

STAFF REPORT

SUBJECT: Proposition 1B Transit Capital Funding

MEETING DATE: November 20, 2008

AGENDA ITEM: 6D

STAFF CONTACT: Sarkes Khachek

RECOMMENDATION:

Approve submittal of applications to Caltrans for Proposition 1B transit capital population-based funding for 2008/09 Cycle 1.

SUMMARY:

The Santa Barbara County region will receive approximately \$2.4 million in transit capital funding for Fiscal Year 2008/09 from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) included in Proposition 1B. Of this, \$1.9 million is available for projects selected by SBCAG and \$518,000 for projects selected by transit operators. The funds allocated to agencies are a source of funding that can be expended on the purchase of buses, vans and development and construction of transit centers.

SBCAG and transit operators will have two opportunities to submit projects for the Prop 1B transit funding for FY 2008/09. Applications for the first funding cycle must be submitted to Caltrans by November 30, 2008 with funds to be distributed to agencies in January 2009. The second funding cycle is scheduled for spring 2009. If SBCAG (for population-based funding) or a transit operator (for fare box revenue-based funding) chooses not to submit an application for FY 2008/09 funds, they are required to notify Caltrans on their expected request date for their funds.

Staff is recommending that, for cycle 1 of 2008/09, the board approve an application for \$885,000 of \$1.9 million in Proposition 1B population funding for replacement buses for Santa Barbara Metropolitan Transit District. MTD was the only transit operator to submit a project for the current funding cycle.

DISCUSSION:

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, includes a program funded with \$3.6 billion for allocation to eligible transit capital projects nominated by an applicant transportation agency.

The State Controller has provided each Regional Transportation Planning Agency with an amount of funding for FY 08/09 that will be available in their county for projects. As required by

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County

Prop 1B, the amount of funding available for our county is based on the farebox revenue and population formulas used to distribute State Transit Assistance (STA) funds. Sponsors of projects funded through the farebox revenue formula need to submit applications directly to Caltrans and funds will be received from the State Controller's Office (SCO). The only agency that is a sponsor for the population formula funds, SBCAG, is required to adopt a project list for the region and submit it to Caltrans. This staff report therefore addresses recommendations for revenues received from the population-based formula.

For FY 2008/09, Prop 1B transit funds will be allocated during two funding cycles. The first funding cycle has an application due date to Caltrans of November 30, 2008. The second funding cycle is scheduled for spring 2009 with a state application due date of April 30, 2009.

The following is the schedule for both FY 2008/09 funding cycles based on the second draft guidelines provided by Caltrans:

Funding Cycle 1

- SBCAG Local Submission Date November 10, 2008
- Project application submittal deadline to Caltrans November 30, 2008
- Caltrans releases adopted list to SCO December, 2008
- State Controller's Office allocates funds January, 2009

Funding Cycle 2

- SBCAG Local Submission Date To Be Determined
- Second Project application submittal deadline April 30, 2009
- Department releases adopted list to SCO May 2009
- State Controller's Office allocates funds June 2009

If SBCAG or a transit provider chooses not to submit a project for funding they may request their funding share within the next two fiscal years. Allocations for FY 08/09 are available until FY 09/10. Eligible project sponsors not requesting funds in FY 08-09 are strongly encouraged to submit a brief statement regarding the expected request date for their allocated funds.

Distribution of Population Funds

Santa Barbara County will receive approximately \$1.9 million dollars from the population formula and approximately \$518,000 through the farebox revenue formula for FY 2008/09. Agencies that submit projects for funds from the farebox revenue share will receive their allocation directly from the State Controller's Office. This is currently the same reimbursement process for the farebox revenue funds from the STA program. SBCAG will not select projects for the farebox revenue funds from the Prop 1B Transit Capital Program.

SBCAG, however, is the designated project sponsor for projects that receive funding from the population based share of the Prop 1B program. SBCAG staff recommends distributing the funds using the Board adopted formula for the STA program because funds are being apportioned to the region using the statewide STA formula. The SBCAG STA formula apportions funds to the four transit service areas in Santa Barbara County based on population. The transit service areas are the South Coast, Lompoc Valley, Santa Maria Valley and Santa Ynez and Cuyama Valleys. Funds are then apportioned to each eligible claimant within each transit service area.

SBCAG staff has determined how much funding will be allocated to each operator/jurisdiction based on the STA formula. These apportionments are provided in **Attachment A**.

What projects are eligible for funding?

According to the State's guidelines, applications will be accepted for transit capital projects or a minimum operable segment of a project including:

1. Rehabilitation, safety or modernization improvements;
2. Capital service enhancements or expansions;
3. New capital projects;
4. Bus rapid transit improvements; or
5. Rolling stock procurement, rehabilitation or replacement

Projects must be consistent with the sponsor's most recently adopted short-range transit plan, or other publicly adopted plan that programs or prioritizes funds for transit capital improvements.

Population Funded Applications

SBCAG is the sponsor for the population funds and selects projects submitted by eligible agencies. Only MTD is requesting funding in cycle 1 for this fiscal year. The other agencies will request their funding in cycle 2 next Spring. MTD's project information is below with the project application included as **Attachment B**.

Population Funded Projects to be submitted for Funding Cycle One

| Agency | Project | Amount |
|---------------|-------------------------|---------------|
| SBMTD | Transit Bus Replacement | \$885,872 |

SBCAG will have another opportunity to submit projects during the second cycle in Spring 2009 or to roll over the balance of the FY 2008/09 allocation to the next fiscal year.

Revenue Share Funded Projects

The FY 2008/09 revenues identified in the attached table below will also be available to Santa Barbara County agencies who currently receive apportionments based STA Farebox Revenue. The revenue apportionments are for information only—no action is required by the SBCAG board.

RECOMMENDATION:

Approve submittal of applications to Caltrans for Proposition 1B transit capital population-based funding for 2008/09 Cycle 1.

ATTACHMENTS:

- Attachment A – Proposition 1B Transit Apportionments for FY 2008/09
- Attachment B – Prop 1B Transit Application for FY 2008/09 - SBMTD

**Public Transportation Modernization, Improvement, and Service Enhancement Account
(PTMISEA) Apportionments for FY 2008/09**

| PTMISEA Population Based Apportionments - PUC 99313 | FY 2008/09 Apportionments |
|--|--------------------------------------|
| State Total - PTMISEA Revenue Based on Population | \$ 168,959,034 |
| SBCAG Total PTMISEA Revenue | \$ 1,920,939 |
| South Coast | \$ 932,498 |
| - SBMTD | \$ 885,872 |
| - Easy Lift* (5% of the South Coast Total) | \$ 46,625 |
| Lompoc Valley | \$ 275,272 |
| - Lompoc | \$ 275,272 |
| Santa Maria Valley | \$ 600,052 |
| - Santa Maria | \$ 542,203 |
| - Guadalupe | \$ 27,847 |
| - SMOOTH* (5% of the Santa Maria Valley Total) | \$ 30,003 |
| Santa Ynez & Cuyama Valleys | \$ 113,117 |
| - Buellton | \$ 21,062 |
| - Solvang | \$ 86,009 |
| - County | \$ 6,045 |

* Consolidated Transportation Service Agencies receive 5% of the STA funding for the area they serve.

| PTMISEA Farebox Revenue Based Apportionments - PUC 99314 | FY 2008/09 Apportionments |
|---|--------------------------------------|
| State Total PTMISEA Revenue based on Farebox Revenue | \$ 168,959,034 |
| SBCAG Total PTMISEA Revenue | \$ 518,483 |
| County | \$ 2,979 |
| Lompoc | \$ 7,965 |
| Santa Maria | \$ 38,496 |
| Solvang | \$ 2,496 |
| SBMTD | \$ 466,547 |

**Public Transportation Modernization, Improvement and
Service Enhancement Program (PTMISEA)
PROJECT DESCRIPTION AND ALLOCATION REQUEST**

| | | |
|--|--|-----------------------|
| | | Regional Entity SBCAG |
| Project Sponsor*: Santa Barbara MTD | | County: Santa Barbara |
| Project Title: Transit Bus Replacement | | |

I certify the scope, cost, schedule, and benefits as identified in the attached Project Description and Allocation Request (Request) and attachments are true and accurate and demonstrate a fully funded operable project. I understand the Request is subject to any additional restrictions, limitations or conditions that may be enacted by the State Legislature, including the State's budgetary process, which may effect the amount of bond proceeds received by the project sponsor now and in the future. Project sponsors may need to consider alternative funding sources if bond proceeds are not available. In the event the project cannot be completed as originally scoped, scheduled and estimated, or the project is terminated prior to completion, project sponsor shall, at its own expense, ensure that the project is in a safe and operable condition for the public. I understand this project will be monitored by the California Department of Transportation -- Division of Mass Transportation.

Name: Sherrie Fisher

Signature:

Title: General Manager

Agency: Santa Barbara MTD

Date: 11/7/2008

*If this project includes funding from more than one project sponsor, the project sponsor above becomes the "recipient agency" and the additional contributing project sponsor(s) must also sign and state the amount and type of PTMISEA funds (GC Section 8879.55(a)(2) and/or Section 8879.55(a)(3)) contribution. Sign below or **attach a separate officially signed letter providing that information.**

Name:

Signature:

Title:

Agency:

Date: _____ **Amount:** _____

Table 4: Project Summary

a) Describe the project (or minimum operable segment) for which you are applying for funds, **including the useful life for all projects**. Attach additional sheets if necessary.
 The Santa Barbara Metropolitan Transit District (MTD) operates a fleet of 103 transit vehicles. It is MTD's intent to utilize these funds along with its allocation from FY 07-08 to purchase seven hybrid diesel electric buses as replacements for 1992 40' transit buses. The new buses are projected to have a minimum useful life of 12-years.

b) If the application is for the purchase of vehicles or rolling stock, please include information on size, passenger count, accessibility, **expected useful life** and fuel type:
 Vehicle Size: 40' The vehicles will be ADA accessible and will be capable of carrying approximately 37 passengers seated and an additional 15 standing.

Table 5: Description of Major Benefits/Outcomes (Also complete and submit Attachment A.1)

Write brief summary here: The acquisition of these buses will allow MTD to replace older, 1992 buses with new vehicles inclusive of current engine and other related equipment.

Measurable Statistical Benefits in Percentages:

Table 6: Project Schedule and Milestones (Also complete and submit Attachment A.2)

| | Date |
|--|--------|
| Begin Project Approval & Environmental Document Phase | |
| End Project Approval & Environmental Document Phase Milestone | |
| Begin Plans, Specifications & Estimates Phase Milestone | |
| End Design Phase (Ready to list for Advertisement Milestone) | |
| Begin Right of Way Phase | |
| End Right of Way Phase (Right of Way Certification Milestone) | |
| Begin Construction Phase (Contract Award Milestone) | |
| End Construction Phase (Contract Acceptance Milestone) | |
| Begin Vehicle/Equipment Order (Contract Award Milestone) | Jan-08 |
| End Vehicle/equipment Order (Contract Acceptance Milestone) | Jan-09 |
| Begin Closeout Phase | |
| End Closeout Phase | |

Table 7: Tax Compliance Information

Is it reasonably anticipated that any money will be derived at any point in the future as a result of the project that will be paid to the State? YES NO

If yes, please describe the source of the money and provide an estimate of the amount: Estimate: \$ _____

- A completed Attachment A.1
- A completed Attachment A.2
- The most recently adopted short-range transit plan, or other publicly adopted plan that programs or prioritizes the expenditure of funds for transit capital improvements which indicates this project is consistent with it.

**Description of Major Benefits and Outcomes
Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA)**

PROJECT SPONSORS: Please check the appropriate bond category the funding will be used for and complete the corresponding information for project type, outputs and benefits/outcomes. If you are funding more than one project, complete a separate sheet for each project. Examples are provided. Project Sponsors will use this table to report progress to the Department semi-annually and for annual audits. The information will be reported to the Legislature and the Department of Finance and will be available on the Governor's Bond Accountability Website for the public.

| Prop 1B Bond Category (Check Only 1) | Project Description (Example shown) | Outputs (Provide the number of items to be obtained) | Benefits/Outcomes Expected (Provide the expected result of project.) |
|--|---|--|---|
| 1) Improvements: <input type="checkbox"/> Rehabilitation, or <input type="checkbox"/> Safety, or <input type="checkbox"/> Modernization | | | |
| | | | |
| 2) Capital Service: <input type="checkbox"/> Enhancement or <input type="checkbox"/> Expansion | | | |
| | | | |
| 3) Capital Projects: <input type="checkbox"/> New | | | |
| | | | |
| 4) BRT: <input type="checkbox"/> Improvements | | | |
| | | | |
| 5) Rolling Stock Procurement for: <input type="checkbox"/> Expansion Or <input checked="" type="checkbox"/> Replacement Or <input type="checkbox"/> Rehabilitation | State your project here: Transit Bus Replacement | State your output here: Replacement of seven buses | State your expected benefits here: Replacement of older 1992 buses will result in improved bus equipment technology as it pertains to emission benefits. |

Choose an output that best describes your project and include in Table 5 of Attachment A, along with the Outcome / Benefit stated as a percent.

| Outcomes / Benefits | | | |
|---------------------|---------------------|--------------------------------------|------------------------------|
| Outputs | Increased Ridership | Reduced Operating / Maintenance Cost | Reduced Emissions |
| | | Increase Fleet Life | Increase Fuel Efficiency |
| | | | Increase Vehicle Reliability |
| | | | |
| | | | |
| | | | |
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| | | | |
| | | | |

**Public Transportation Modernization, Improvement, and Service Enhancement Account
Total Project Cost and Funding Plan**

Shaded fields are automatically calculated. Please do not fill these fields.

| Proposed Total Project Cost | | | | | | | | Project Total |
|------------------------------------|----------|------------------|------------------|----------|----------|----------|----------|------------------|
| Component | Prior | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | |
| PA&ED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R/W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CON | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Purchase | 0 | 2,660,000 | 1,400,000 | 0 | 0 | 0 | 0 | 4,060,000 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 2,660,000 | 1,400,000 | 0 | 0 | 0 | 0 | 4,060,000 |

| Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) | | | | | | | | |
|--|----------|------------------|------------------|----------|----------|----------|----------|------------------|
| Component | Prior | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | Total |
| E&P (PA&ED) | | | | | | | | 0 |
| PS&E | | | | | | | | 0 |
| R/W | | | | | | | | 0 |
| CON | | | | | | | | 0 |
| Vehicle Purchase | | 2,402,954 | 1,352,419 | | | | | 3,755,373 |
| Other | | | | | | | | 0 |
| TOTAL | 0 | 2,402,954 | 1,352,419 | 0 | 0 | 0 | 0 | 3,755,373 |

| Funding Source: PTMISEA INTEREST | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| Component | Prior | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | Total |
| E&P (PA&ED) | | | | | | | | 0 |
| PS&E | | | | | | | | 0 |
| R/W | | | | | | | | 0 |
| CON | | | | | | | | 0 |
| Vehicle Purchase | | 0 | | | | | | 0 |
| Other | | | | | | | | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Funding Source: State Transit Assistance (STA) Funds | | | | | | | | |
|---|----------|----------------|---------------|----------|----------|----------|----------|----------------|
| Component | Prior | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | Total |
| E&P (PA&ED) | | | | | | | | 0 |
| PS&E | | | | | | | | 0 |
| R/W | | | | | | | | 0 |
| CON | | | | | | | | 0 |
| Vehicle Purchase | | 257,046 | 47,581 | | | | | 304,627 |
| Other | | | | | | | | 0 |
| TOTAL | 0 | 257,046 | 47,581 | 0 | 0 | 0 | 0 | 304,627 |

| Funding Source: | | | | | | | | |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Component | Prior | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | Total |
| E&P (PA&ED) | | | | | | | | 0 |
| PS&E | | | | | | | | 0 |
| R/W | | | | | | | | 0 |
| CON | | | | | | | | 0 |
| Vehicle Purchase | | | | | | | | 0 |
| Other | | | | | | | | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Funding Source: | | | | | | | | |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Component | Prior | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | Total |
| E&P (PA&ED) | | | | | | | | 0 |
| PS&E | | | | | | | | 0 |
| R/W | | | | | | | | 0 |
| CON | | | | | | | | 0 |
| Vehicle Purchase | | | | | | | | 0 |
| Other | | | | | | | | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |