

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 10, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 48: STATUS OF FTA EARMARKS

This memo is in response to Councilman Lovain's request for information on the status of earmarks for DASH buses.

Federal Grants/Earmarks

Several Federal Transit Administration (FTA) grant programs were identified as potential funding sources for DASH buses, including the The Bus and Bus Facilities Grant Program, the Rural/Small Urban Area Grant, and the Urban Partnership Program. Upon further research, it has been determined that DASH would not be eligible to receive these grant funds.

The City does not accept (FTA) funds for DASH capital or operational expenses, because its policies and practices are not consistent with various conditions required by federal FTA grant programs. The list below provides major examples of such FTA requirements.

- DASH currently provides charter service. Federal requirements prohibit this activity, except in very tightly controlled circumstances.
- DASH currently participates in a School Transportation Agreement. Federal requirements prohibit this activity, unless it meets a number of criteria.
- Federal programs would require DASH to provide a 50 percent fare discount for the elderly and individuals with disabilities during non-peak hours.
- Federal programs also require DASH spend at least one percent of its funds on public transportation security projects such as increased camera surveillance, emergency telephone lines to contact law enforcement or security personnel, or increased lighting.
- Federal programs would require DASH to operate under Buy America, labor protection, and other procurement requirements that are not consistent with DASH policies or practices.

Although these FTA funds cannot be applied to DASH, City staff are researching projects for which the City could apply, specifically funds from the Bus and Bus Facilities Grant Program. The Bus and Bus Facilities Grant Program is a competitive FTA grant program, which provides funds to public transit providers for capital projects to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities, including programs of bus and bus-related projects for assistance to sub-recipients that are public agencies, private companies engaged in public transportation, or private non-profit organizations. A total of \$438.2 million has been made available for discretionary grants. There is also a 20 percent match requirement. The recently approved State transportation funding bill authorizes the City to increase the motor vehicle registration fee. These funds could be used to generate the 20 percent required match. Staff is currently working on applying for more FTA grant funds to finance a portion of the Potomac Yard Bus Rapid Transit (BRT) project.

In addition to these federal programs, the Governor's proposed budget includes an increase in the State's capital grant match. This would still require the City to pay all of the cost of buses or other capital items initially. It would receive a larger percentage of the amount of the purchase from the State which would be deposited in the Northern Virginia Transportation Commission (NVTC) Trust Fund. These funds could be used by the City toward funding its contribution to WMATA.

Staff will be coming forward with another budget memo discussing the transportation funding bill recently approved by the Virginia General Assembly. This bill would have positive budgetary impacts on City transportation projects if some or all of the new fees and taxes are enacted on either the City or regional level.