



## SACOG Board of Directors

Item #16-8-3  
Consent

August 11, 2016

### **Approve Authorization for Regional Transit Service Enhancement with SECAT Bus Modernization Funds**

**Issue:** To approve the use of Sacramento Emergency Clean Air Transportation (SECAT) Program funding to help Sacramento Regional Transit District (SRTD) enhance transit service to the Golden 1 Center.

**Recommendation:** The Transportation Committee unanimously recommends that the Board authorize SRTD to use \$2,200,000 of SECAT funding obtained through their existing bus replacement agreement to enhance transit services in support of the opening of the Golden 1 Center and scrap old diesel buses.

**Committee Action/Discussion:** The SECAT Program is implemented by the Sacramento Metropolitan Air Quality Management District (SMAQMD) in partnership with the Sacramento Area Council of Governments (SACOG). The Program requires participants to meet certain usage requirements in exchange for receiving incentive funds. The Program is currently governed by the SECAT Program Guidelines adopted in 2015 by the Board.

Since 2000, the SECAT Program has successfully funded over 2,400 clean heavy-duty diesel vehicles in the Sacramento Federal Ozone Non-Attainment Area (SFNA). SECAT funding has totaled over \$79 million while reducing about 2.9 tons per day NO<sub>x</sub> emissions. Many fleets across the region have benefitted from the SECAT Program, including single truck small businesses to large trucking fleets and public agencies with the majority of funding going to private-sector vehicle fleets.

In recent years, SECAT funding has also been directed to SRTD to replace older natural gas transit buses with new cleaner vehicles that result in nearly a 90% reduction in NO<sub>x</sub> emissions. As part of the program, SECAT guarantees that SRTD will scrap the buses to ensure that the project meets air quality goals in the State Implementation Plan (SIP) and that the funds from this scrapping going towards the Enhanced SECAT and Infill Streamlining Programs.

SACOG, SMAQMD, and SRTD recently collaborated to find an innovative use of the new \$2,200,000 of SECAT funding. Under current federal Congestion Mitigation and Air Quality (CMAQ) guidelines, transit agencies can use CMAQ funding towards providing new and enhanced transit service. This coincides with the opening of the Golden 1 Center in downtown Sacramento for which enhanced transit operation will both immediately reduce congestion and emissions and provide an opportunity to introduce new users into the SRTD system, potentially increasing fare box revenues and ridership. For FY 2017, RT anticipates spending approximately \$1,950,000 on new and enhanced transit services, \$200,000 to scrap vehicles, and \$50,000 to

provide innovative ways of transporting customers to and from light rail stations for events at the Golden 1 Center. Attachment A offers more detail on the intended purposes. Depending on qualifying expenses and the funding needs in the initial year, unused CMAQ funds could be applied to the new/enhanced service (up to 4 subsequent years), or to other CMAQ qualifying projects as the need arises. The agreement includes SRTD's commitment to scrap the old buses and operate the replacement buses funded through SECAT in accordance to the terms and conditions of the original SECAT agreement.

Because the agreement with SRTD retains the original emission reductions associated with the SECAT bus modernization project and adds the additional immediate and future air quality benefits from enhanced transit services and ridership, staff recommends that the Board of Directors authorize SRTD to use the CMAQ funding associated with bus replacements under an agreement already in place between the three parties (SACOG, SMAQMD, SRTD). If approved, the three parties will then collaborate to finalize amendments to the agreement that reflect the intended purposes for the \$2.2 million in funding and satisfy all the relevant legal and regulatory requirements.

Approved by:

Mike McKeever  
Chief Executive Officer

MM:MC:rh  
Attachment

Key Staff: Matt Carpenter, Director of Transportation Services, (916) 340-6276

## Attachment A

### SRTD's intended use of the new \$2.2 million in SECAT (CMAQ) funds:

- 1. Pay for any and all related expenses that result from the scraping of the old diesel buses.** Examples of these can include the cost related to the tire lease with Goodyear and other smaller miscellaneous costs. Years ago, SRTD made the decision to lease tires as opposed to purchasing them. The requirements for scrapping vehicles provide that SRTD must provide the vehicles with street legal tire tread. Since SRTD is providing the vehicle with leased tires, the agency required to pay the vendor, Goodyear, for the remaining value of the tire. This cost could be as high as \$200K. SRTD intends to seek immediate reimbursement for these direct costs as this will need to be paid to the vendor within a reasonable time frame.
- 2. Provide additional light rail service to transport riders to/from major events at the new downtown arena, the Golden One Center, that is scheduled to open in October 2016.** Golden One Center capacity is 17,500 persons and traffic congestion is expected to be severe exiting nearby off-street parking garages, on nearby city streets, and at all nearby freeway approaches. Travel demand modeling and the experience of similarly situated arenas has shown significant demand for light rail transportation to and from major events (eg. a forecasted 7 percent mode split or 1,225 riders, per analysis for the Golden One environmental analysis documentation); however, the SRTD light rail system currently operates very minimal hours and low frequency during the relevant times (e.g., 30 minute headways and reduced-length train sets capable of moving only 750 passengers in and out of the downtown area in the first half hour). By adding special event trains before/after major events, the project will allow SRTD to (1) have adequate vehicle capacity for the expected ridership, (2) have sufficient capacity for events generating greater than expected transit demand, (3) have sufficiently short wait times and end-to-end travel times to offer an attractive alternative to taking a personal automobile.
- 3. Provide funding to a Transportation Network Company (TNC), such as Uber or Lyft, that would provide transportation services to customers.** The services would pick-up or drop off customer to/from their house to/from the light rail station. This would provide an air quality benefit to the region by getting people off the roads and using the light rail system.

Note: It is anticipated that the majority of the costs will be incurred during FY 2016/17, but a portion of the costs may over a five year period that is possible with CMAQ funds.