



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

**BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE**

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIRPERSON

**JERRY HILL
JAKE McGOLDRICK
JOHN SILVA
SHELIA YOUNG**

TIM SMITH – VICE CHAIRPERSON

**PATRICK KWOK
NATE MILEY
PAMELA TORLIATT**

**THURSDAY
JULY 14, 2005
9:30 A.M.**

**FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES**

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, 2005**
4. **VEHICLE BUY BACK PROGRAM FISCAL YEAR 2004/2005 ANNUAL REPORT**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will provide an overview of the Vehicle Buy Back Program annual report for fiscal year 2004/2005.
5. **VEHICLE BUY BACK PROGRAM DIRECT MAIL CAMPAIGN CONTRACT EXTENSION**

H. Hilken/4642
hhilken@baaqmd.gov

The Committee will consider recommending Board of Director approval of a one-year contract extension for the Vehicle Buy Back Program Direct Mail campaign.
6. **TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER EXPENDITURE PLANS FOR FISCAL YEAR 2005/2006**

H. Hilken/4642
hhilken@baaqmd.gov

The Committee will consider recommending Board of Director approval of fiscal year 2005/2006 Transportation Fund for Clean Air (TFCA) County Program Manager expenditure plans.

7 VEHICLE INCENTIVE PROGRAM FOR FISCAL YEAR 2005/2006

H. Hilken/4642

hhilken@baaqmd.gov

The Committee will consider recommending Board of Directors approval of the Vehicle Incentive Program (VIP) for fiscal year 2005/2006, including: a) allocation of \$500,000 in Transportation Fund for Clean Air (TFCA) funds for the fiscal year 2005/2006 VIP funding cycle; and b) approval of the VIP guidelines.

8. COMMITTEE MEMBER COMMENTS/OTHER BUSINESS

Any member of the Committee, 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).

9. TIME AND PLACE OF NEXT MEETING: 9:30 a.m., AUGUST 11, 2005, 939 ELLIS STREET, SAN FRANCISCO, CA

10. ADJOURNMENT

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

(415) 749-4965

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 Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.

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: July 6, 2005

Re: Mobile Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of April 25, 2005.

DISCUSSION

Attached for your review and approval are the draft minutes of the April 25, 2005, Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000**

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
9:30 a.m., Monday, April 25, 2005

- 1. Call to Order – Roll Call:** Vice-Chairperson Tim Smith called the meeting to order at 9:35 a.m.

Present: Scott Haggerty, Chairperson; Jerry Hill, Jake McGoldrick, Nate Miley (9:52 a.m.), John Silva, Tim Smith, Shelia Young (9:37 a.m.).

Absent: Patrick Kwok, Pamela Torliatt.

Also Present: Julia Miller, Marland Townsend.

- 2. Public Comment Period:** Sam Altshuler
PG & E
San Francisco, CA

Mr. Altshuler distributed a brochure entitled, *Something Special in Sunnyvale*, regarding natural-gas refuse trucks.

- 3. Approval of Minutes of February 10, 2004:** Director Hill moved approval of the minutes; seconded by Director McGoldrick, carried unanimously without objection.

Director Shelia Young arrived at 9:37 a.m.

- 4. Transportation Fund for Clean Air (TFCA) Annual Report:** *The Committee considered recommending Board of Directors' approval of the report titled Transportation Fund for Clean Air Report on FY 2004/2005 Allocations and Effectiveness.*

Juan Ortellado, Grant Programs Manager, presented the annual report and provided background information and the key findings. Mr. Ortellado noted that the annual report fulfills the requirement that the Air District review the expenditure of the TFCA revenues to determine their effectiveness in improving air quality. The annual report for fiscal year 2004/2005 summarizes all projects funded; funding allocations; and estimated emission reductions. Staff recommends that the Committee recommend Board approval of the annual report.

Committee Action: Director Young moved the staff recommendation; seconded by Director Hill; carried unanimously without objection.

- 5. Transportation Fund for Clean Air Selection of Auditor:** *The Committee considered recommending Board of Directors' approval to award contract of up to \$85,610 to the firm of Macia, Gini and Company to perform audit of TFCA Regional Fund projects.*

Andrea Gordon, Sr. Environmental Planner, presented the report and stated that a financial audit of the TFCA-funded projects is required by law and that the last audit was conducted in 2002/03. Ms. Gordon reported that three proposals were received and staff reviewed the criteria for evaluation of the proposals. Staff recommends that the Committee recommend Board approval of: 1) the selection of Macias, Gini & Company to conduct the fiscal audits, and 2) authorization for the Air Pollution Control Officer to execute a contract for these services.

Committee Action: Director McGoldrick moved the staff recommendation; seconded by Director Hill; carried unanimously without objection.

Director Nate Miley arrived at 9:52 a.m.

- 6. Review of Proposed Outreach Activities Regarding Policies and Criteria for Selected Transportation Fund for Clean Air Projects:** *Staff described proposed activities requested by the Committee to evaluate TFCA policies and evaluation criteria for pedestrian and arterial management projects.*

Mr. Ortellado presented the report on the proposed activities to further evaluate pedestrian and arterial management projects funded by TFCA. The activities that staff has planned include a performance audit to examine these project types in detail; workshop(s) to discuss TFCA policies with Congestion Management Agencies and other stakeholders; and reviewing the findings and presenting recommendations to the Committee at a future meeting.

Committee Action: None. This report provided for information only.

- 7. Committee Member Comments/Other Business:** There were none.
- 8. Time and Place of Next Meeting:** 9:30 a.m., Thursday, May 12, 2005, 939 Ellis Street, San Francisco, CA 94109
- 9. Adjournment:** 10:02 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-office Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Henry Hilken
Director of Planning and Research

Date: July 7, 2005

Re: Vehicle Buy Back Program Fiscal Year 2004/05 Annual Report

RECOMMENDED ACTION

Receive and file the fiscal year (FY) 2004/2005 annual report on the Vehicle Buy Back (VBB) Program

BACKGROUND

The Air District's Vehicle Buy Back Program began in June 1996 to provide a financial incentive to retire older, higher polluting vehicles. The VBB Program currently purchases and scraps model year 1985 and older vehicles that lack modern emission control systems and therefore produce more air pollution than newer cars. The VBB Program is completely voluntary and pays \$650 to the vehicle owner if the vehicle qualifies for the program. The VBB Program adheres to the Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) regulation adopted by the California Air Resources Board. The VBB Program is funded by the Transportation Fund for Clean Air (TFCA).

Since its inception in June 1996 through June 30, 2005, the VBB Program has purchased and scrapped 24,845 eligible vehicles. The total is expected to exceed 27,350 vehicles with current funding through FY 2005/2006. Total emission reductions through FY 2004/2005 will amount to 3,849 tons: 2,394 tons of reactive organic gases, 1,203 tons of oxides of nitrogen and 252 tons of particulate matter. The VBB Program remains one of the most cost-effective TFCA-funded programs, with an estimated cost effectiveness of \$8,600 (TFCA dollars) per ton of reduced emissions for FY 2004/2005. Several factors have helped to achieve and maintain an increased scrapping rate in FY 2004/2005, including the VBB Program direct mail campaign, the increase in model year to 1985 and older light-duty vehicles, and an increase in the amount paid per vehicle to \$650. The VBB Program is functioning well and, with sustained funding, will continue to serve as an excellent program to reduce mobile source emissions in the Bay Area.

The purpose of this report is to provide a summary of the VBB Program for the FY 2004/2005 TFCA funding cycle.

FY 2004/2005 VEHICLE BUY BACK PROGRAM SUMMARY

Following is a summary of the status of major elements of the Vehicle Buy Back Program for the FY 2004/2005 TFCA funding cycle.

Vehicle Dismantler Scrapping Contracts: The Air District implements the VBB Program by contracting with vehicle dismantlers to screen, purchase, and destroy eligible vehicles. For FY 2004/2005, the Air District approved contracts totaling \$3,500,000 with Pick Your Part, Pick-N-Pull, and Environmental Engineering Studies to purchase and scrap 3,932 eligible vehicles. Pick Your Part purchases vehicles at its six buy back sites in the cities of Hayward, Milpitas,

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Redwood City, Richmond, San Francisco, and San Jose, while Environmental Engineering Studies purchases vehicles at eight sites in the cities of Hayward, Napa, Newark, Pittsburg, San Francisco, San Jose, Santa Rosa, and Richmond. Pick-N-Pull purchases vehicles at its six buy back sites in the cities of Fairfield, Newark, Oakland, Richmond, San Jose, and Windsor. At the current purchase rate, the remaining vehicles to be scrapped under the FY 2004/2005 contracts should be completed by September 2005. The Air District's FY 2005/2006 budget includes \$7.2 million in TFCA funds to continue the VBB program implementation.

Direct Mail: The direct mail campaign has been in place since January 2000 and, based upon VBB Program surveys, it is the most successful method of informing potential participants about the program. The Air District's current direct mail contractor has delivered over 203,000 pieces of mail since August 2004 to eligible vehicle owners, informing them of the program.

Outreach to Department of Motor Vehicles (DMV) and Auto Dealers: Air District staff has sent outreach letters and VBB Program brochures to Bay Area Department of Motor Vehicles offices and auto dealers to inform them of the program. In response to the letters, some DMV offices and auto dealers have requested additional brochures and information about the program.

Vehicle dismantler site visits: Air District staff visited vehicle dismantling sites in the second quarter of 2004. Based on the site visits, staff found that the vehicle dismantlers were implementing the program in compliance with the outlined contracts. Air District staff will continue to visit vehicle dismantling sites throughout the Bay Area.

Vehicle Scrapping Rates: Scrapping rates have almost doubled since the Board approved changes to the VBB Program in October 2004, to approximately 600 vehicles per month. Those changes included an increase in the eligible vehicle model year to 1985 and older, and an increase in the amount paid per vehicle to \$650 from \$500.

CONCLUSION

The VBB Program is one of the most cost-effective TFCA-funded programs. The VBB Program's direct mail campaign continues to attract a high rate of voluntary participants. Air District staff believes that the near doubling of the monthly buy back rate since October 2004 is due to the expansion of the eligible model years to 1985 and older vehicles and the increase in the amount paid for each vehicle to \$650. At this time staff does not recommend increasing the amount paid per vehicle.

BUDGET CONSIDERATION/FINANCIAL IMPACT

VBB Program costs are covered by TFCA funds, which are based on motor vehicle registration fee surcharges. Funding for the continuation of the VBB Program is included in the FY 2005/2006 budget under Program 612.

Respectfully submitted,

Henry Hilken
Director of Planning and Research

FORWARDED: _____
Prepared by: Vanessa Mongeon
Reviewed by: Juan Ortellado

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-office Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Henry Hilken
Director of Planning and Research

Date: July 7, 2005

Re: Vehicle Buy Back Program Direct Mail Campaign Contract Extension

RECOMMENDED ACTION

Consider recommending Board of Director approval of a one-year contract extension for the Vehicle Buy Back (VBB) Program direct mail campaign.

BACKGROUND

In an effort to increase participation in the Air District's Vehicle Buy Back Program, a direct mail campaign was initiated in January 2000. Currently, the Air District has a direct mail contract with Ad Mail, awarded in May 2004, in the amount of up to \$90,000. Included in the original contract approved by the Board of Directors, was the option to renew Ad Mail's contract for an additional year at the Air District's discretion.

DISCUSSION

Ad Mail is responsible for sorting approximately 400,000 Department of Motor Vehicles database mailing addresses and mailing, on a bi-monthly basis, the VBB Program information letter. The VBB Program letter is mailed to owners of model year 1985 and older light-duty vehicles that may qualify for the program. Approximately 20,000 to 30,000 letters are mailed each month. The direct mail campaign is a very effective means of notifying potential participants of the VBB Program.

The VBB Program's direct mail campaign, currently implemented by Ad Mail, Inc., is working well. Ad Mail, Inc.'s performance under the current contract has been very good. Ad Mail, Inc. consistently adheres to mailing deadlines and is very responsive to Air District staff requests. Staff recommends extending Ad Mail's contract for one additional year in an amount not to exceed \$90,000 for the period of August 2005 through July 2006.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Vehicle Buy Back Program's direct mail campaign costs are funded by the Transportation Fund for Clean Air, which is based on motor vehicle registration fee surcharges. The funding

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for this one year contract extension, in an amount not to exceed \$90,000 is included in the FY 2005/2006 budget under Program 612.

Respectfully submitted,

Henry Hilken
Director of Planning and Research

FORWARDED: _____

Prepared by: Vanessa Mongeon
Reviewed by: Juan Ortellado

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Henry Hilken
Director of Planning and Research

Date: July 7, 2005

Re: Transportation Fund for Clean Air County Program Manager Expenditure
Plans for Fiscal Year 2005/2006

RECOMMENDED ACTION

Recommend Board approval of staff recommendations on the fiscal year (FY) 2005/2006 Transportation Fund for Clean Air (TFCA) County Program Manager projects listed on the attached Table 1.

BACKGROUND

Pursuant to California Health and Safety Code Sections 44241 and 44242, the Air District Board of Directors has imposed a \$4 per vehicle annual surcharge on all motor vehicles registered within the boundaries of the Air District^a. The revenues fund the implementation of transportation control measures and mobile source control measures. By law, forty percent of the revenues generated by this surcharge is returned to the designated Program Manager in each county. Each Program Manager submits to the Air District for approval an annual expenditure plan of recommended projects for its forty percent share. Air District staff has reviewed the County Program Manager expenditure plans submitted for FY 2005/2006, as discussed below.

DISCUSSION

Project Evaluation

To determine eligibility, Air District staff evaluated the projects in the County Program Manager expenditure plans relative to:

1. *Consistency with State Law:* the projects shall be consistent with one of the eligible project categories listed in California Health and Safety Code (HSC) Section 44241.
2. *Consistency with the Clean Air Plan:* pursuant to HSC Sections 40233, 40717, and 40719 the projects shall be consistent with the appropriate transportation control measures or mobile source measures contained in the Clean Air Plan.

^a Revenues from an additional \$2 surcharge in motor vehicle registrations, authorized by Assembly Bill 923, are not part of TFCA. These revenues will be used to implement the Air District's Mobile Source Incentive Fund (MSIF), which will provide incentives for the implementation of additional mobile source projects.

3. *Reduction of Emissions from Motor Vehicles:* pursuant to HSC Section 44220(b), the projects shall reduce emissions from motor vehicles.
4. *Consistency with Board Adopted Policies:* the projects shall be consistent with Board policies adopted on February 16, 2005 for the FY 2005/2006 funding cycle.

TFCA Cost Effectiveness

Pursuant to policies adopted by the Board of Directors on February 16, 2005, individual projects included in the annual expenditure plans for County Program Manager funds must achieve a TFCA cost-effectiveness of less than \$90,000 per ton. Projects excluded from the calculation of TFCA cost-effectiveness include TFCA County Program Manager administrative costs, alternative fuel infrastructure projects, and light-duty clean air vehicles with a gross vehicle weight of 10,000 pounds or less.

Project List

Summary information for all of the projects in the FY 2005/2006 County Program Manager expenditure plans is provided in Table 1, which is divided into nine sections, one section for each Bay Area county. Table 1 lists the project sponsor, the project description, years of effectiveness, the TFCA funds requested, the TFCA cost-effectiveness (TFCA dollars per ton of emissions reduced over the life of the project), and staff's recommended action for the Air District Board.

Originally, 64 projects were submitted for consideration. Two projects were withdrawn by mutual agreement, as discussed in the next section below. Staff recommends the approval of the remaining 62 projects. Additionally, the Alameda and Santa Clara County Program Managers proposed the swapping of \$2,553,312 and \$1,417,327, respectively, of their available TFCA funds with Congestion Mitigation and Air Quality (CMAQ) funds. The Metropolitan Transportation Commission (MTC), through its Clean Air in Motion program, committed CMAQ funds to augment the Air District's Vehicle Buy Back program. However, the Federal Highway Administration has indicated that vehicle buy back programs are not eligible for CMAQ funding. MTC worked with the Air District and the TFCA Program Managers to swap funding so that the Air District can use the Program Manager funds to augment the VBB program, and the Program Managers receive CMAQ funding from MTC to implement CMAQ-eligible projects locally. As required by Board-adopted policy, all projects recommended for funding, including the swapping of funds, comply with the \$90,000 per ton threshold on an individual basis, as calculated by Air District staff.

Table 2 shows, for each county, the total amount of TFCA County Program Manager funds available and the amount recommended for programming. The total funds available for programming represents the sum of projected calendar year 2005 Department of Motor Vehicles (DMV) receipts, interest earned on TFCA funds in calendar year 2004, and funds available for reprogramming from prior year projects that were canceled or completed under budget.

Table 2 also provides a breakdown of County Program Manager funds by county and project type. Most of the Program Manager TFCA funds are requested for ridesharing programs (36.9%), bicycle projects (20%), shuttle services (17.1%), and arterial management projects

(10.1%). The remaining funds are requested for other eligible project categories. Program administration costs are less than the maximum of 5% of new FY 2005/06 revenues in each county, as required by the TFCA enabling legislation.

Withdrawn/Ineligible Projects

Two projects were withdrawn based on a mutual agreement between the Contra Costa County Program Manager and Air District staff because the projects were ineligible per current TFCA policies:

- City of Clayton - Speed Calming Project, and
- SWAT/City of San Ramon, Contra Costa County General Services Dept. - CNG Direct-Line Fast Fill Fueling Station.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Approval of the recommended projects will have no impact on the District's budget. TFCA revenues are generated from a dedicated outside funding source and passed through to counties. TFCA allocations do not impact the District's general fund or operating budget.

Respectfully submitted,

Henry Hilken
Director of Planning and Research

FORWARDED: _____

Prepared by: Juan Ortellado
Reviewed by: Henry Hilken

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|-----------------------|---|---|---------|------------------------|---------------------------------------|---------|
| ALAMEDA COUNTY | | | | | | |
| 05ALA00 | Alameda County CMA | Program Manager costs to administer TFCA funds within the County. | | \$33,840 | NA | Approve |
| 05ALA01 | BART | Project to install sixteen (16) electronic bike lockers at BART stations in the cities of Berkeley, Dublin, and San Leandro in Alameda County. BART will be the project sponsor for the multi-jurisdictional project. | 10 | \$50,000 | \$55,722 | Approve |
| 05ALA02 | City of Berkeley | Project to install 150 new bicycle racks throughout the City of Berkeley. | 10 | \$25,000 | \$24,326 | Approve |
| 05ALA03 | City of Livermore | Class-1 bicycle path linking Arroyo Mocho bicycle path with the South Livermore Valley Wine Trail - 0.3 miles. | 20 | \$86,803 | \$74,572 | Approve |
| 05ALA04 | Alameda County Congestion Management Agency | Signal timing project along E14th St./International Boulevard in Oakland, along the segment between Dutton Avenue and Hegenberger Road. | 4 | \$395,000 | \$74,458 | Approve |
| 05ALA05 | City of Union City | Project to retrofit the CNG vehicle maintenance yard adjacent to the CNG fueling facility to comply with safety regulations. | | \$120,000 | NA | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|----------------------------|---|---|---------|------------------------|---------------------------------------|---------|
| CONTRA COSTA COUNTY | | | | | | |
| 05CC00 | Contra Costa Transportation Authority | Program Manager costs to administer TFCA funds within the County. | | 67223 | NA | Approve |
| 05CC01 | West Contra Costa Transportation Advisory Committee | Project to install forty-five (45) bike racks, with the capacity of 450 total bikes, at several employer/business and school sites. | 10 | \$23,417 | \$9,471 | Approve |
| 05CC02 | City of Lafayette | Provide funds to cover the incremental cost to lease 17 natural gas buses for school bus service in the Lamorinda area. | 1 | \$50,000 | \$53,890 | Approve |
| 05CC03 | ECCTA dba Tri Delta Transit | Provide funds to cover the incremental cost to use CARB Level 2 verified PuriNOx fuel in place of standard low sulphur diesel fuel in 60 transit buses. | 1 | \$53,798 | \$4,130 | Approve |
| 05CC04 | City of San Ramon | Provide comprehensive trip reduction services to employers at worksites in southern Contra Costa County. Project will provide information, workshops, and surveys, and will promote carpools and vanpools. | 1 | \$65,000 | \$13,476 | Approve |
| 05CC05 | City of San Ramon | Provide ridematching services for K-8 students in San Ramon Valley and the Lafayette, Moraga and Orinda Unified school districts. Provide 20-ride transit passes to each student unable to find a carpool. | 1 | \$36,450 | \$60,780 | Approve |
| 05CC06 | City of San Ramon | Provide incentives to promote vanpool formation throughout the County. Incentives include: 50% of vanpool expenses for first three months, incentives for drivers who recruit at least 6 new riders for a year, and passenger emergency program for those not | 1 | \$70,000 | \$18,706 | Approve |
| 05CC07 | City of San Ramon | Provide partial funding to install on-site natural gas infrastructure to support public agency fleets throughout Contra Costa County. | | \$10,000 | NA | Approve |
| 05CC08 | TRANSPAC/City of Pleasant Hill | Project to install forty-one (41) seven-loop bicycle racks at 10 school locations throughout the central/east Contra Costa County. | 10 | \$25,000 | \$13,422 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|----------------------------|---------------------------------------|---|---------|------------------------|---------------------------------------|---------|
| CONTRA COSTA COUNTY | | | | | | |
| 05CC09 | TRANSPAC/City of Pleasant Hill | Provide financial incentives to encourage residents and employees in Contra Costa to use carpools. Includes three components: a commuter incentive program, a college commuter incentive program, and a Carpool to BART project. | 1 | \$175,000 | \$36,150 | Approve |
| 05CC10 | TRANSPAC/City of Pleasant Hill | Provide comprehensive trip reduction services to employers at worksites in central/eastern Contra Costa County. Project will provide information, workshops, and website updates; and will promote carpools and vanpools. | 1 | \$120,000 | \$13,080 | Approve |
| 05CC11 | TRANSPAC/City of Pleasant Hill | Provide ridematching services for K-12 students in western, central and eastern Contra Costa County. Provide 20 free bus tickets to each student unable to find a carpool. | 1 | \$204,000 | \$80,264 | Approve |
| 05CC12 | TRANSPAC/City of Pleasant Hill | Provide financial incentives to encourage residents and employees in Contra Costa to use transit (BART and the various local bus systems). Services include informational materials, marketing, free tickets, discount passes, and website updates. | 1 | \$188,500 | \$24,008 | Approve |
| 05CC13 | Contra Costa Transportation Authority | Construct 1.5 miles of a Class 1 bicycle lane to close a gap between Pennsylvania and Gertrude Avenues to create four miles of continuous Bay Trail along the Richmond Parkway, connecting the bike lane to various points of interest. | 20 | \$47,000 | \$86,967 | Approve |
| 05CC14 | Contra Costa Transportation Authority | Provide comprehensive trip reduction services to employers at worksites in western Contra Costa County. Project will provide information, workshops, and website updates, and will promote carpools and vanpools. | 1 | \$89,000 | \$40,666 | Approve |
| 05CC15 | Contra Costa Transportation Authority | Provide up to six (6) taxi or rental car vouchers per year to registered participants working in Contra Costa County who regularly use alternative commute modes. | 1 | \$150,000 | \$29,131 | Approve |
| 05CC16 | Contra Costa Transportation Authority | Provide financial incentives to increase transit ridership among West County residents and commuters in the I-80 corridor in Contra Costa County. Offer tickets, informational materials, and website updates. | 1 | \$66,000 | \$76,102 | Approve |
| 05CC17 | Contra Costa Transportation Authority | Construct 1.5 mile of a Class-1 bicycle lane which travels on the northwest side of San Pablo Avenue between Tara Hills Drive and the Richmond Parkway and provide striping and signage. | 20 | \$20,000 | \$6,501 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|---------------------|---|---|---------|------------------------|---------------------------------------|---------|
| MARIN COUNTY | | | | | | |
| 05MAR00 | Transportation Authority of Marin | Program Manager costs to administer TFCA funds within the County. | | \$18,108 | NA | Approve |
| 05MAR01 | Bolinas Community Public Utilities District | Class-1 bicycle path - Olema-Bolinas and Mesa Roads - 0.9 miles. | 20 | \$40,000 | \$88,657 | Approve |
| 05MAR02 | Golden Gate Bridge, Highway & Trans. District | Bicycle racks on Golden Gate Transit buses - 54 racks. | 10 | \$60,000 | \$62,026 | Approve |
| 05MAR03 | Marin County Community Development Agency | New signalized pedestrian crosswalk and pathway across Shoreline Highway to provide safe access between the Manzanita Regional Transit Center and Shoreline trail system. | 20 | \$200,000 | \$79,354 | Approve |
| 05MAR04 | Marin County Transit District | Provide free bus rides for middle and high school students on Golden Gate Transit buses. | 1 | \$98,800 | \$89,291 | Approve |
| 05MAR05 | City of Novato | Class-1 bicycle path - South Novato Boulevard to Enfrente Drive - 0.6 miles. | 20 | \$200,000 | \$89,621 | Approve |
| 05MAR06 | County of Marin | Establish a video conference training network to reduce the number of car trips and driving time spent by firefighters traveling to attend mandatory training classes. Firestations include - Woodacre, Marin City, Hicks Valley in Petaluma, Throckmorton in M | 5 | \$67,243 | \$59,857 | Approve |
| 05MAR07 | Transportation Authority of Marin | Class-2 bicycle lane - Los Ranchitos Road between Lincoln Avenue to Ranch Road - 0.4 miles. | 20 | \$160,000 | \$89,391 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|--------------------|--|--|---------|------------------------|---------------------------------------|---------|
| NAPA COUNTY | | | | | | |
| 05NAP00 | Napa County Transportation Planning Agency | Program Manager costs to administer TFCA funds within the County. | | \$5,000 | NA | Approve |
| 05NAP01 | County of Napa | Construct a Class-2 bicycle lane on Conn Creek Road, from State Route 128 to Skellenger Lane - 0.95 miles. | 15 | \$165,000 | \$88,934 | Approve |
| 05NAP02 | City of Napa | Construct a bicycle boulevard (Class 2 or Class 3) on Seminary Road, from Third Street to Hayes - 1.5 miles. | 15 | \$12,000 | \$47,329 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|-----------------------------|---|--|---------|------------------------|---------------------------------------|---------|
| SAN FRANCISCO COUNTY | | | | | | |
| 05SF00 | San Francisco County Transportation Authority | Program Manager costs to administer TFCA funds within the County. | | \$36,555 | NA | Approve |
| 05SF01 | BART | Funding for operating and maintenance costs for the third year of operation of the attended Embarcadero Bikestation. | 1 | \$37,000 | \$89,727 | Approve |
| 05SF02 | County of San Francisco | Provide bicycles and related helmet/accessories for 30 gardeners in the Dept. of Parks & Recreation. | 5 | \$19,000 | \$80,406 | Approve |
| 05SF03 | County of San Francisco | Provide a free or low cost guaranteed ride home to employees at more than 3,000 participating companies located throughout the County that regularly use an alternative commute mode. | 1 | \$34,000 | \$89,900 | Approve |
| 05SF04 | County of San Francisco | Provide a Citywide Commuter Benefits Incentives Program targeted at both San Francisco business and City and County of San Francisco departments. | 1 | \$130,000 | \$88,961 | Approve |
| 05SF05 | County of San Francisco | Purchase 20 (\$4,000 ea.) natural gas and 10 (2,000 ea.) electric-hybrid vehicles. Vehicles will replace older gasoline-powered light-duty vehicles in the San Francisco City and County Fleet Management program. | | \$105,000 | NA | Approve |
| 05SF06 | County of San Francisco | Purchase computer equipment for the City and County of San Francisco to facilitate the implementation of a telecommute pilot project for all city department employees. | 5 | \$50,000 | \$37,372 | Approve |
| 05SF07 | County of San Francisco | Class-2 bicycle lane striping - Southbound Bayshore Boulevard (Industrial Street to Silver Avenue) 0.4 miles. | 15 | \$14,000 | \$14,801 | Approve |
| 05SF08 | County of San Francisco | Class-2 bicycle lane - Conservatory Drive East (Arguello Boulevard to JFK Drive) 2.1 miles. | 15 | \$11,000 | \$89,712 | Approve |
| 05SF09 | County of San Francisco | Class-2 bicycle lane and path - San Jose Avenue (Diamond Street to Monterey Boulevard - Lane) (San Jose Ave. to Arlington Street - Path) 0.6 miles. | 18 | \$26,000 | \$86,864 | Approve |
| 05SF10 | County of San Francisco | Class-2 bicycle lane - Townsend Street (from 4th to 8th streets) 2.6 miles. | 15 | \$135,000 | \$87,581 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|-----------------------------|---|--|---------|------------------------|---------------------------------------|---------|
| SAN FRANCISCO COUNTY | | | | | | |
| 05SF11 | Presidio Trust | Presidio Transit Center bicycle lockers - 6 lockers. | 10 | \$35,000 | \$75,809 | Approve |
| 05SF12 | University of California, San Francisco | Operation of one 22-passenger gasoline shuttle bus route from the UCSF Mission Bay in San Francisco to the 16th Street BART station. | 1 | \$71,000 | \$76,096 | Approve |
| 05SF13 | University of California, San Francisco | Construct two (2) enclosed and secured bicycle parking facilities for fifty (50) bicycles at two (2) parking garages on the UCSF Mission Bay Campus. | 10 | \$54,000 | \$80,449 | Approve |

Notes:

(1) TFCAS per ton = TFCAS\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|-------------------------|--|--|---------|------------------------|---------------------------------------|---------|
| SAN MATEO COUNTY | | | | | | |
| 05SM00 | San Mateo C/CAG | Program Manager costs to administer TFCA funds within the County. | | \$50,000 | NA | Approve |
| 05SM01 | City of Menlo Park | Provide shuttle service between the Menlo Park Caltrain Station and major activity centers in the area. | 1 | \$430,000 | \$79,254 | Approve |
| 05SM02 | Peninsula Traffic Congestion Relief Alliance | Encourage use of commute alternatives for trips to employment sites through such programs as Emergency Ride Home, Commuter Benefits, Bike Rack and Locker Subsidy, Bicycle and Pedestrian Safety, Vanpool/Carpool Incentives and Try Transit programs. | 1 | \$430,000 | \$47,487 | Approve |
| 05SM03 | SamTrans | Provide shuttle service from BART stations to major employment sites in San Mateo County during peak commute periods. | 1 | \$605,000 | \$35,927 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|---------------------------|---|---|---------|------------------------|---------------------------------------|---------|
| SANTA CLARA COUNTY | | | | | | |
| 05SC00 | Santa Clara Valley Transportation Authority | Program Manager costs to administer TFCA funds within the County. | | \$40,020 | NA | Approve |
| 05SC01 | City of Sunnyvale | Construct traffic calming elements in the Blair Avenue Neighborhood. | 20 | \$90,000 | \$33,829 | Approve |
| 05SC02 | City of Sunnyvale | Provide adaptive traffic signal controls at six intersections along Sunnyvale-Saratoga Avenues. | 4 | \$315,000 | \$71,681 | Approve |
| 05SC03 | Santa Clara Valley Transportation Authority | Provide continued operation and expansion of light rail shuttle services from Santa Clara Valley Transportation Authority light rail stations to employment destinations. | 1 | \$485,000 | \$58,709 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|----------------------|--|--|---------|------------------------|---------------------------------------|---------|
| SOLANO COUNTY | | | | | | |
| 05SOL00 | Solano Transportation Authority | Program Manager costs to administer TFCA funds within the County. | | \$15,861 | NA | Approve |
| 05SOL01 | STA's Solano Napa Commuter Information | Provide a comprehensive ridesharing program. Includes vanpool and carpool services, SolanoLinks Transit Information Program, organizational service enhancements, Guaranteed Ride Home Program, countywide bike commuter services, and web site information. | 1 | \$195,000 | \$46,620 | Approve |
| 05SOL02 | City of Benicia | Installation of new sidewalks, ADA ramps, curb extensions, and 0.85 mile of Class-2 bicycle lanes between two elementary schools. | 20 | \$125,000 | \$80,184 | Approve |
| 05SOL03 | City of Suisun City | Construct 1/2 mile of Class 1 multi-use bike path connecting central Suisun City residents to the Highway 12 Class-1 multi-use bicycle path and on to Downtown Suisun City. | 20 | \$35,000 | \$42,096 | Approve |
| 05SOL04 | City of Suisun City | Construct 1/2 mile of Class-1 pedestrian/bicycle path connection from Suisun Transit Center to Downtown Suisun. | 30 | \$25,000 | \$20,046 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 1: TFCA County Program Manager
FY05/06 Project List**

| Project Number | Sponsor | Project Description | Yrs Eff | TFCA Funding Requested | TFCA\$ Cost-Effectiveness Per Ton (1) | Action |
|----------------------|--|--|---------|------------------------|---------------------------------------|---------|
| SONOMA COUNTY | | | | | | |
| 05SON00 | Sonoma County Transportation Authority | Program Manager costs to administer TFCA funds within the County. | | \$29,189 | NA | Approve |
| 05SON01 | Sonoma County Transit | Construct Windsor Intermodal Facility/Park & Ride facility served by Sonoma County Transit local and intercity services. | 20 | \$34,548 | \$3,723 | Approve |
| 05SON02 | Sonoma County Transit | Construct Petaluma Transit Mall/Park & Ride facility served by Petaluma Transit, Sonoma County Transit, Golden Gate Transit and paratransit services. | 20 | \$153,266 | \$19,657 | Approve |
| 05SON03 | Sonoma County Transit | Construct Cotati Intermodal Facility/Park & Ride facility served by Sonoma County Transit local and intercity services. | 20 | \$9,695 | \$1,617 | Approve |
| 05SON04 | Sonoma County Transit | Support Sonoma County Transit marketing program, in part through radio and newspaper advertising, and promoting conversion of its entire transit fleet to compressed natural gas, marketed as "The Clean Air Alternative". | 1 | \$71,000 | \$42,679 | Approve |
| 05SON05 | City of Sebastopol | Construct 1.1 mile Class-1 and Class 3 bicycle route linking Joe Rodota Recreational Trail with Sebastopol Avenue/Morris Street intersection. | 20 | \$55,451 | \$83,150 | Approve |
| 05SON06 | City of Santa Rosa | Provide incentives for voluntary trip reduction program including funding incentives, outreach materials, commute alternative training, and bicycle equipment. | 1 | \$140,000 | \$78,096 | Approve |
| 05SON07 | City of Rohnert Park | Construct 1 mile Class-2 bicycle lane on Bodway Parkway connecting an industrial office complex with Sonoma State University. | 15 | \$40,000 | \$70,816 | Approve |
| 05SON08 | City of Santa Rosa | Fund a student monthly transit pass subsidy. | 1 | \$80,031 | \$54,501 | Approve |

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration and clean air vehicle fueling infrastructure.

**Table 2: TFCA County Program Manager
FY2005/06 Projects by County and Project Type**

| | Alameda | Contra Costa | Marin | Napa | San Francisco | San Mateo | Santa Clara | Solano | Sonoma | Grand Total |
|-------------------------------------|--------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|------------------|------------------|---------------------|
| Total Available TFCA Funds * | \$3,214,005 | \$1,734,401 | \$1,093,656 | \$317,936 | \$938,637 | \$1,214,489 | \$2,418,214 | \$409,773 | \$884,594 | \$12,225,705 |
| Program Administration | \$33,840 | \$67,223 | \$18,108 | \$5,000 | \$36,555 | \$50,000 | \$40,020 | \$15,861 | \$29,189 | \$295,796 |
| Trip Reduction/Ridesharing | \$0 | \$1,163,950 | \$166,043 | \$0 | \$214,000 | \$430,000 | \$0 | \$195,000 | \$417,540 | \$2,586,533 |
| Bicycle Projects | \$161,803 | \$115,417 | \$460,000 | \$177,000 | \$331,000 | \$0 | \$0 | \$60,000 | \$95,451 | \$1,400,671 |
| Arterial Management | \$395,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$315,000 | \$0 | \$0 | \$710,000 |
| Shuttle/Feeder Bus Service | \$0 | \$0 | \$0 | \$0 | \$71,000 | \$645,000 | \$485,000 | \$0 | \$0 | \$1,201,000 |
| Smarth Growth | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$90,000 | \$125,000 | \$0 | \$415,000 |
| Low Emission Light Duty Vehicles | \$0 | \$0 | \$0 | \$0 | \$105,000 | \$0 | \$0 | \$0 | \$0 | \$105,000 |
| Fuel Substitute | \$0 | \$53,798 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$53,798 |
| Natural Gas Infrastructure | \$120,000 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$130,000 |
| Clean Fuel Buses | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Rail-Bus Integration | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$71,000 | \$71,000 |
| Total Allocated Funds ** | \$710,643 | \$1,460,388 | \$844,151 | \$182,000 | \$757,555 | \$1,125,000 | \$930,020 | \$395,861 | \$613,180 | \$7,018,798 |

* The total funds available for programming represents the sum of projected calendar year 2005 DMV receipts, interest earned on TFCA funds in calendar year 2004, and funds available for reprogramming from prior year projects that were canceled or completed under budget.

** Total Allocated Funds do not include \$2,503,362 from Alameda County and \$1,417,327 from Santa Clara County allocated to the Vehicle Buy Back Program through a swapping of TFCA and CMAQ funds.

**Table 2: TFCA County Program Manager
FY2005/06 Projects by County and Project Type**

| Percent |
|---------|
| |
| 4.2% |
| 36.9% |
| 20.0% |
| 10.1% |
| 17.1% |
| 5.9% |
| 1.5% |
| 0.8% |
| 1.9% |
| 0.7% |
| 1.0% |
| 100% |

for

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-office Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Henry Hilken
Director of Planning and Research

Date: July 7, 2005

Re: Vehicle Incentive Program for Fiscal Year 2005/2006

RECOMMENDED ACTION

Consider recommending Board of Director approval of the Vehicle Incentive Program (VIP) for fiscal year (FY) 2005/2006, including:

- allocation of \$500,000 in Transportation Fund for Clean Air (TFCA) funds for the FY 2005/2006 VIP funding cycle, and
- approval of the VIP guidelines in Attachments A and B.

BACKGROUND

The Vehicle Incentive Program was established by the Board in FY 1999/2000 to help public agencies acquire light-duty alternative fuel vehicles weighing 10,000 pounds or less. Each year since the program's inception, the Board has allocated funds from the Transportation Fund for Clean Air to the VIP to provide fixed incentive amounts for new, dedicated light-duty alternative fuel vehicles that:

- have a gross vehicle weight (GVW) of 10,000 pounds or less;
- are powered by natural gas, propane, hydrogen, battery electric, or hybrid electric;
- are certified to either the super ultra-low emission vehicle (SULEV), partial zero emission vehicle (PZEV), or zero emission vehicle (ZEV) emission standards by the California Air Resources Board (CARB)

The VIP is a key element of the District's efforts to encourage local agencies to incorporate low-emission, alternative fuel light-duty vehicles in their fleets. The program application process is streamlined and user-friendly. Applications are accepted and funded on a first-come, first-served basis.

Only public agencies are eligible to apply for VIP incentives. In addition to acquiring vehicles for their own fleets, public agencies may apply for incentives on behalf of certain third-party fleets, such as taxi and door-to-door shuttle operators, as permitted under Board-adopted TFCA Policy #5.

DISCUSSION

On May 9, 2005, staff issued a memorandum to interested parties requesting comments on the draft VIP policies and procedures, and on the funding level for the FY 2005/2006 VIP funding cycle. No changes were proposed by staff to the VIP guidelines for the next fiscal year. However, in an effort to promote the potential viability of hydrogen as a transportation fuel for public fleets, staff emphasized in the memorandum that the VIP guidelines include a provision for an incentive of \$5,000 per vehicle for zero emission vehicles, and that this provision applies to fully functioning hydrogen fuel cell vehicles that are certified to the ZEV standard by CARB. The memorandum also stated that an incentive amount of \$4,000 per vehicle would apply to hydrogen vehicles that are certified to the CARB SULEV and PZEV vehicle emission standards.

Two comments were submitted by the May 20, 2005 comment deadline by the San Francisco International Airport (SFO) and the City and County of San Francisco (City). SFO expressed concern that the level of recommended VIP funding (\$500,000) may not be sufficient given the potential new interest in the program from airport taxi fleets. Staff believes the level of funds allocated to the program will be sufficient for FY 2005/2006.

The City requested Air District consideration of a special allocation in VIP funds (\$85,000) to pursue a plug-in hybrid vehicle demonstration project. The project would consist of converting two model year 2005 Toyota Prius hybrid cars to plug-in hybrids to demonstrate improved mileage and extended vehicle range. Staff supports the City's efforts to demonstrate the merits of plug-in hybrid vehicle technology. However, under the established VIP guidelines this project is ineligible for VIP funds. Board policy limits the VIP to specific vehicle incentive amounts, and all vehicles funded must be CARB certified. The plug-in hybrid vehicles are currently not CARB certified and the funding amount requested by the City far exceeds the program incentive limits.

Staff recommends retaining the existing VIP structure and process. The recommended per-vehicle incentive amounts are the same as in FY2004/2005. The recommended VIP guidelines for FY 2005/2006 are provided in Attachment A.

Staff recommends the allocation of \$500,000 in TFCA funds for the FY 2005/2006 VIP funding cycle. Staff believes that \$500,000, which is the same amount allocated to the VIP for FY 2004/2005, will be sufficient to accommodate demand for VIP incentives in the FY 2005/2006 funding cycle.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. VIP costs are covered through the Transportation Fund for Clean Air.

Respectfully submitted,

Henry Hilken
Director of Planning and Research

FORWARDED: _____

Prepared by: Andrea Gordon
Reviewed by: Juan Ortellado

Attachments

Attachment A
Vehicle Incentive Program Guidelines for Fiscal Year 2005/2006

Available Funds: \$500,000 in Transportation Fund for Clean Air (TFCA) funds are available for the fiscal year (FY) 2005/2006 Vehicle Incentive Program (VIP).

Eligible Applicants:

- Public agencies located within the jurisdiction of the Bay Area Air Quality Management District (Air District) are eligible to apply for VIP incentives.
- State and federal agencies and utility fleets that are subject to federal EPACT (Energy Policy Act of 1992) alternative fuel vehicle requirements are not eligible for VIP incentives.
- A public agency may apply for VIP incentives on behalf of a non-public entity (i.e., a private or non-profit fleet), subject to the conditions defined in TFCA Policy # 5. Public agencies that apply on behalf of third-party fleets must agree to fulfill the oversight and monitoring responsibilities specified in Attachment B.

Maximum Request:

- Each eligible public agency may request up to \$100,000 in VIP incentives.
- If VIP funds remain available as of March 1, 2006, then agencies that have applied for and received the maximum grant award (i.e., \$100,000) may request VIP funds for additional vehicles, to a maximum of \$150,000 total per agency.

Eligible vehicles:

A **new vehicle** is defined as a model year 2005 vehicle. A model year 2004 vehicle that has never been owned or sold previously and has less than 1,000 odometer miles will also be considered a new vehicle. New vehicles must meet the following eligibility criteria:

- 1) Vehicles must have a gross vehicle weight (GVW) of 10,000 pounds or less.
- 2) Vehicles must be powered by natural gas, propane, hydrogen, electricity, or hybrid electric. Except for hybrid electrics, vehicles with the ability to run on gasoline or diesel as their primary fuel are not eligible.
- 3) Vehicles must be certified by the California Air Resources Board (CARB) to the Super Ultra Low Emission Vehicle (SULEV), Partial Zero Emission Vehicle (PZEV), Advanced Technology-Partial Zero Emission Vehicle (AT-PZEV), or Zero Emission Vehicle (ZEV) emission standards.
- 4) Vehicles must be operated in the Bay Area for the duration of their useful life (or lease term), and at least 75% of the miles driven must be within the boundaries of the Air District.
- 5) The vehicle purchase or lease order must be issued July 1, 2005 or later.

A **used vehicle** is defined as any vehicle that is model year 2004 or older, as well as any model year 2005 vehicle with more than 1,000 odometer miles. Used vehicles must meet the criteria defined for new vehicles above, plus the following two requirements:

- The used vehicle must not have been previously funded by the Air District.

AGENDA: 7

- The used vehicle must have been registered outside the boundaries of the Air District for at least the last 180 calendar days, prior to the date of purchase.

Incentive amounts: The incentive amounts for the FY 2005/2006 VIP funding cycle are as follows:

| Vehicle Type / Emission Rating | New Vehicle | Used Vehicle: One-Year Old (60%) | Used Vehicle: 2-Years Old (40%) | Used Vehicle: 3-Years Old (20%) |
|--|--------------------|---|--|--|
| Hybrid electric – SULEV or PZEV | \$2,000 | \$1,200 | \$800 | \$400 |
| Natural gas or propane – SULEV or PZEV | \$4,000 | \$2,400 | \$1,600 | \$800 |
| Full-function ZEV | \$5,000 | \$3,000 | \$2,000 | \$1,000 |
| City ZEV | \$3,000 | \$1,800 | \$1,200 | \$600 |
| Neighborhood ZEV | \$1,000 | \$600 | \$400 | \$200 |

Notes:

- The SULEV incentive amounts also apply to light-duty vehicles that are certified to the PZEV or AT-PZEV standards.
- If the project sponsor elects to lease an eligible vehicle that is available for purchase, the VIP incentive amount will be prorated based on the length of the lease compared to the expected useful life of the vehicle.
- Incentives for Zero Emission Vehicles apply to battery electric vehicles or fuel cell vehicles that are certified to ZEV standard by CARB. In the case of ZEVs that are only available for lease, the VIP incentive amount is based on a three-year lease period. The incentive amount will be pro-rated for shorter lease terms.
- The Air District will not award VIP incentives for any vehicle that has received TFCA County Program Manager funds.

The VIP Process:

1. The Air District receives and reviews application; issues VIP voucher (if funds are available).
2. Applicant has 60 calendar days from date of VIP voucher in which to issue purchase or lease order for the vehicles. (If applicant fails to submit copy of the purchase order (PO) to the Air District within 60 calendar days, the Air District cancels the voucher.)
3. Upon receipt of purchase or lease order, the Air District issues confirmation letter, and provides 180 calendar days for applicant to take delivery of the vehicle(s). (The Air District may grant an extension to the 180-day delivery period, as warranted.)
4. Applicant submits VIP Payment Request Form after taking delivery of all of the vehicles covered by the VIP voucher.
5. The Air District issues payment.

Attachment B
Responsibilities of Public Agencies Applying for VIP Incentives
on Behalf of a Non-Public Entity

The Air District has defined in Transportation Fund for Clean Air Policy #5 the conditions whereby a public agency may apply for clean vehicle incentives on behalf of a non-public entity.

To apply for VIP incentives on behalf of a non-public entity, the public agency must agree to assume the following responsibilities:

- To develop a policy to ensure that all eligible fleets are provided equitable access to the funds, prior to submitting a VIP application.
- To transfer the incentive funds to the non-public entity and to provide documentation of said process to the Air District.
- To monitor the use of the VIP-funded vehicles, ensure that the non-public entity operates the vehicle(s) in accordance with the VIP guidelines, and ensure that the vehicle(s) is (are) garaged and operated within the boundaries of the Air District for the duration of the useful vehicle life.
- To notify the Air District within 10 calendar days if the non-public entity violates VIP guidelines or fails to operate the vehicle(s) according to the terms of the incentive.
- To maintain information as to the operational status of each vehicle, and to provide operational data and status for each vehicle to the Air District within 60 calendar days of a request from the Air District for this information.
- To provide written notification to the Air District of any change in vehicle ownership or operational status within 30 calendar days of its occurrence.
- To refund the VIP incentives to the Air District, on a prorated basis, if any vehicle funded by this program is removed from service, wrecked, scrapped, or sold before it achieves at least five full years of service or 150,000 miles in the third-party fleet.