

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 16, 2019

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: HILLARY ORR, DEPUTY DIRECTOR

SUBJECT: AGENDA ITEM #5 – FY2020 DRPT CAPITAL AND OPERATING GRANTS

ISSUE: Consideration of a Resolution to Support Grant Applications to the Virginia Department of Rail and Public Transportation (DRPT) for the FY 2020 State Aid Grant Programs.

RECOMMENDATION: That the Transportation Commission:

1. Support the submission of up to \$85,000,000 in grant applications.
2. Support the City Manager to apply for State Aid Grants through the Northern Virginia Transportation Commission (NVTC) and enter into any necessary agreements with the Commonwealth of Virginia and or NVTC to accept any of these grants.

BACKGROUND: In 2018, there were numerous changes related to mass transit in the Commonwealth as well as administrative changes for revenues associated with mass transit. The 2018 General Assembly passed HB 1539, which requires the Commonwealth Transportation Board (CTB) to allocate state aid for operating assistance solely based on performance metrics beginning in FY 2020. Also, DRPT, in conjunction with the Transit Capital Project Revenue Advisory Board, developed a prioritization framework to state aid for capital assistance based on three categories: 1) *State of Good Repair (SGR)*, 2) *Minor Enhancement (MIN)*, and 3) *Major Expansion (MAJ)*.

DRPT submitted the new requirements to Commonwealth Transportation Board (CTB) and the General Assembly to implement a statewide prioritization process, similar to SMARTSCALE, for the use of funds allocated pursuant to § 33.2-365 or allocated to the Commonwealth Mass Transit Fund established pursuant to subdivision A 4 of § 58.1- 638. The new proposal was adopted for FY 2020 Capital and Operating Assistance Grant Programs, for the development of a Six-Year Improvement Program, and for transit capital expenditures to be included in the Program adopted annually by the Commonwealth Transportation Board.

DISCUSSION: As a result of HB 1539, the City is requesting State Aid Grants administered by DRPT to provide support for transit and Transportation Demand Management (TDM) programs, projects and services. However, it must be noted that guidance from DRPT has been changing frequently, and staff therefore is not able to provide specific details accurately for the Commission's consideration. Therefore, the list of projects below, and their granting sources, may

change. Consequently, Staff seeks endorsement of the intent to apply for State Aid Grant programs for the following projects in the approximate amounts:

FY 2020 Operating Assistance State Aid

City of Alexandria Operating Assistance: Approximately \$20,000,000 - The City is proposing to apply for DASH and DOT Paratransit operating assistance FY 2020. The allocations for the Operating Assistance Grant are determined by number of passenger trips and the operating cost carried during the previous two years.

FY 2020 Capital Assistance State Aid

Potomac Yard Metro Southern Entrance: Approximately \$50,000,000 - On November 13, 2018, the state announced \$50 million of funding for a new south entrance for the station, based on the projected increase in ridership associated with the recently announced plans for a new Amazon corporate headquarters and Virginia Tech Innovation Campus in National Landing. Funding was approved for inclusion in the final state partnership package presented to Amazon in late October 2018 and would not have been available without the increased ridership projected to accompany Amazon's move to the area and the \$1 billion Innovation Campus.

Metroway Extension: Approximately \$1,000,000 - Also on November 13, 2018, the state announced \$5 million of funding to extend the Crystal City/Potomac Yard Metroway for an additional block on Route 1 from East Glebe Road to Evans Lane. The City is requesting funding to begin the design of the Metroway extension. The project is based on the projected increase in ridership associated with the recently announced plans for a new Amazon corporate headquarters and Virginia Tech Innovation Campus in National Landing.

DASH Bus Replacements: Approximately \$8,000,000 - The City proposes to apply for a FY 2020 capital assistance grant to convert several buses from Clean Diesel to Zero Emissions Battery to replace several older diesel buses in the DASH fleet. These older buses are beyond their useful life and do not meet current accessibility and emissions control standards.

DASH Bus Expansion: Approximately \$3,500,000 - The City proposes to apply for a FY 2020 capital assistance grant to purchase 5 additional buses through the Minor Enhancement grant program. These five buses are necessary for consistent operation of existing DASH service, and to restore the DASH fleet spare ratio to acceptable industry standards. Based on FTA and APTA guidance, a 20% spare ratio is typically recognized as the industry standard, but a higher ratio may be warranted for agencies that have older fleets, recurring mechanical problems, or are implementing unproven technologies such as battery electric buses. Currently, DASH has a spare ratio of approximately 12% and frequently struggles to meet its afternoon bus pull-out requirements. With five additional buses in FY20, DASH could increase its spare ratio to roughly 18 percent.

DASH Hybrid Bus Powertrain Reconditioning: Approximately \$900,000 - The City is proposing to submit a capital assistance grant request for the maintenance of any component related to powertrains that is necessary to ensure full 12-year lifespan of Diesel-Electric

Hybrid buses. The City is proposing to purchase necessary equipment in FY 2020 and FY 2021.

The grant applications are due on or before February 1, 2019. The funds must be formally approved by the Commonwealth Transportation Board (CTB) and the City is working with all project partners to integrate this new funding prioritization and requirements due to HB 1539 into the project. Once the CTB approves the FY 2020 Six Year Program in the spring, the funds will be available on July 1, 2019.

FISCAL IMPACT:

City of Alexandria Operating Assistance for DASH & DOT is an Operating Assistance grant that is not 100% reimbursable but is instead based on a performance-based funding allocation defined as: Net cost per passenger (50%), Customers per Revenue Hour (25%), and Customers per Revenue Mile (25%). While the City will be submitting requests in the amount of approximately \$20,000,000, it is unknown what the outcome of the funding will be.

The Potomac Yard Metro Southern Entrance will be a State Aid grant that could require a local match that would come from current committed funds for this project. The City will use the current project funding as a match toward the grant. The City intends to receive 100% of the cost borne to construct the second entrance, \$50,000,000. This will support the increase of the total project cost from \$320 million to \$370 million.

The Metroway Extension project is a State Aid grant that requires a local match and would come from current committed funds for this project. The City will use the current project funding as a match toward the grant. The City intends to receive 100% of the design cost borne to construct the Metroway extension, approximately \$1,000,000. This will support the total project cost of \$5 million.

DASH Replacement Buses is a State Aid grant that would pay for a portion of the cost of a battery electric bus, including associated charging equipment and installation costs.

DASH Expansion Buses is a State Aid grant under Minor Expansion that is not 100% reimbursable but instead based on service impact score of which 68% is reimbursed by the State to the NVTC account. DASH will request to use prior year savings and planned FY 2020 fleet replacement funds to expand the bus fleet.

DASH Hybrid Bus Powertrain Reconditioning is a State Aid grant that is based on prioritization factors. Due to this, funds received from DRPT could be credited to the Northern Virginia Transportation Commission (NVTC), which the City uses to pay for WMATA subsidies. Historically, the City has received approximately 15-20% for powertrain reconditioning or refurbishment requests.