

STAFF REPORT



MEETING DATE:	April 26, 2016
SUBJECT:	Approve the Transit and Intercity Rail Capital Program Grant Application
AGENDA ITEM:	10
STAFF CONTACT:	Jennifer Pollom, Senior Transportation Planner

SUMMARY:

SRTA, in partnership with the North State Super Region (NSSR) and the Redding Area Bus Authority (RABA), submitted a Transit and Intercity Rail Capital Program (TIRCP) grant application for capital funding to implement I-5 express bus service between Redding and Sacramento. Grant awards are anticipated in August 2016.

STAFF RECOMMENDATION:

It is recommended that the board of directors approve the attached 2016/17 TIRCP grant application.

DISCUSSION:

Background - TIRCP is a new program (2015) funded by auction proceeds from the California Air Resources Board Cap-and-Trade Program. It provides funds for transformative capital improvements that modernize and better connect California's rail, bus, and ferry transit systems. The primary objective of the program is to significantly reduce greenhouse gas emissions, vehicle miles traveled, and congestion.

In February 2016, the board of directors authorized a Transit and Intercity Rail Capital Program (TIRCP) grant application for capital funding needed to implement I-5 express bus service between Redding and Sacramento. SRTA submitted the attached TIRCP grant application on April XX, 2016, in the amount of \$X,XXX,XXX. The capital grant is tied to the findings of the *Shasta Intercity Transportation to Sacramento and the Bay Area* feasibility study and action plan that will be presented at the October 2016 board of directors meeting.

///Project description///The project scope of work includes costs for ///

The project is consistent with the 2015 Regional Transportation Plan, including Goal #3: Provide an integrated, context-appropriate range of practical transportation choices; and Objective 3.2 – Facilitate multi-modal connectivity and service schedule alignment between local and interregional modes, including passenger rail, air, and intercity bus transportation.

Timing Issues – The grant application was due April 5, and 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. Unless otherwise directed, SRTA intends to move forward with attached TIRCP grant application, providing Caltrans and California State Transportation Agency (CalSTA) with any

additional information requested. If 1) the grant application is approved for funding in August by CalSTA and 2) the *Shasta Intercity Transportation to Sacramento and the Bay Area* study reveals the project is not feasible – presented in October, the board of directors may deny acceptance of the award. Finally, the application includes development of a business plan that will provide the board of directors with more information prior to entering into a bus lease agreement.

ALTERNATIVES:

The board of directors may choose to rescind the application, delaying any chance of starting a service until sometime between 2021 and 2026. Similarly, in October, the board of directors will accept the feasibility study and will have an opportunity to accept or deny an award – if selected by CalSTA.

OTHER AGENCY INVOLVEMENT:

Caltrans, in collaboration with CalSTA, administers the TIRCP. The NSSR is sponsoring the grant, and RABA worked with SRTA to develop the grant application project description. Numerous agencies and organizations have provided letters of support for the project and are included in the attached grant application. *///The Technical Advisory Committee (TAC) concurs with the staff recommendation///.*

FINANCING:

Capital - The proposed project budget for capital expenses is \$X,XXX,XXX to *///project description///* and is 100% grant funded. No local match is required, and the grant application includes funding for staff time to manage the project. SRTA staff time to develop the grant application was funded entirely through Overall Work Program WE 706.06 – Public Transportation Support, and staff will continue to work with collaborating agencies over the next few months in anticipation of a grant award.

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 Grant Application available at:

<http://www.srta.ca.gov/DocumentCenter/View/2823>