

operating assistance grant consideration;

2. Submit up to \$6,300,000 in eligible transit capital expenses for state aid capital assistance;
3. Apply for \$331,300 in grant funding for the City's commuter assistance program; and
4. Authorize 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 and implement the grant programs.

BACKGROUND: The City applies annually to the Virginia DRPT for grant funds that support transit operating assistance and capital expenses for DASH, Metro and DOT/Paratransit and commuter outreach programs. Both state aid grants reimburse the City for funds spent on transit activities. These funds go directly to the City's Northern Virginia Transportation Commission (NVTC) Fund and are used to pay the City's annual WMATA bus and rail operating budget which for FY 2023 is estimated at about \$51 million with state aid including what is discussed in this docket and the regional gas tax totaling between \$33 million and \$36 million annually.

The City has operated a commuter outreach program, also known as Transportation Demand Management (TDM), since 1981 which is entirely supported by grants. Today, the program is known as GO Alex and serves as a companion to infrastructure investment. GO Alex provides information, encouragement and incentives to support Council's goal of increasing transit ridership and transportation options other than a single-occupant vehicle while still ensuring that residents, workers, and visitors can reach destinations within Alexandria. This strategy is endorsed in the "Mobility Options" chapter of the Alexandria Mobility Plan.

DISCUSSION: The City plans to submit applications for three DRPT grant programs that will help offset City operating expenses. The programs all work toward the City's goal of supporting multimodal transportation options and reducing single occupancy vehicle trips to relieve congestion. The City's Transportation Commission endorsed (Attachment 2) this application on December 17 since then the Operating Assistance has been revised downward to reflect FY 2021 actuals and the Capital Assistance revised upward to include the NVTA grant monies available.

The summaries below reflect the proposed applications and align with the guidelines and criteria outlined by DRPT for each area of funding:

FY 2023 Operating Assistance State Aid Grant

Transit Operating Assistance - (Total eligible operating expenses up to \$25,000,000): The Operating Assistance grant provides a reimbursement to the City for a percentage of the dollars spent on transit and paratransit operations. The amount the Commonwealth can provide in operating assistance is allocated based on system size and system performance and varies based on the amount and number of requests made to the Commonwealth. For example, in FY 2022 the City received about \$4.8 million or 18% of the eligible expenses for operating assistance. Prior fiscal years have seen DRPT reimburse as much as 58% of eligible expenses. The amount received from DRPT will be used to offset WMATA operating costs.

FY 2023 Capital Assistance State Aid Grant

Transit Capital Assistance - (Total eligible expenses up to \$6,300,000) The Capital Assistance Program provides a reimbursement to the City for a portion of money spent on the purchase of transit capital assets. In FY 2023, the eight (8) clean diesel buses are proposed to be purchased that will help DASH maintain its State of Good Repair and a safe and reliable bus fleet by replacing buses that have reached the end of their 12-year useful life cycle. The City's fleet replacement plan, as reflected in the current Council adopted CIP, projected buying ultra-low emission clean diesel buses through FY 2024 based on the limited ability of the current DASH facility charging infrastructure to support further expansion of the DASH electric fleet. However, staff is working on plans to apply for federal transit capital grants which could pay for the \$4.8 million cost differential between the cost of purchasing 8 ultra-low emission diesel buses compared to purchasing 8 electric buses plus the costs of additional charging infrastructure.

This purchase which totals approximately \$6.3 million is eligible for a future percentage reimbursement through the Capital Assistance Program, and the funds that come back to the City are used to offset general fund dollars required for transit operational costs, such as WMATA. The percentage distribution can theoretically be up to 50%, but the actual percentage will be determined by totaling all of capital assistance grant funds statewide and dividing that by the total amount of capital assistance funds grants requested statewide. NVTC then receives these grant funds and applies its regional distribution formula. The result is likely to be a state grant for less than 50%. Funding for the local match will be provided by City CIP funding and NVTA 30% funding.

FY 2023 Commuter Assistance Program

GO Alex - (\$331,300) The Commuter Assistance Program grant provides a reimbursement to the City for operating dollars spent on the GO Alex programming and staffing. These funds will maintain current staffing and fund future programming such as the opening of the Potomac Yard Metrorail station and Capital Bikeshare. A 20% local match is required. If approved by DRPT, funds would require formal adoption by the Commonwealth Transportation Board and incorporation into the state's Six Year Program in spring 2022. Funds would be available on or after July 1, 2022.

FISCAL IMPACT: Operating Assistance funds provided by DRPT to jurisdictions do not require a local match. Based on the funding rates from FY 2022, the City could expect to be awarded up to approximately \$5 million in operating assistance. The expected capital assistance grant amount that may be earned is not known at this time. These funds when received will be utilized to support the City's WMATA operating budget. The CAP grant requires a 20% match of \$66,260 which was budgeted during the FY 2023 budget development process. If the local match were to be removed from the planned FY 2023 Operating Budget, the City may withdraw or otherwise amend the grant application.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Transportation Commission Letter of Support

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