STAFF REPORT

MEETING DATE:	**February 23, 2016**
SUBJECT:	**Update Regarding Transit and Intercity Rail Capital Program Grant Application – Review and Possible Action**
AGENDA ITEM:	**21**
STAFF CONTACT:	**Jennifer Pollom, Senior Transportation Planner**

SUMMARY:
An opportunity exists to apply for capital funding to purchase buses for an intercity public transportation connection between Redding and Sacramento through the Transit and Intercity Rail Capital Program (TIRCP). SRTA is working out the details of a possible grant application with the Redding Area Bus Authority (RABA) and California State Transportation Agency (CalSTA). Unless otherwise directed, staff will likely submit an application by the April 5 deadline and will bring the full application back to the board of directors for ratification April 26.

STAFF RECOMMENDATION:
It is recommended that the board of directors receive an update on the development of a FY 2016/17 TIRCP grant application and provide further direction, if any, to staff.

DISCUSSION:
Background - The city of Redding and SRTA have been discussing enhanced intercity transportation options to airports, passenger rail facilities, and downtown locations in Sacramento and the Bay Area. The concept was initiated by the city of Redding airports manager as a means to complement regional air travel.

Enhanced intercity transportation options will improve mobility for the general public and will help grow the local economy with reliable connections to state, national, and international markets. Further studies are needed to better understand travel needs to the Sacramento area. Commuter data from April 2014 showed that the same 1,375 individuals – 450 from Shasta County – commuted every weekday along the I-5 corridor from the North State to Sacramento. These are just the daily commuters. It does not include the many other intermittent business and personal trips most of us take to Sacramento. Existing interregional connections have limitations, including unreliability, limited destinations, inconvenient schedules, poor on-time service, lack of station services, frequent stops, indirect routes, need for transfers, and prohibitive cost.

In April 2015, the board of directors authorized a Federal Transit Administration (FTA) Section 5311(f) Intercity Bus Program grant application to study public transportation services to Sacramento, the Sacramento International Airport, and to possibly connect to major ground transit and airport facilities in the Bay Area. SRTA received notification of the grant award in July 2015, and in October 2015, the board of directors authorized an agreement with The Center for Business and Policy Research at the University of the Pacific to complete the *Shasta Intercity Transportation to Sacramento and the Bay*

Area Study. The study is on hold. It may require additional bidding and a new contract that meets federal policies.

Project Concept – Initially an intercity service could be targeted to Sacramento. Interregional connections to the Bay Area have improved recently as SkyWest now provides jet service – replacing turbo props – twice daily between Redding and San Francisco. Also a third daily round trip is scheduled to begin on April 5.

An intercity service would likely be a privately contracted service run through RABA or another agency servicing not just Shasta County residents, but those of the larger region as well. It could include stops in the sixteen-county North State Super Region (NSSR) along the I-5 corridor, further connecting rural and small urban populations to Sacramento. To meet grant guidelines the service will have a maximum of three stops in more rural areas of the NSSR and will make meaningful connections at possible transit gateways in or near Sacramento, i.e. the airport, passenger rail locations, and downtown.

SRTA and RABA have discussed three to four round trips per day down to Sacramento on commuter buses that provide comfort for longer trips (3–4 hours). It would be geared towards business travelers and include Wi-Fi, workstations for laptops, and spacious seating.

Grant Opportunity - TIRCP is a new program (2015) funded by auction proceeds from the California Air Resources Board Cap-and-Trade Program (Fact Sheet and FY 2015/16 Awards attached). It provides funds for transformative capital improvements that modernize and better connect California's rail, bus, and ferry transit systems, to significantly reduce greenhouse gas emissions, vehicle miles traveled, and congestion. Approximately $440 million is available from existing funds, and the Governor's Budget proposes to add almost $900 million. Either SRTA or RABA are eligible applicants. Grant awards are anticipated in August 2016.

Improved intercity bus service in the NSSR should compete well in the FY 2016/17 TIRCP because the state has highlighted the need. For instance, one of the eight recommendations to Caltrans in the 2015 Annual Report to the California Legislature by the California Transportation Commission was to reexamine the issue of intercity rail and transit connectivity serving rural areas of the state, particularly those areas with limited access to air service. Similarly, a long-range goal to have daytime passenger rail service between Redding and Sacramento is in the 2013 California Rail Plan; however such service is unlikely because Union Pacific Railroad limits use of its tracks for passenger rail. Moreover, TIRCP funding levels are high now, but the future is more uncertain. As a new grant program, it likely will be much more competitive in the next cycle two years out.

Timing Issues - The timing of the 2016/17 TIRCP grant application deadline and the completion of the intercity transportation study are not ideally aligned. The deadline for grant applications is April 5, 2016. The *Shasta Intercity Transportation to Sacramento and the Bay Area Study* findings and recommendations will be presented to the board of directors – likely at the June 2016 board of directors meeting.

CalSTA will adopt a two-year program of projects covering FY 2016/17 and 2017/18 in August 2016. The next opportunity for funding will not occur for two years, and it could take up to another three years to procure buses. Without study recommendations, the service is a need that will require both capital and operating funds (see "Financing" section below). Foregoing this grant cycle means delaying any chance of starting a service until sometime between 2021 and 2026.

Staff Recommendation – Unless otherwise directed, SRTA intends to move forward with preparing a FY 2016/17 TIRCP grant application for three commuter buses. Although the timing is not ideal to fully define the service details, there is little risk with moving forward incrementally. If further study reveals the project is not feasible, there are multiple chances for the board of directors to withdraw the application before any investment beyond staff time is made. For example, in April the board of directors will be able to review the full grant application and may choose to continue forward or rescind the application. Similarly in June, the board of directors will accept the feasibility study and will again have an opportunity to continue forward or rescind the application.

ALTERNATIVES:

The board of directors may defer a decision until after the *Shasta Intercity Transportation to Sacramento and Bay Area Study* is complete. This would postpone any opportunity to start the service until sometime between 2021 and 2026.

OTHER AGENCY INVOLVEMENT:

Caltrans in collaboration with CalSTA administers the TIRCP. RABA is working with SRTA to develop the grant application project description.

FINANCING:

Capital - The proposed project budget for capital expenses is approximately two million dollars to purchase three large commuter style buses (amount based on a recent $1.3 million RABA request to replace three 35-foot fixed-route diesel buses) and would be 100% grant funded. Two buses are proposed for the three to four daily round trips along with a backup bus that would rotate into the schedule. No local match is required.

Operation - An estimated $650,000-$870,000 in annual operating expenses is needed for three to four daily round trips running seven days a week. The majority of this could be offset by fares. The fare amounts and subsidy targets would be the subject of the feasibility study and further policy decisions. SRTA and RABA will use the *Shasta Intercity Transportation to Sacramento and Bay Area Study* recommendations to apply for operational funding for the intercity bus service through the FTA Section 5311(f) Intercity Bus Program. Given broad regional and state interest, there is a high likelihood that 5311(f) would provide 100% of the needed subsidy, and there are no limits to continued annual funding. A fallback for operational funding is the Low Carbon Transit Operations Program annual regional allocations from both the Shasta Region and other NSSR counties.

Daniel S. Little, AICP, Executive Director

Attachment: Transit and Intercity Rail Capital Program Fact Sheet and FY 2015/16 Awards

Transit and Intercity Rail Capital Program

Fact Sheet

Background and Funding: The Transit and Intercity Rail Capital Program is one of several programs funded as part of 2014-15 State of California budget (by Senate Bill 852 and Senate Bill 862) that have a goal of reduced greenhouse gas emissions and achievement of other benefits. These programs are funded by auction proceeds from the California Air Resource Board's Cap-and-Trade Program, with proceeds deposited into the Greenhouse Gas Reduction Fund. The following chart lists the programs funded by the Greenhouse Gas Reduction Fund, and the amount of each program's funding in 2014-15 & 2015-16, and as an ongoing share of Greenhouse Gas Reduction Funds, where applicable. The Transit and Intercity Rail Capital Program will receive $200 million in 2015-16 and 10 percent of annual state Cap-and-Trade auction proceeds beginning in 2015-16.

Category	Agency/Department	Program	2014-15	2015-16	On-going
Sustainable Communities and Clean Transportation	High-Speed Rail Authority	High-Speed Rail Project	$250 m	$500m	25%
	State Control Office/Caltrans	*Low Carbon Transit Operations Program*	*$25 m*	$100m	5%
	CalSTA/ Caltrans	***Transit and Intercity Rail Capital Program***	***$25 m***	**$200m**	**10%**
	Strategic Growth Council	Affordable Housing and Sustainable Communities Program	$130 m	$400m	20%
	Air Resources Board	Low Carbon Transportation	$200 m	$96m	Annual Appropriations
Energy Efficiency and Clean Energy	Dept. of Community Services and Development	Energy efficiency Upgrades/Weatherization	$75 m	$79m	Annual Appropriations
	Energy Commission	Energy Efficiency for Public Buildings	$20 m		
	Dept. of Food and Agriculture	Agricultural Energy and Operational Efficiency	$ 15 m	$40m	
Natural Resources and Waste Diversion	Dept. of Fish and Wildlife	Wetlands and Watershed Restoration	$25 m	$2m	Annual Appropriations
	Dept. of Forestry and Fire protection	Fire Prevention and Urban Forestry Projects	$42 m		
	Cal Recycle	Waste Diversion	$25 m	$6m	
Total			$832 m	$1,443 m	

Legislative History: Prior legislation established state goals to reduce greenhouse gas emissions and created tools to achieve these reductions.

- Assembly Bill 32 (2006) set greenhouse gas reduction targets and authorized the Cap-and-Trade Program at the Air Resources Board
- Senate Bill 375 (2008) and Senate Bill 391 (2009) require sustainable communities strategies be included in regional transportation plans and the statewide transportation plan
- Assembly Bill 3034 (2008) placed Proposition 1A before voters, which provides bond funding to reduce greenhouse gas emissions through rail investments, including the high-speed rail project
- Senate Bill 9 (2015) provides funding for transformative capital improvements that will modernize California's intercity, commuter and urban rail systems and bus and ferry transit systems. Requires CalSTA to adopt a 5-year program of projects and require the California Transportation Commission (CTC) to allocate funding to eligible applicants pursuant to the program of projects.

Program Goals and Eligible Projects: Senate Bill 862 created the Transit and Intercity Rail Capital Program and describes program goals and eligible projects. Program goals include the reduction of greenhouse gas emissions, expanded rail service to increase ridership, the integration of different rail and bus systems, and improved rail safety. Eligible projects include rail and bus capital projects, and operational improvements that result in increased ridership and reduced greenhouse gas emissions.

Disadvantaged-Community Benefits: Legislation Passed in 2011, Senate Bill 535, requires that programs funded from the Greenhouse Gas Reduction Fund result in benefits to disadvantaged communities. The designation of "disadvantaged communities" is assigned to the California Environmental Protection Agency, and the establishment of guidelines for qualifying expenditures is assigned to the California Air Resources Board. The Transit and Intercity Rail Capital Program will target grants so that at least 25 percent of program expenditures will benefit disadvantaged communities.

Program Guidelines and Public Input: Senate Bill 862 directs the California State Transportation Agency (CalSTA) to establish guidelines for the Transit and Intercity Rail Program. CalSTA is holding public workshops to receive public input in August prior to writing draft guidelines. Once draft guidelines are done, they will be shared with the Legislature and CalSTA will hold at least two additional public meetings prior to finalizing the guidelines. CalSTA will also present draft guidelines for review by the Strategic Growth Council.

Roles and Responsibilities of State Agencies: CalSTA will work with the Department of Transportation (Caltrans), and the California Transportation Commission (CTC) to implement this program. Once guidelines are finalized, CalSTA and Caltrans will solicit applications and select projects. The CTC will award the program of projects and manage project allocations.

Timeline: The Administration will release finalized guidelines in the fall of 2015, with solicitation for projects planned in the first half of calendar year 2016.

Questions or comments may be directed to the Division of Rail and Mass Transportation at (916)653-3060.

Written comments on TIRCP may be directed to tircpcomments@dot.ca.gov.

Transit and Intercity Rail Capital Program Selected Projects

Applicant	Project	Amount Recommended	Match Funding	Total Project Cost
Antelope Valley Transit Authority	Regional Transit Interconnectivity & Environmental Sustainability Project	$ 24,403,000	$ 14,891,051	$ 39,294,051
Capitol Corridor Joint Powers Authority	Travel Time Reduction Project	$ 4,620,000	$ 800,700	$ 5,420,700
Los Angeles MTA (Metro)	Willowbrook/Rosa Parks Station & Blue Line Light Rail Operational Improvements Project	$ 38,494,000	$ 108,166,494	$ 146,660,494
LOSSAN Rail Corridor Agency	Pacific Surfliner Transit Transfer Program	$ 1,675,000	$ 200,000	$ 1,875,000
Monterey-Salinas Transit	Monterey Bay Operations & Maintenance Facility/Salinas Transit Service Project	$ 10,000,000	$ 10,260,000	$ 20,260,000
Orange County Transportation Authority	Bravo! Route 560 Rapid Buses	$ 2,320,000	$ 580,000	$ 2,900,000
Sacramento Regional Transit	Sacramento Regional Transit's Refurbishment of 7 Light Rail Vehicles Project	$ 6,427,000	$ 1,607,000	$ 8,034,000
San Diego Association of Governments	South Bay Bus Rapid Transit Project*	$ 4,000,000	$ 108,000,000	$ 112,000,000
San Diego MTS	San Diego Metropolitan Transit System Trolley Capacity Improvements Project	$ 31,936,000	$ 11,200,000	$ 43,136,000
San Francisco MTA (MUNI)	Expanding the SFMTA Light Rail Vehicle Fleet Project	$ 41,181,000	$ 162,470,000	$ 203,651,000
San Joaquin Regional Rail Commission	Altamont Corridor Express Wayside Power	$ 200,000	$ -	$ 200,000
San Joaquin RTD	MLK Corridor and Crosstown Miner Corridor Project	$ 6,841,000	$ 12,277,776	$ 19,118,776
SCRRA (Metrolink)	Purchase of 9 Fuel-Efficient Tier IV Locomotives Project	$ 41,181,000	$ 16,869,000	$ 58,050,000
Sonoma-Marin Area Rail Transit District	SMART Rail Car Capacity Project	$ 11,000,000	$ 46,400,000	$ 57,400,000
		$ 224,278,000	**$ 493,722,021**	**$ 718,000,021**

**Also recommended for $7 million from Strategic Growth Council's Affordable Housing and Sustainable Communities program (reflected in match)*

Janie Coffman

Subject: FW: TIRCP Grant Application

From: <kdr1265@gmail.com>
Date: February 21, 2016 at 2:13:04 PM PST
To: Dan Little <dlittle@srta.ca.gov>
Cc: Teri Gabriel <Teri@psa2.org>, Melissa Cummins <mcummins@co.siskiyou.ca.us>, <transit@trinitycounty.org>, Dan Leavitt <danl@acerail.com>, Vincent Johnson <vejoh52632@outlook.com>
Subject: TIRCP Grant Application

On behalf of seniors in the five county PSA 2 region I express my support for the proposed TIRCP grant application by SRTA. We are glad to see a Northern California Transportation Agency step up to lead the effort for improved transit options throughout the Central and Mountain North State Super Region.

As you develop this grant proposal I suggest you include funding to implement the following:

Coordination of your schedules with surrounding agency services
Interline ticketing or transfers
Allowing your busses to provide through service to neighboring counties
Substituting your services for the current Ambus service
Signage and location improvements to the Redding Multimodal Center to encourage passenger transfers

Seniors and non drivers need improved local and interregional transit opportunities throughout Far Northern California. Redding is the natural hub for shopping, medical services, and transfers to Southern California. This TIRCP grant will assist in further development of Redding as a regional center.

Cheers,

Kenneth Ryan
Member, Advisory Council, PSA 2 Area Agency on Aging
Siskiyou, Modoc, Lassen, Shasta, Trinity
Senator, California Senior Legislature
Retired Transportation Consultant
Reviewer of Active Transportation Proposals
MCP & MS Transportation, UC Berkley