

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: April 6, 2009

SUBJECT: Transportation Stimulus Funding

ATTACHMENTS: 1) Staff Memo
2) Power Point Presentation
3) STP-DA grant forms

SUMMARY OF REQUEST:

Planning Staff has researched possible grant sources for a CNG fueling facility and transit vehicles for the Henderson County fleet. Staff is asking the Board to approve a maximum of \$111,000 in local matching dollars for an STP-DA (Surface Transportation Program Direct Attributable Funds) grant for a CNG fueling facility and a 28-passenger fixed route CNG bus. It appears the City of Hendersonville may pay half of the CNG station local costs (\$31,000) leaving a County match of \$80,000.

This proposed action will precede the County's application for Federal Transit Administration 5340 (stimulus) dollars for Henderson County buses and bus facilities in the amount of \$585,841 which can be applied to CNG replacement vehicles. This proposed action also precedes another application by WCCA (the County's transit operator) in the amount of \$520,000 for stimulus funding through the Federal Transit 5311 program. The 5311 grant would be used to replace eight vans within WCCA's aging fleet with new CNG vehicles. The 5311 and 5340 stimulus dollars require no local match.

A staff memo outlining the details of the proposal is attached.

Motion Requested:

Approve the required local match for a grant application for STPDA funds in the amount of \$111,000 to facilitate the acquisition of \$1.63 million in CNG equipment and vehicles.

Sample Motion:

I move the Board approve the requested local match for STP-DA funding, in the amount of \$111,000, with the understanding that this money will be used to supply a local match for a CNG fueling station and a 28-passenger replacement CNG transit bus for the County's transit fleet which will also facilitate the conversion of the transit fleet to CNG, using other grant sources.

HENDERSON COUNTY
Planning Department

213 East First Street • Hendersonville, NC 28792
Phone 828-697-4819 • Fax 828-697-4533

MEMORANDUM

TO: Board of Commissioners
County Manager Steve Wyatt
Assistant County Manager Selena Coffey

FROM: Anthony Starr, AICP, Planning Director

DATE: April 6, 2009

SUBJECT: Stimulus Funds for CNG Facility and Transit Vehicles

As part of Strategic Plan to develop and implement an energy policy and plan, Commissioners heard a presentation from staff on February 18 introducing a proposed CNG program for Henderson County. The Commissioners directed staff to coordinate with the City of Hendersonville regarding their needs and present a comprehensive program for conversion of the City and County fleets to CNG. The Planning Staff has recently learned of several grant sources for a CNG fueling facility and transit vehicles for the Henderson County bus fleet that could further this objective.

FTA 5340 Stimulus The County has been notified that it will receive up to \$585,841 in Federal Transit Administration stimulus capital funding for transit buses and bus facilities. The funding requires no local match and will pay the full cost for purchasing buses and/or bus facilities. Staff has found that a 10-year cutaway bus with a CNG fuel system costs \$245,000 (\$45,000 more than the comparable gasoline model). A dedicated CNG para-transit van costs \$65,000. The grant funds awarded would cover two vehicles identified in the County's replacement schedule at cost of \$490,000, plus one para-transit van for a total cost of \$555,000. The board would be required to make a decision to install a CNG fueling station prior to ordering dedicated CNG vehicles.

Surface Transportation Program – Direct Attributable (STP-DA) These funds are awarded directly to local governments through the French Broad Metropolitan Planning Organization, staffed by the Land of Sky Regional Council. Types of projects that are available include sidewalks, greenways, bike trails, intersection improvements, and transit projects. All projects require a 20% match under this program. Staff would like to apply for one 28-passenger transit vehicle and a fueling station under this category. The estimated cost to install a fueling facility is \$310,000 and the bus would be \$245,000, bringing the total cost of the project to \$555,000. Staff is recommending pursuing an STP-DA grant for 80% of the total amount or \$444,000. Since the grant funding is 80% of the project cost, the remaining match required to install the CNG station and purchase the fixed route bus would be \$111,000 (20%). It appears that the City of Hendersonville is willing to share half of the local cost of the CNG station (\$31,000). That would result in a County match of \$80,000 instead of the full \$111,000. The City will confirm this at their April 9th Council meeting.

FTA 5311 Stimulus Funds The County's contract operator for the fixed route and the ROAP programs, WCCA, is scheduled to replace eight vans within its rural fleet over the next year. WCCA is a recipient of 5311 administrative and capital funding and will apply for stimulus funding to pay 100% of the cost of these vehicles. The cost to replace eight vans upgraded to CNG is approximately \$520,000 (\$65,000 per unit). Staff is recommending that the operator apply for the vehicles because there is no required local match. WCCA is the only recipient eligible to receive 5311 funds, and therefore must complete the grant application and consent to operate and maintain the vehicles. Normally, the County would be responsible for paying a local 10% match for vehicle replacement under this program.

ANALYSIS

FTA grant funding will pay 100% of the cost to purchase eleven new CNG vehicles within the fleets of WCCA and the County. There may be some additional sources available through the Clean Cities Coalition which can pay 50% of conversion costs for the remaining transit and non-transit vehicles within the County's inventory. Staff recommends pursuing funding for the CNG fueling station and one fixed route transit vehicle out of the STP-DA funds because the decision to award the funds can likely be confirmed prior to June 18, 2009. FTA funds for CNG vehicles cannot be awarded without the confirmed installation of the fuel station. The deadline for pursuing the STP-DA funding source is April 30, 2009 and certification of the 20% match is required. If funding for the CNG fuel station cannot be confirmed prior to the end of June, staff recommends replacing the vehicles with gas and diesel engines. June will be the approximate deadline by which Asheville will apply for the stimulus allocation under the 5340 program.

FISCAL IMPACT

The total amount needed to purchase the fueling station, three fixed route buses, and nine para-transit vehicles is \$1,630,000.

| | |
|--------------------------|---------------------|
| Fueling Station | \$310,000 |
| Para-transit Vehicles | \$585,000 |
| <u>Fixed Route Buses</u> | <u>\$735,000</u> |
| Estimated Costs | \$ 1,630,000 |

Staff will continue investigating every feasible funding option to finance the CNG project. Receiving an additional \$520,000 in 5311 funding through NCDOT may be likely and the possibility of receiving STP-DA funds is possible but not assured. In order to proceed with the existing grant sources, staff recommends first securing the local match appropriation for the fueling facility and one transit bus in the amount of \$111,000 (\$80,000 for County) so that the STP-DA application can be submitted. The STP-DA grant is the hub in the wheel of converting the transit fleet to CNG and allowing other County vehicle conversions. The applications for the STP-DA grants are due to the French Broad Metropolitan Planning Organization by April 30, 2009. Award of those grants is expected June 18, 2009.

ALTERNATIVES

- A) Pursue STP-DA funds which require a local match in the amount of \$111,000 (\$80,000 for County share) to replace one fixed-route vehicle and build a fueling facility.
- B) Delay the action and look for other 100% sources for the fueling facility. Getting 100% funding does not seem likely and if the funding for the fueling facility is not confirmed within several months, staff will order gasoline and diesel replacement vehicles with the stimulus money unless other sources are confirmed. Under this alternative, staff would replace the fixed route fleet only with gas and diesel vehicles for approximately \$300,000 and would negotiate a trade of the fund balance with the City of Asheville to bank capital funding for other projects through the FTA 5307 urban transit program. It is unlikely that a better opportunity to fund the CNG station and vehicles will become available.

RECOMMENDATION

Staff recommends proceeding with alternative A, authorizing the required local match for the STP-DA grant in the amount of \$111,000 (\$80,000 County share and \$31,000 Hendersonville share) and pursuing grants for the other vehicles as outlined.

Transportation Stimulus Funding

Board of Commissioners Meeting
April 6, 2009

Allocation of 5340 Capital Transit Dollars (FTA Stimulus)

- Local FTA stimulus formula allocation to Asheville Metro Region is \$2,590,439 for transit-related uses (vehicles, equipment, facilities)
- Henderson County Allocation is \$585,841 based on existing agreement with Asheville
- No local match required

Federal 5340 Requirements

- All expenditures must be transit related
- All funds must be obligated (construction or vehicle contract) within 180 days (clock started March 6, 2009)
- No FTA regulations for capital construction will be waived (Feasibility Study & Environmental Assessment)

Federal 5340 Requirements (cont.)

- FTA construction requirements are considerable and time consuming
- Applications due July 1
- Most transit agencies are focusing on using stimulus funds for vehicles and equipment due to time constraints and FTA rules

Federal 5340 Program (Stimulus)

- Transit fleet has serious replacement needs
- Can use funds to purchase conventional fuel vehicles or CNG vehicles
- Decision on funding CNG station is required prior to ordering CNG transit vehicles
- Henderson County is not eligible to use these funds for CNG station construction (must have minimum 10 “fixed route” vehicles)

STP-DA Stimulus Funds

- STP-DA = Surface Transportation Program
– Direct Attributable
- MPO's can decide to spend these funds on range of transportation projects
- French Broad MPO (FBMPO) is accepting applications for the STP-DA funds
- Examples of types of projects include sidewalks, bikeways, intersection improvements, and transit.

STP-DA Stimulus Funds

- \$6 million in stimulus funds available to French Broad MPO
- 20% local government match required
- Applications due April 30, 2009 to FBMPO
- Could fund CNG station and CNG transit vehicles with this program

CNG Station

- Could apply for STP-DA funding with FBMPO
- Station cost estimated at \$310,000
- Need to convert transit fleet to CNG as part of station construction for project eligibility
 - CNG Transit Bus costs are \$245,000 each
 - CNG Para-transit vehicles are \$65,000 each
 - Capital upfront costs are more but operation expenses are up to 40% lower over life of vehicle (example follows)
 - Future replacement vehicles could be funded through traditional funding sources at a 10% local match
 - Significant local fund savings in the form of match requirements and lower fuel and maintenance costs will be realized.

5311 Program Stimulus Funds

- Rural fixed route and ROAP programs are contracted with WCCA also for operations
- 5311 Stimulus funds will pay 100% of vehicle replacement costs
- Vehicle fleet is old and several vehicles need replacement
- WCCA could apply for CNG replacement vehicles
 - 8 Vehicles needed at a cost of \$65,000 each
 - Total cost of 8 CNG vehicles is \$520,000
 - Will reduce future local match requests and operation match request to the County for this program

Transit – CNG Project

Cost Summary

| | | |
|--|--------------------|---|
| CNG Fueling Station | \$310,000 | \$62,000 local match for STP-DA funds (split 50/50 with Hendersonville) |
| Rural CNG para-transit vehicles (8) | \$520,000 | No local match for 5311 funds |
| CNG fixed route buses (3) & urban para-transit vehicle (1) | \$800,000 | Use 5340 funds of \$555,000 (no match) & STP-DA funds at \$196,000 with \$49,000 local 20% match |
| Total Cost | \$1,630,000 | Total county match of \$80,000 or 4.9% match (\$111K total local \$ with Hendersonville share) |

Capital and Fuel Cost Comparisons (3 buses)

| | Diesel | CNG |
|---|------------|------------|
| ■ Annualized Capital Cost (10 yr cycle) | \$ 66,000 | \$ 75,000 |
| ■ Annual Fuel Cost | \$ 68,000 | \$ 45,000 |
| | \$ 134,000 | \$ 120,000 |

- Notes:
- Capital Costs do not include depreciation
- Fuel Costs are based on FY 08 History of \$2.70 per gallon and \$1.8 per gallon equivalent for 25,000 gallons
- Costs do not include cost of compression or station maintenance.
- Some maintenance savings will be realized with CNG models
- Reflects replacement of diesel or gasoline vehicles every 4 years (LTV)
- Current vehicle models are not good candidates for CNG conversion (range, warranty issues)

Recommendations

- Pursue STP-DA funds which require a local match in the amount of \$111,000 to replace one fixed-route vehicle and build a CNG fueling facility; and
- Use 5340 funds to purchase two CNG buses & one CNG para-transit vehicle; and
- Endorse WCCA efforts to purchase eight CNG para-transit vehicles; and
- Pursue other sources of funding for alternative fuel upgrade should they become available with no local match.

Benefits

- Replaces 12 needed vehicles for far less local match than typically required
- Obtain a CNG fueling station for use by County, City of Hendersonville, and public
- Reduces County costs by shifting expenditures from operations to capital where federal grant match is better
- Total improvements estimated at \$1.6 million with a 6.8% local match (\$111,000)

Board Action

- Approve applying for grants as outlined and appropriate \$80,000 for local match (total of \$111,000 with Hendersonville share)
- Support continued efforts to find additional grants with Board approval when a match is required
- Authorize Chair to send letter requesting additional funds from NCDOT (5311 program or others).

Surface Transportation Plan – Direct Attributable Funding Request for Projects French Broad River Metropolitan Planning Organization Short Term Funding from ARRA

In February, President Barack Obama signed the American Recovery and Reinvestment Act (ARRA). As part of President Obama's ARRA, the French Broad River Metropolitan Planning Organization will be able to allocate \$6,000,000.00 through Surface Transportation Plan – Direct Attributable Funding. Members of the MPO Technical Coordinating Committee make up the STP-DA fund allocation team, and look forward to soliciting and selecting worthy "shovel ready" projects in the FBR –MPO area. **Submit the completed forms by e-mail or postmarked no later than April 30, 2009.**

What is Types of projects will be funded?

STP-DA funds can be spent on most types of transportation improvements. Some examples include: road widening, intersection improvements, sidewalks, greenways, bicycle lanes, streetscape and landscaping improvements, and transit capital projects such as purchasing buses, shelters, or benches.

What criteria will be viewed as most important?

- Community Impact– What will the overall effect be on the community?
- Economic Impact – How many jobs will this project provide during construction?
- Uniqueness – How is the project unique, and would it eventually be constructed using the traditional Transportation Improvement Plan?
- Environmentally Sound – How will the project effect environment impact, ease congestion, and reduce air pollution?
- Longevity – What is the long term economic, environmental, and social impact of the project?

How Long Do I Have to Complete My Project If Funded under the FBR_MPO STP_DA Funding?

Projects funded under the FBR MPO ARRA STP-DA funds should be completed by Sept. 30, 2010. However, in order to be selected for the fund, we need the project to be “bid-ready” by October 1, 2009. Only member governments within the FBR MPO are eligible to receive the DA funding. Other groups wishing to solicit funds must be partnered with a municipality that will administer the contract funds.

How to Apply

Submit the completed forms by e-mail or postmarked no later than April 30, 2009. For more information or to submit your application(s), contact:

Keith Bamberger, 828-251-6622, keith@landofsky.org

Planner

French Broad River, MPO

Land-of-Sky Regional Council

339 New Leicester Hwy, Suite 140

Asheville, NC 28806

Surface Transportation Plan
Direct Attributable Funding

Draft Project Proposal

Name of Project:

Project Overview:

| | | |
|---------------------|------|--------|
| Name of the Project | Date | |
| Type of Project | | |
| Administrative Body | | |
| Address | | |
| Contact Phone | | e-mail |

Preliminary Budget

| ITEMS | Design | 10-2009 to 12-2009 | 1-2010 to 3-2010 | 4-2010 to 6-2010 | 7-2010 to 9-2010 | TOTAL |
|--------------|--------|--------------------------|------------------------|------------------------|------------------------|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | | |

| Agreements, Certificates and Studies | Contact Person | Date Completed |
|--------------------------------------|----------------|----------------|
| Survey and Design | | |
| Right of Way Certification | | |
| Environmental Impact Statement | | |
| Utility Agreement | | |
| Municipal Agreement | | |
| Construction Agreement | | |
| Engineering and Design | | |

Also needed:

- Timeline of project work including work already completed
- Project Maps: Identifying the location within the MPO and a local map showing roads, buildings, utilities, and right of ways
- Preliminary Engineering Drawing
- Partner contact information

French Broad River MPO
Overview of STP-DA Funds
(Surface Transportation Program – Direct Attributable)

- “Directly Attributable” is a term that applies to a portion of federal Surface Transportation Program funds in our TIP. These funds are known as STP-DA Funds or simply DA Funds.
- The French Broad River MPO has the option to choose how these funds will be programmed. Through the TAC and TCC, the MPO could select projects to be constructed with STP-DA funds. This provision took effect when we became a TMA (over 200,000 in population). In 2007, the MPO passed a resolution of intent to program the STP-DA funds designated for our region.
- Estimate of available funding: **\$ 3 Million per year.**
- **The funds require a 20% match on top of this, which would be about \$750,000 on the total annual amount.**
- Funds can be spent on most types of transportation improvements. Some examples include: road widening, intersection improvements, sidewalks, greenways, bicycle lanes, streetscape and landscaping improvements, and transit capital projects such as purchasing buses, shelters, or benches.
- These are not “new” or additional funds. They are already programmed in the TIP and applied to high priority projects. Currently the French Broad River MPO STP-DA funds are programmed in the Long Shoals Road widening project.
- One of the objectives of the MPO’s Long Range Transportation Plan is to develop a policy for the MPO on programming the STP-DA funds. Several other MPOs in the State choose their own STP-DA projects.
- If the funds are spent on a priority NCDOT project like Long Shoals Road, the State provides the match. If the funds are spent on an MPO selected project, the local area must provide the match.
- Spending the money on locally selected projects such as greenways and sidewalks would require local governments to provide the local match and to oversee and implement the projects. This is similar to how the “Enhancements” funds are administered.

Originally prepared by French Broad River MPO Staff in April 2006; updated March 2009