Plan	\$155,133	-	-	-	\$65,000
Total Expenses:	\$198,701	\$135,831	\$135,831	\$3,761	\$149,929

4. Special Projects Expense Categories

ENHANCEMENTS

This line item is for bus stop enhancements such as bike racks or repair stations, solar light kits, EcoSeat, etc. These enhancements are not significant in terms of cost and therefore fall under the Special Projects budget code.

PROFESSIONAL SERVICES

This line item is for Professional Services, and in this case is budgeted specifically for the end of year audit conducted by a third-party consultant and in coordination with our FMS team at James City County. Professional Services could also be related to any project, study, or effort which is conducted by a licensed professional.

SOFTWARE

WATA utilizes several software products that may have an upfront cost to purchase the product and then also an annual fee for support, maintenance, or licensing. These expenses are eligible for capital assistance from the federal and state governments with WATA supplying the required match, however, operations software score better and sometimes administration software ends up being funded through capital outlay.

HARDWARE

WATA updates its technology hardware on an appropriate schedule to avoid downtime from outdated equipment. These expenses are eligible for capital assistance from the federal and state governments with WATA supplying the required match.



TRANSIT STRATEGIC PLAN (TSP)

This project is to complete a Transit Strategic Plan as required by the Virginia Department of Rail and Public Transportation. The required elements of the Plan have been set by DRPT and WATA will retain Jarrett Walker & Associates to lead the Plan development. WATA awarded the contract in FY2022, and the funds are currently being spent. The TSP, Evolving WATA, is scheduled to be adopted by the WATA Board of Directors in September.

