



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 05/24/22

**REQUESTER:** Taylor Johnson, Transit and Parking Program Manager

**PRESENTER:** Shawn O'Leary, Director of Public Works

**TITLE:** CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2122-119: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SUBMIT A GRANT APPLICATION TO THE UNITED STATES DEPARTMENT OF TRANSPORTATION'S FYE 2022 LOW- OR NO-EMISSION VEHICLE PROGRAM GRANT PROGRAM (5339(C)) FOR TWO (2) NEW GILLIG CNG 35-FOOT TRANSIT BUSES FOR THE FIXED-ROUTE FLEET AND EXPRESSING ITS COMMITMENT TO SEEK FUNDING FOR THE LOCAL MATCH (\$298,321) IF SUCH GRANT IS AWARDED AND PROJECT APPROVED.

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### **BACKGROUND:**

The Federal Transit Administration (FTA) Grants for Buses and Bus Facilities Program (49 U.S.C. 5339) makes federal funding resources available to states and direct recipients to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations (5339(a)) and competitive grants (5339(b)). A sub-program, the Low- or No-Emission Vehicle Program (5339(c)), provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

The federal fiscal year 2021-2022 (FFY22) grant opportunity is part of a larger package in FFY22 competitive grant funds to help modernize bus fleets and bus facilities across the country, including \$1.1 billion to help transit agencies purchase or lease low- or no- emission vehicles that use advanced technologies to help improve air quality and combat climate change.

On June 27, 2019, the City of Norman was recognized by the FTA as an eligible recipient of federal transit funds and is an eligible applicant of the Low- or No-Emission Vehicle Program. Eligible activities for this program include capital projects to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

A requirement of the Low- or No-Emission Vehicle Program is to identify the source of local match to the federal funds and to provide evidence and commitment of those funds with the entity's application; a Council resolution meets this requirement.

When a project is selected, funds remain available for obligation for four fiscal years. This includes the fiscal year in which the amount is made available or appropriated plus three additional years.

While the City of Norman is eligible to, and plans to, apply to both the (5339(b)) and the (5339(c)) programs, the FTA is expected to only approve one grant or the other, but not both.

## **DISCUSSION:**

Vehicle replacement is critical to operate and maintain a safe, reliable, and cost-effective transit system. As the City of Norman replaces the vehicles in its transit fleet, staff will identify opportunities to offset the cost of replacement by combining federal and local funds.

The City's fixed-route fleet includes eleven (11) out of thirteen (13) vehicles that have reached their useful life or will do so by the end of 2022, and of those, one vehicle is already out of service. While the City has 2 new battery electric buses on order, that will still leave the City with nine (9) out of thirteen (13) fixed route vehicles past their useful life when those buses are delivered in late summer 2022.

The FTA's Low- or No-Emissions Vehicle Program (5339(c)) is a specific opportunity to replace those vehicles that have reached their useful life with low- or no-emission alternatives.

The minimum cost share for this grant can be 80% federal and 20% local match. However, to remain competitive staff is recommending a cost share of 75% federal and 25% local match. Staff is recommending applying for two (2) new Gillig CNG 35-foot transit buses for the fixed route fleet. The cost share for the 2 fixed route buses would be \$894,963 federal (75%) and \$298,321 local (25%) for a total of \$1,193,284 or \$596,642 per bus.

Staff will indicate on the City's application that the project is scalable, meaning the FTA may opt to award less in terms of vehicle quantities than what the City is requesting.

## **RECOMMENDATION:**

Staff recommends that City Council approve Resolution R-2122-119 authorizing the City Manager or his designee to submit a grant application to the U.S. Department of Transportation's Federal Fiscal Year 2021-2022 Low- or No-Emission Vehicle Program grant program (5339(c)) for two (2) new Gillig CNG 35-foot transit buses for the fixed-route fleet and expressing its commitment to secure funding for the local match (\$298,321) if such grant is awarded and project approved.