

- (2) Approve the submission of up to \$50 million to the Low-No and Buses and Bus Facilities grant programs by May 31, 2022; and
- (3) Authorize the City Manager to apply for the Low-No and Buses and Bus Facilities grants and enter into any necessary agreements with FTA and DASH to accept this funding.

BACKGROUND: In 2021, Congress passed the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act) to fund infrastructure improvement programs. In 2022, the FTA announced \$1.1 billion and \$372 million respectively for the Low or No Emissions (Low-No) and Buses and Bus Facilities competitive discretionary grant programs.

The Low-No Program aims to support the transition of the transit fleet to the lowest polluting and most energy-efficient transit vehicles. The Buses and Bus Facilities Program assists in financing buses and bus facility capital projects. Grant applications are evaluated by the FTA with considerations including demonstration of need, environmental justice, racial equity, a zero-emission fleet transition plan focusing on workforce development, and other selection criteria. Awards will be announced by August 15, 2022, and funds must be obligated by September 30, 2025.

DISCUSSION: In 2018 the City and DASH committed to shifting to an all-electric bus fleet by the year 2037. DASH currently has 14 electric buses with charging infrastructure and 87 active clean diesel and hybrid buses. The DASH Fleet Replacement plan for FY 2023 and FY 2024 shows 20 buses and 5 five trolleys will meet their useful life and need to be replaced. To replace these assets with battery electric (and associated charging infrastructure) the estimated cost is \$30.2 million. The City currently has budgeted approximately \$10.7 million in the FY 2023 to FY 2024 CIP for fleet replacements, leaving a gap of \$19.5 million. Additionally, the City was previously awarded \$4.4 million in Smart Scale funds for six clean diesel buses and to upgrade these to electric would cost an additional \$2.5 million.

In FY 2018, the City and DASH secured \$9.5 million in Smart Scale and Northern Virginia Transportation Authority (NVTA) funds to design and construct Phase I of a new open-air bus and charging facility. The project will be constructed by FY 2025 and will include charging infrastructure for 20 buses. DASH is ultimately planning for a fleet of up to 140 buses and needs to upgrade the electrical service and capacity of the existing DASH building to handle the ultimate charging needs for the DASH campus - including the new facility. Staff is currently working with a consultant to determine a more precise cost estimate for this upgrade but is requesting authority to apply for up to \$10 million as part of this application as a conservative estimate.

To be strategic with funding awards and amounts, DASH and City staff will likely submit multiple applications to this grant program with the goal of securing the maximum amount of funding. How those applications are structured and scaled will be determined after additional conversations with FTA. Applications will likely be submitted to both Low-No and Buses and Bus Facilities, and FTA will decide from which funding source the project would be awarded.

The following projects (\$44.7 million total) will be submitted within these applications.

- **FY 2023 Bus Replacement** (\$17 million): Retire and replace ten (10) buses and five (5) trolleys with electric
- **FY 2024 Bus Replacement** (\$10.8 million): Retire and replace ten (10) buses with electric
- **FY 2024 Expansion Buses** (\$2.5 million): Upgrade six (6) Smart Scale clean diesel buses to

- electric
- **Charging Equipment** (\$2.4 million): Install required charging infrastructure to support new electric buses
- **Electric upgrades at DASH Facility** (\$10 million): Build new electrical service, including on-site equipment and infrastructure to support all electric bus charging requirements fleet conversion up to 6 megawatts of power
- **Workforce Development** (\$2 million): Required 5% of federal request

The total grant request is \$44.7 million but staff is requesting approval to submit up to \$50 million as cost estimates are refined. While it is unlikely the full grant request will be fulfilled, staff determined the best path forward is to propose all needs in a scalable manner by which the FTA could assess and award funds as available.

FISCAL IMPACT: The Low-No and Buses and Bus Facilities both require a 10% to 20% local match, depending on the category. If the City is granted the full cost up to ~\$50 million, the match would be \$7.5 to \$10 million for all projects. Staff estimates that the match for the proposed projects will be closer to \$6.2 million. The FY 2023 and FY 2024 Fleet Replacement CIP show a total of approximate \$10.7 million from NVTAs 30% and designated fund balance which would cover any locally required match. Because the grant would fulfill the bus replacement needs from this CIP project, any remaining funds currently designated to this project could be reprogrammed for other uses.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Transportation Commission Endorsement Letter

Attachment 3: Presentation

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