



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JOHN AVALOS
CAROLE GROOM
CAROL KLATT
NATE MILEY

MARY PIEPHO – VICE CHAIR
TOM BATES
DAVID HUDSON
LIZ KNISS

**THURSDAY
MAY 23, 2013
9:30 A.M.**

**7TH FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. **APPROVAL OF MINUTES OF APRIL 25, 2013**

4. **SELECTION OF VEHICLE BUY-BACK PROGRAM AND DIRECT MAIL SERVICE CONTRACTORS**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of contractors to operate a vehicle buyback program and a direct mail service advertising the buyback program and authorization for the Executive Officer/APCO to enter into all necessary contracts.

5. **FISCAL YEAR ENDING (FYE) 2014 TRANSPORTATION FUND FOR CLEAN AIR (TFCA) FUNDING ALLOCATIONS**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval for the allocation of \$22.75 million in Transportation Fund for Clean Air (TFCA) funding for FYE 2014.

6. **COMMITTEE MEMBER COMMENTS**

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. **TIME AND PLACE OF NEXT MEETING**

Thursday, June 27, 2013, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

8. **ADJOURNMENT**

**CONTACT CLERK OF THE BOARDS
939 ELLIS STREET, SAN FRANCISCO, CA 94109**

**(415) 749-5073
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-4963**

**EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS**

MAY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month) - CANCELLED</i>	Wednesday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(At the Call of the Chair)</i>	Wednesday	29	9:30 a.m.	4 th Floor Conf. Room

JUNE 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	5	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Thursday	6	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	12	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	17	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month) - CANCELLED</i>	Monday	17	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	26	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	27	9:30 a.m.	Board Room

JULY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	10	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month) - CANCELLED</i>	Monday	15	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(At the Call of the Chair)</i>	Thursday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room

HL – 5/14/13 (1:05 p.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: April 30, 2013

Re: Approval of the Minutes of April 25, 2013

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee meeting of April 25, 2013.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meeting on April 25, 2013.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Ana Sandoval

Attachment

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Thursday, April 25, 2013

1. Call to Order – Roll Call

Director Bates called the meeting to order at 9:37 a.m.

Present: Chairperson Scott Haggerty; and Directors John Avalos, Tom Bates, Carole Groom, David Hudson, Carol Klatt and Nate Miley.

Absent: Vice Chairperson Mary Piepho and Director Liz Kniss.

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of March 28, 2013

Committee Comments: None.

Public Comments: None.

Committee Action: Director Groom made a motion to approve the Minutes of March 28, 2013; Director Hudson seconded; and the motion carried unanimously.

4. Projects with Proposed Grant Awards Over \$100,000

Damian Breen, Director of Strategic Incentives, introduced Stacy Shull, Administrative Analyst of Strategic Incentives, who gave the staff presentation Carl Moyer Program (CMP) Projects with Proposed Grant Awards over \$100,000, including a brief overview of the CMP and Mobile Source Incentive Fund (MSIF) to date, a detail of the CMP/MSIF and Voucher Incentive Program funds awarded as of April 9, 2013, and recommendations.

NOTED PRESENT: Directors Haggerty and Miley were noted present at 9:40 a.m.

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Groom made a motion, seconded by Director Hudson, to recommend the Board of Directors:

1. Approve CMP projects with proposed grant awards over \$100,000; and
2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements for the recommended CMP projects.

The motion carried unanimously.

5. Fiscal Year Ending (FYE) 2014 Transportation Fund for Clean Air (TFCA) County Program Manager Expenditure Plans

Mr. Breen introduced Geraldina Grunbaum, Supervising Environmental Planner of Strategic Incentives, who gave the staff presentation FYE 2014 TFCA County Program Manager Expenditure Plans, including background, a detail of FYE 2014 expenditure plans and recommendations.

Committee Comments:

Director Haggerty asked, regarding slide #4, FYE 2014 Expenditure Plans, about the significant difference in interest earned between some counties, which question was answered by Karen Schkolnick, Air Quality Program Manager of Strategic Incentives. Director Haggerty requested a written explanation for the Board of Directors meeting on May 1, 2013.

Public Comments: None.

Committee Action:

Director Hudson made a motion, seconded by Director Avalos, to recommend the Board of Directors:

1. Approve the allocation of FYE 2014 TFCA County Program Manager Funds listed on Table 1 of the staff report; and
2. Authorize the Executive Officer/APCO to enter into funding agreements with the County Program Managers for the total funds to be programmed in FYE 2014, listed on Table 1 of the staff report.

The motion carried unanimously.

6. Lower-Emission School Bus Program (LESBP)

Mr. Breen introduced Deepti Jain, Environmental Planner of Strategic Incentives, who gave the staff presentation LESBP, including background, 2008 LESBP update, recent solicitation, funding required and recommendations.

Committee Comments:

Director Haggerty asked if the tank replacement project is a component of this program and about the current level of fund matching by the Air District, which questions were answered by Mr. Breen.

Director Bates asked whether the funds proposed for transfer were intended for another project and, if so, what that project was, which questions were answered by Mr. Breen. Jean Roggenkamp, Deputy APCO, provided additional information relative to eligible projects and the revenue stream.

Director Haggerty asked how school districts are generally informed of the tank replacement requirement, which question was answered by Mr. Breen. Director Haggerty asked staff to contact the small school districts in District 1 of Alameda County to make sure they have been notified.

Public Comments: None.

Committee Action:

Director Bates made a motion, seconded by Director Hudson, to recommend the Board of Directors:

1. Allocate \$13.21 million in MSIF to the LESBP; and
2. Authorize the Executive Officer/APCO to enter into funding agreements with applicants meeting the requirements of the California Air Resource Board's 2008 LESBP.

The motion carried unanimously.

7. Committee Member Comments/Other Business:

Director Haggerty asked for staff's input on the news coverage of the Air District bicycle share program that is likely to air tonight. The Committee and staff discussed the same.

8. Time and Place of Next Meeting: Thursday, May 23, 2013, at Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.

9. Adjournment: The meeting adjourned at 9:58 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 16, 2013

Re: Selection of Vehicle Buy-Back Program and Direct Mail Service
Contractors

RECOMMENDED ACTION

Recommend Board of Directors approve:

- 1) Environmental Engineering Studies, Inc. (EES) and Pick-N-Pull Auto Dismantlers (Pick-N-Pull) as the vehicle retirement contractors and AdMail as the direct mail service contractor; for the fiscal year ending (FYE) 2014 Vehicle Buy Back Program (VBB);
- 2) Authorization for the Executive Officer/APCO to execute contracts for:
 - a. Vehicle scrapping and related services with EES and Pick-N-Pull, for a combined amount up to \$7 million; and
 - b. Direct mail services for the VBB Program with AdMail for up to \$133,417.

Additionally, each contract shall grant the ability to extend these services for an additional three years, at the Bay Area Air Quality Management District (Air District) discretion, based on contractor performance.

BACKGROUND

VBB was a voluntary vehicle surrender and scrapping program that took older, higher-polluting vehicles off Bay Area roads. The Air District has in the past contracted with vehicle dismantlers to pay vehicle owners for their smog check compliant, eligible, operating, and registered older vehicles; which were then retired by dismantling, scrapping and shredding. To advertise this program, the Air District used a direct mail campaign to inform potentially eligible vehicle owners about VBB. VBB had historically been funded primarily through the Air District's Mobile Source Incentive Fund (MSIF), with some support from the Transportation Fund for Clean Air (TFCA) and Carl Moyer Program (CMP). Between 1995 and 2010, VBB retired more than 55,000 vehicles.

The Air District discontinued VBB at the end of 2010 to avoid competition with a new State program funded by Assembly Bill (AB) 118 monies and operated by the State's Bureau of Automotive Repair (BAR). BAR currently operates two vehicle retirement programs, one under AB 118 and the other under its Consumer Assistance Program. However, due to insufficient State funds, both BAR programs have had lapses during the months of April, May and June over the past two years. Additionally, due to this shortage of funding, the BAR programs currently focus on vehicles that have failed smog check and therefore would not be in direct competition with an Air District VBB that requires vehicles to pass smog check in order to receive funding.

Vehicles are required to pass smog check for participation in this program based on the fact that State and local grant programs must achieve excess emissions reductions. In other words, the incentive is encouraging a driver to retire the vehicle even though it could be operated legally in California. Vehicles failing the smog check program are not allowed to operate in California and it is assumed that those vehicles would be retired resulting in emissions reductions that would have occurred with or without the VBB incentive. This concept of excess emissions is a requirement of the funding sources for the program, (the Carl Moyer Program (CMP)/Mobile Source Incentive Fund (MSIF) guidelines) both of which are governed by California Air Resources Board - Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) Regulation.

VBB's direct mail effort uses the California Department of Motor Vehicles' (DMV) database to contact, by mail, the owners of older light-duty vehicles that may be eligible for the program. Mailings are conducted bi-monthly with potentially eligible vehicle owners receiving notice of the program approximately three (3) months prior to the expiration of their DMV registration.

DISCUSSION

As a result of analysis of BAR's programs and the lack of competition with the Air District's previous VBB, staff is now proposing to restart this program. As VBB requires significant contractor support, the Air District issued two (2) Request for Proposals (RFP) on March 25, 2013; one seeking vehicle retirement contractors and a second seeking a direct mail service provider. Responses to the RFPs were due to the Air District on April 12, 2013.

Vehicle Retirement RFP

The scope of work contained in the RFP for vehicle retirement contractors conforms to the ARB-VAVR Regulation and to the CMP/MSIF Guidelines. VBB would pay \$1,000 to eligible Bay Area vehicle owners for the retirement of 1994 and older vehicles. The RFP was mailed to 34 companies and posted on the Air District website. The Air District received two proposals in response to the RFP, one from EES and the other from Pick-N-Pull.

Air District staff evaluated the proposals using five criteria set forth in the RFP: cost, available resources/customer relations, coverage/availability, advertising, and responsiveness of proposal. The results of staff scoring of the proposals is summarized in Table 1 below:

Table 1 – Scoring of Vehicle Retirement Proposals

Name	Points (100 possible points)
Environmental Engineering Studies, Inc.	82
Pick-N-Pull	84

As both contractors scored well in this solicitation, have previously successfully operated VBB for the Air District and to maximize geographical distribution of buy back sites in the Bay Area, staff is recommending the Board approve both EES and Pick-N-Pull for this program.

Direct Mail RFP

The proposed direct mail campaign for VBB would contact approximately 17,000 vehicle owners bi-monthly, or 403,000 vehicle owners annually. The Air District received seven (7) proposals in response to the RFP.

The proposals were evaluated against five criteria set forth in the RFP: cost, technical expertise, past experience, responsiveness of the proposal and local/green business certification. The evaluation of cost included review of quotes for data management, letter and envelope production, and standard mail bulk rate postage. Based on staff review of the proposals, AdMail’s proposal scored the highest. AdMail is located in the City of Hayward, California.

Table 2 – Scoring for Direct Mail Proposals

Company Name	Points (100 possible points)
AdMail	91
Direct Mail Center	78
The Data Center	68
FTB Print & Mail	64
Pasco	64
Data Marketing	51
AD-Vantage Marketing	35

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Funds to implement the fiscal year ending (FYE) 2014 VBB Program are included in the Air District's proposed budget. Up to \$7 million will be made available to EES and Pick-N-Pull on a reimbursement basis for vehicles retired from a combination of \$2 million in CMP and \$5 million MSIF funding, and funding for the \$133,417 contract with AdMail will be provided by the TFCA program. Staff administrative costs for VBB are covered by a combination of revenue from CMP, MSIF and TFCA funds.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Joseph Steinberger

Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 9, 2013

Re: Fiscal Year Ending (FYE) 2014 Transportation Fund for Clean Air (TFCA)
Funding Allocations

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Allocate \$22.75 million in TFCA funding to the projects and programs listed in Table 1
2. Authorize the Executive Officer/APCO to enter into funding agreements and contracts up to \$100,000 for projects and programs listed in Table 1.
3. Authorize \$1.4 million in TFCA funding to match \$2.8 million from the Metropolitan Transportation Commission (MTC) for the Regional Bicycle Sharing Pilot Program to bring the system to 1,000 bicycles.
4. Authorize the Executive Officer/APCO to execute all amendments necessary to contracts for the Regional Bicycle Sharing Pilot Program to accept and expend MTC and TFCA monies.

BACKGROUND

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

Sixty percent (60%) of TFCA funds are awarded directly by the Air District. Portions of this funding are allocated by the Air District's Board of Directors (Board) for projects and programs implemented directly by the Air District, including the Spare the Air program and the Enhanced Mobile Source Enforcement and new Commuter Benefits projects. For the remainder of the funding received (referred to as the TFCA Regional Fund program), the Board adopts policies and evaluation criteria that govern expenditure of funding that is awarded on a competitive basis. TFCA funds are focused on eligible project categories that significantly reduce criteria pollutants and greenhouse gases including trip/vehicle miles traveled reduction (bicycle parking and lanes, shuttles and ridesharing) and alternative fuels-related (electric, natural gas) vehicle projects.

As part of 2007 and 2008 audits by the California Bureau of State Audits, California Air Resources Board (ARB) and California Department of Finance, a number of improvements were suggested for the Air District's administration of the Carl Moyer and Mobile Source Incentive Fund (MSIF) grant programs. Those recommendations were implemented first in those programs and have subsequently been applied to all Air District grant programs, including TFCA (completed in 2012). As a result of these new practices and improved accounting, approximately \$13.25 million in TFCA program funding has been identified for reprogramming. This funding includes monies from projects completed under budget or canceled (\$8 million), unspent funding from recent projects (Electric Vehicle Infrastructure - \$2.5 million, Port Truck Funding - \$1.94 million) and remaining unallocated monies and interest (\$810,000).

As part of this report, staff is recommending that \$22.75 million in TFCA funds be allocated to the projects and programs listed in Table 1 and that \$2 million be placed in a strategic reserve for allocation to projects later in 2013. These funds consist of the \$13.25 million described above and approximately \$11 million in TFCA funding that is anticipated to accrue through FYE 2014. Staff will also discuss the process that it will undertake this summer to complete policies and procedures for Board consideration in September and October 2013 to govern the allocation of TFCA Regional Fund Program monies.

DISCUSSION

Based on the availability of the one-time funding (\$13.25 million) described above, staff analyzed a number of different scenarios. While a single project category could benefit from the expenditure of this funding, a portfolio approach targeting a number of different emissions reductions strategies is most consistent with prior Board policy and would yield the best results. Therefore, staff is recommending the programs and dollar allocations in Table 1 (graphically represented in Figure 1):

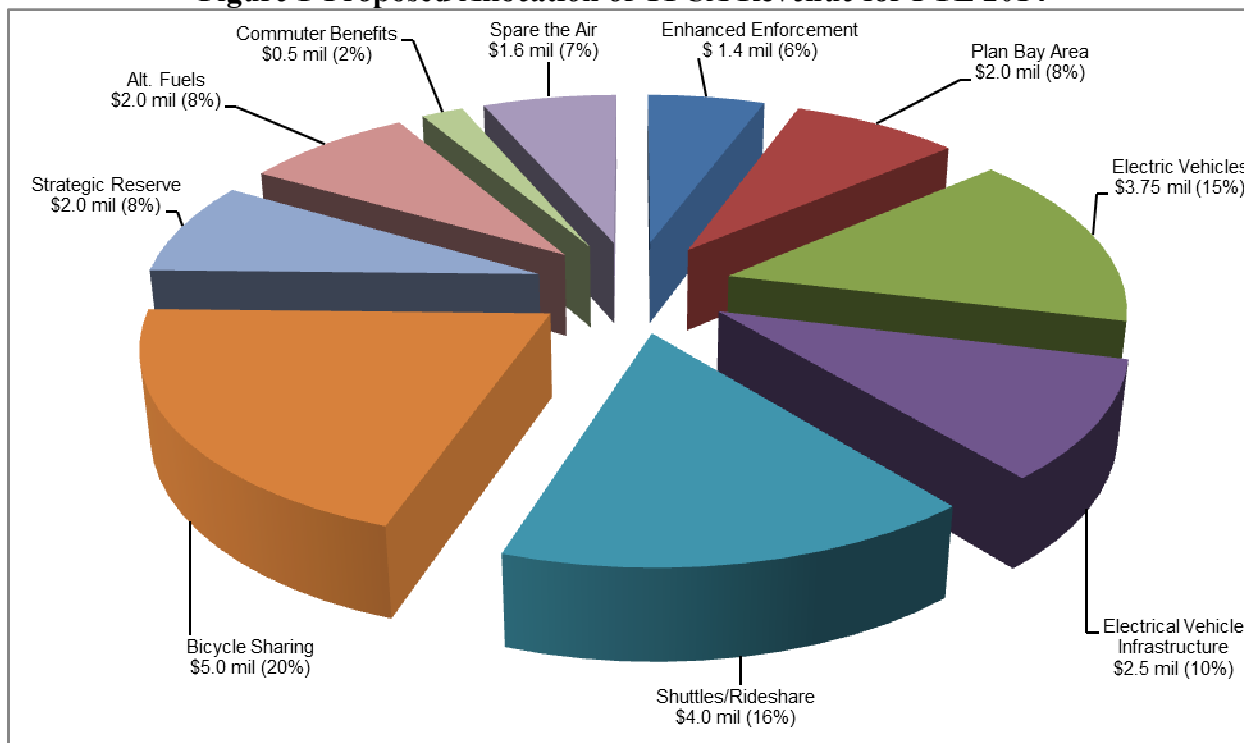
Table 1 - Proposed Allocation of TFCA Revenue for FYE 2014*

Program/Project	Proposed Funding (in Millions)
Regional Bicycle Sharing Project	\$5.00
Shuttle and Ridesharing Program	\$4.00
Electric Vehicle Project	\$3.75
Electric Vehicle Infrastructure Project	\$2.50
Plan Bay Area Reserve for Metropolitan Transportation Commission (MTC)	\$2.00
Alternative Fuels Project	\$2.00
Spare the Air Program	\$1.60
Enhanced Mobile Source Enforcement Project	\$1.40
Commuter Benefits Project	\$0.50
Total Funding Allocation:	\$22.75

**Does not include TFCA County Program Manager funds*

Additionally, staff is recommending that \$2 million be placed in a strategic reserve. This funding could either provide additional support to the project categories listed above (if necessary) or could fund other eligible emissions reductions projects. Staff would provide a recommendation to the Committee regarding allocation of the strategic reserve by the end of 2013. Figure 1, below illustrates the complete breakdown of the \$24.75 million available for allocation in FYE 2014:

Figure 1-Proposed Allocation of TFCA Revenue for FYE 2014*



*Does not include TFCA County Program Manager funds

A detailed explanation of each of the proposed allocations in Table 1 is as follows:

TFCA Regional Fund Program:

Staff is proposing that \$6 million in TFCA funding be allocated through the FYE 2014 TFCA Regional Fund Program to the categories listed below with funds being awarded to projects on a competitive basis within each category:

- ***Shuttle and Ridesharing Program - \$4 million:*** This program continues to support vehicle miles traveled emissions reductions through ridesharing and shuttle projects throughout the region. Staff is proposing some changes to this program (see below), and proposes to continue the funding of the Shuttle and Ridesharing Program at \$4 million.
- ***Alternative Fuels Program - \$2 million:*** Staff is proposing this project category to help advance deployment of natural gas and hydrogen projects that deliver infrastructure and vehicles to the region. Both of these fuels are key to achieving long term region wide emissions reductions of criteria pollutants and greenhouse gases from heavy-duty vehicles

(via nitrogen oxides and particulate matter emissions reductions in goods transportation) and from light duty vehicles (in support of ARB's Advanced Clean Cars initiative). Funding for this project category type was last available through the Regional Fund in the FYE 2010 cycle.

Policies for the project categories listed above will be developed over the summer and brought to the Mobile Source Committee for consideration in September and October 2013. In the case of Shuttle and Ridesharing projects, staff will be recommending administrative improvements to create a clear distinction between "transit" service (not eligible) and "local feeder bus and shuttle" service (eligible), and to clarify matching funds requirements for shuttle and ridesharing projects. Additionally, staff will provide the Committee an overview of policy options that will be explored with shuttle stakeholders this summer in advance of the development of proposed FYE 2014 Regional Fund Polices. A listing of these options is included in Attachment A.

Air District Program:

Staff is also proposing an allocation of \$16.75 million in TFCA funding to Air District operated programs and projects described below:

- ***Regional Bicycle Sharing Program - \$5 million:*** This allocation is proposed to provide \$1.4 million as matching funding to an increased MTC award (\$2.8 million) for the current Regional Bicycle Sharing Pilot Program. This funding will expand the pilot to the planned level of 1,000 bicycles. Additionally, staff proposes that a further \$3.6 million be reserved for expansion of the system pending the successful completion of the pilot project. In addition, the Air District has also begun discussions with its congestion management agency partners on how their TFCA County Program Manager funds could be used for further system expansion. Staff will also coordinate with MTC to discuss additional funding. This project is recommended for additional funding based on its potential to reduce criteria pollutants and greenhouse gases by reducing vehicle miles traveled and last mile commute emissions.
- ***Electric Vehicle Project (EVP) - \$3.75 million:*** This program is proposed to comprise two separate elements which are as follows:
 - ***EVP for Bay Area Residents and Business Fleets:*** A \$1.75 million project that will provide additional funding for battery electric and hybrid plug-in electric vehicles purchased in the Bay Area in exchange for participants providing vehicle usage data. This funding will help to bridge expected reductions in ARB funds for electric vehicles over the next 12 months and provide data to the Air District about Bay Area plug-in vehicle usage statistics that will guide future EV infrastructure and vehicle deployment programs. Under this project element, staff would partner with the ARB sponsored California Vehicle Rebate Project to help streamline the funding application process for Bay Area residents. Air District funds are anticipated to provide \$700 for full battery electric and \$400 for plug-in hybrid electric vehicles purchased over a period of up to two years.

- **EVP for Public Agencies:** A \$2 million project that will provide incentive funding for the purchase of 1,000 battery and hybrid plug-in electric vehicles to Bay Area public agencies either via purchases or leases. Air District funds are anticipated to provide \$2,000 for full battery electric and \$1,000 for plug-in hybrid electric vehicles purchased over a period of up to two years.

Currently, Northern California leads the state and nation in terms of the per capita purchase of electric vehicles (EV). Additionally, electric vehicles and their continued adoption are a significant component of the Air District's and MTC's strategy for criteria pollutant and greenhouse gas emissions reduction. This one-time targeted investment is designed to increase the visibility of electric vehicles via their deployment in public agencies and to continue to provide a push towards mass adoption by supporting the light duty EV market.

- ***Electric Vehicle Infrastructure Project - \$2.5 million:*** This \$2.5 million is unspent funding from previous Board allocations to electric vehicle charging infrastructure in FYE 2011 and 2012. Staff proposes to reprogram this funding to provide \$1 million for DC Fast chargers in regional transportation corridors and \$1.5 million for workplace and multifamily dwelling charging. Project sponsors would be required to provide at least 50% matching funds and projects would need to be completed by December 31, 2014. In support of this project category, the Nissan Motor Company (Nissan) has pledged 20 Nissan DC Fast Chargers at no cost to be included in the Air District program. These Chargers must be installed by March 2014 and staff would coordinate with Nissan and other project sponsors to ensure that a least one of the free chargers is installed each of the nine Bay Area counties. This project represents the completion of a district-wide electric vehicle supply equipment "safety net," expansion of EV range based on DC fast charge locations along transportation corridors and a bridge to funding to be supplied by MTC under the Sustainable Communities Strategy (SCS) for workplace and public charging.
- ***Plan Bay Area - \$2 million:*** Staff is also proposing to continue the \$2 million set aside for Plan Bay Area and to continue discussions with MTC on how to further emissions reductions projects as part of the SCS.
- ***Spare the Air Program - \$1.6 million:*** The "Spare the Air" program continues to be the Air District's flagship public outreach tool for the summer ozone season. Funding provided under this program goes to advertising, media and educational activities that reduce vehicle miles traveled (VMT) emissions by behavior modification.
- ***Enhanced Mobile Source Enforcement Project - \$1.4 million:*** Funding under this program helps to enhance Air District patrols for smoking vehicles and offsets the cost of drayage truck regulation enforcement at the Port of Oakland.

- **Commuter Benefits Project - \$0.5 million:** As part of the Air District’s joint efforts with MTC to implement a Senate Bill 1339 commuter benefits program, Staff is recommending that \$0.5 million in TFCA funding be set aside to cover the cost of project implementation, including resources to provide assistance to subject employers and to ensure compliance with any adopted program.

Administration

Per Board direction on December 16, 2009, it is proposed that the Executive Officer/APCO continue to approve Grant Agreements for individual grant awards up to \$100,000. TFCA projects with grant award amounts over \$100,000 will continue to be brought to the Committee for consideration at least on a quarterly basis.

TFCA Cost-Effectiveness

Per the direction of the Board, projects must achieve a cost-effectiveness of at most \$90,000 per ton of total of emissions reduced, unless a different value is specified for that project type. Cost-effectiveness is based on the ratio of TFCA funds provided divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NOx), and weighted particulate matter 10 microns in diameter and smaller (PM10) reduced (\$/ton).

Cost-effectiveness criteria for the Regional Fund projects and programs will be established and brought to the Board for consideration in September and October 2013. For the Air District sponsored programs, staff recommends reducing the required project duration period, or Project-Useful-Life (PUL), for vehicle-based alternative fuels projects to a maximum of 3 years. This would minimize the administrative burdens on project sponsors and ensure a higher rate of project success. Table 2 below summarizes the recommended cost-effectiveness levels for each of the proposed Air District sponsored projects and programs:

Table 2 - Proposed Cost Effectiveness for Air District Sponsored Projects and Programs

Cost-Effectiveness	Projects and Programs	PUL
\$500,000/ton	Regional Bicycle Sharing Project	5 Years
\$450,000/ton	EVP for Public Agencies	3 Years
\$250,000/ton	EVP for Bay Area Residents and Business Fleets	2 Years
\$250,000/ton	Electric Vehicle Infrastructure Project	2 Years
\$90,000/ton	Spare the Air Program	1 Year
\$90,000/ton	Enhanced Mobile Source Enforcement Project	1 Year
\$90,000/ton	Commuter Benefits Project	1 Year

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source.

Respectfully submitted,

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Executive Officer/APCO

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Attachment A: Options to improve and streamline the TFCA Regional Fund Shuttle Program

Agenda 5 - ATTACHMENT A
Options to improve and streamline the TFCA Regional Fund Shuttle Program

- ***Option 1: Limit Funding to New, Pilot Shuttle Projects (no change to Ridesharing):***

This scenario seeks to expand the number of shuttle services by providing new services access to start-up funding. Funding would be available for up to five years allowing new projects adequate time to develop and secure non-TFCA sources of funding. Under this scenario a phase-out period would be provided to projects that have received TFCA Regional Funds in previous funding cycles. An alternative option is to allow cost-effective projects that are no longer eligible for Regional Funds to continue to apply for TFCA funds from the County Program Managers (CPM).

- ***Option 2: Standardize Shuttle Project Funding Amounts (no change to Ridesharing):***

Staff would develop a standardized formula based on key criteria such as the location, usage and ridership, and vehicle emissions data. An analysis would be conducted to determine what pre-set award amount (based on boarders or riders) would ensure projects are cost-effective (for example, in the Bicycle Facility Program it has been pre-determined that \$60/capacity is the “right” award amount). This scenario could apply to existing and pilot projects, or only existing projects. Also, the award amount could be differentiated depending on whether the project was new or existing, located in a CARE area or not, etc. This option would simplify the application process and allow applicants to better understand how much funding their project is eligible to receive.

- ***Option 3: TFCA Regional Shuttle & Ridesharing Funds to be Administered by CMAs:***

This scenario would remove both shuttle and rideshare projects from the TFCA Regional Fund portfolio and consolidate these project categories under the CPM program. Given that many CMAs currently operate ridesharing programs and may be more in tune with their local shuttle needs, this option may allow for more strategic deployment of funding and fill any gaps in current shuttle services.

On an annual basis, Congestion Management Agencies (CMA) would be informed of their counties’ proportional share of the TFCA Regional Fund allocation that could be used to fund eligible shuttle or rideshare projects in their counties. For counties that do not have these projects types, the CMA could “Opt-Out” and the Air District would apply their share of Regional Funds to other District-funded programs (e.g., EV projects) in the respective County.

- ***Option 4: Limit Funding to Existing Projects (Shuttles and Ridesharing):***

Limit Regional Fund program funding to projects that are currently in operation and that have ridership data. Funding for pilot projects would be available via the CMAs. This option would address the challenge posed by pilots, projects that have no usage data, by allowing CMAs to fund locally-prioritized pilot projects until they have developed their services and the ridership data necessary to become eligible and able to compete for Regional Funding.