

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/07/08		Item Number: <u>C-2</u>	
AGENDA ITEM: Adoption of a Resolution Authorizing Staff to Submit Applications Over a 12-month Period for Grant Funding Associated with the Purchase of Alternative Fuel Vehicles and Other Emission Control Technologies			
Contact Person/Dept.: Jane Leonard / Transportation Department		Phone Number: (310) 253-6523	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐	Attachments: ☒
Public Notification: Master Notification List (04/02/08)			
Department Approval: Art Ida (03/26/08)		City Attorney Approval: Carol Schwab (by H. Baker) (04/01/08)	
Fiscal Impact Review: Jeff Muir (by M. Noller) (04/01/08)		City Manager Approval: Jerry B. Fulwood (04/02/08)	

RECOMMENDATION:

Staff recommends the City Council adopt a resolution authorizing Transportation Department staff to apply for grant funding associated with the purchase of alternative fuel vehicles and other emission control technologies, namely, Clean Transportation Funding from the MSRC (Mobile Source Reduction Committee) and the Air Quality Management District (AQMD), to assist the City in complying with clean air mandates in the South Coast Region of California.

BACKGROUND:

The City of Culver City, situated in the South Coast Region of California, is mandated to comply with State and local clean air rules for municipal fleets, as administered by the South Coast Air Quality Management District (AQMD).

Every year, the AQMD and the MSRC allocate discretionary funds for clean air projects to assist local fleets in meeting these mandates. Proposals are solicited from cities, counties, school districts and private businesses for grant funded projects including, but not limited to: alternative-fuel refueling infrastructure; heavy-duty alternative fuel vehicle purchases; alternative fuel refuse vehicle purchases; diesel retrofit devices for off-road construction equipment; and transit bus purchases.

The City and the Transportation Department have committed to the use of Compressed Natural Gas (CNG) as the alternative fuel of choice for our City fleet. This solidifies our opportunity to apply for grant funding to assist in off-setting the costs of CNG vehicles versus their diesel- and unleaded-fueled counterparts. The

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City's receipt of AB2766 Subvention Funds also establishes our eligibility to participate in Local Government Match Programs offered annually by the MSRC.

Transportation Department staff continues to monitor state and local clean air legislation, and keeps informed about opportunities to obtain assistance with the purchase of alternative fuel vehicles and other emission control technologies.

DISCUSSION

Over the past year, staff has applied for, and has been awarded, \$381,265 in grant funds from the AQMD and the MSRC for the purchase of alternative fuel vehicles and retrofit devices in the form of four (4) separate grants. Recently, two additional applications have been submitted, potentially totaling an additional \$510,000 in grant funding for transit bus projects. This amounts to six applications totaling \$891,265 in potential funding. An additional \$100,000 in previously awarded MSRC funding will be received for the CNG Station Expansion Project.

In the past, staff has applied for grant funds to reimburse the Equipment Replacement Fund and the Transit Capital Improvement Fund for such purchases and projects. Recently, the AQMD staff has held discussions with the City's staff, indicating that signatory authority on grant applications, and associated awarded contracts, needs to be authorized by the City Council. In keeping with the City's administrative procedure for grant funding allocation, staff is bringing this item before the Council to request authorization for all air quality project applications over the next 12-month period. Rather than requesting authorization for grant applications and adoption of a resolution each time these grant opportunities become available, we believe that advance approval for pending applications is more efficient and effective in reaching the goal of maximizing the potential for grant awards from the AQMD and the MSRC.

FISCAL ANALYSIS:

Awards for heavy-duty vehicle purchases generally amount to a maximum of \$32,000 per unit. Awards for Local Government Match projects equal \$25,000 per unit. Other clean air projects vary according to their intent. For example, contract awards for emission control device applications depend on the cost of those devices, and on how the MSRC and the AQMD choose to share the funding for those projects.

The purchase of alternative fuel vehicles and equipment is authorized on an annual basis by the Equipment Replacement Fund (ERF) Subcommittee through the budget

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process. Funds awarded through air quality grants are reimbursed to the ERF to offset the costs for the alternative fuel vehicles. Purchases of new alternative fuel vehicles which do not impact the general fund, such as transit buses that have reached their useful life, are purchased using federal and local funds allocated in the Transportation budget. Grant monies received for these purchases are reimbursed back to Transportation.

No General Fund monies are necessary to implement the grant funding process.

It should also be noted that the authority requested from the City Council this evening relates to grant opportunities which (1) require no matching funds, or (2) matching funds have already been appropriated by the City Council for the purposes of the grant. Should staff identify a grant where these two criteria are not met, then a separate report which identifies and, if necessary, requests Council approval for matching funds, will be presented to the City Council for approval.

ATTACHMENTS:

1. Proposed Resolution

MOTION:

That the City Council:

1. Adopt a Resolution authorizing staff to submit grant applications for funding made available by the AQMD and the MSRC until June 30, 2009 period for alternative fuel vehicle purchases;
2. Authorize entering into grant funding contracts with the AQMD and/or the MSRC in the amounts provided, if the grants are awarded to the City;
3. Authorize the City Attorney to review/prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City (including the contracts authorized in recommended Motion 2).