



Date: June 28, 2006  
 Committee Meeting Date: July 20, 2006  
 Board Meeting Date: August 3, 2006  
 ACTION X DISCUSSION        INFO       

**BOARD MEMORANDUM**

**TO:** Committee of the Whole  
 Santa Clara Valley Transportation Authority  
 Board of Directors

**THROUGH:** Michael T. Burns *Michael T. Burns*  
 General Manager

**FROM:** Carolyn M. Gonot *Carolyn M. Gonot*  
 Chief Development Officer

**SUBJECT:** FY 2006-07 Transportation Fund for Clean Air Regional Fund Applications

**RECOMMENDATION:**

Authorize the General Manager to execute a Funding Agreement for Transportation Fund for Clean Air Regional funds with the Bay Area Air Quality Management District (BAAQMD) for the Altamont Commuter Express (ACE) Shuttle Program.

**BACKGROUND:**

The Transportation Fund for Clean Air (TFCA) is generated by a \$4 surcharge on vehicle registrations. The BAAQMD administers these funds in the nine-county Bay Area. Funds are available for cost effective projects that reduce vehicle emissions.

BAAQMD distributes 60% of TFCA funds on a regional competitive basis. This program is called the "TFCA Regional Fund" or the "TFCA 60% Fund." Project sponsors apply directly to the BAAQMD for these funds. BAAQMD has indicated that approximately \$12 million will be available for distribution through the TFCA 60% Fund program in FY 2006-07 for the Bay Area.

BAAQMD returns the remaining 40% of TFCA funds to the county in which they are collected for allocation by a "program manager." This fund is called the "TFCA Program Manager Fund" or the "TFCA 40% Fund." VTA is the Program Manager for Santa Clara County. Project sponsors apply directly to VTA for funding. The VTA Board of Directors allocates these funds on a competitive basis to projects in Santa Clara County, subject to approval by BAAQMD.

This memorandum solely addresses VTA's application for funds to be distributed out of the TFCA 60% Fund category.

**DISCUSSION:**

VTA staff will submit one project application for the FY 2006-07 cycle, requesting approximately \$950,000 from the TFCA 60% Fund program to continue operating the popular Altamont Commuter Express (ACE) shuttle service for the 2006/07 fiscal year. The total estimated cost of this year's service is \$1.1 million. Assuming that VTA is successful in obtaining the grant, TFCA funds will cover approximately 86% of the total estimated cost. The remaining 14% (approximately \$150,000) will come from ACE and employer contributions. VTA has been successful in obtaining ACE shuttle funding in the past. Last year BAAQMD awarded \$950,000 grant for FY 2005/06 ACE shuttle operations.

To meet the BAAQMD grant deadlines, project managers have provided estimated costs. The project scope and cost estimates may be further refined prior to grant submittal. BAAQMD is scheduled to make its final decision on the FY 2006-07 funding allocations in October 2006.

BAAQMD requires that successful applicants execute funding agreements with the BAAQMD within two (2) months from the date it has been transmitted to them. Staff therefore requests that the General Manager be authorized to execute a funding agreement with BAAQMD for up to \$1,000,000 in grant funds for the ACE Shuttle project as described.

**ALTERNATIVES:**

Additional or alternative projects could be submitted for potential TFCA 60% funding. Not funding the ACE shuttle program would result in cancellation of most ACE shuttle service.

**FISCAL IMPACT:**

VTA could receive approximately \$950,000 in FY 2006-07 TFCA 60% Funds if BAAQMD approves the grant application. Matching funds from ACE and a small employer share, totaling \$150,000, are available in the VTA and ACE recommended budgets for FY 2006-07. No funding from the VTA Transit Enterprise Fund will be used for this service.

Prepared by: Bill Hough, Transportation Planner III  
Reviewed by: Marcella Rensi, Manager, Programming & Grants