



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Peter Jensen  
John Stufflebean

**SUBJECT:** TRANSPORTATION FUND FOR  
CLEAN AIR (TFCA) GRANT

**DATE:** 06-04-07

Approved

*Ray Wines*

Date

*6/10/07*

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to submit a grant application and letter of commitment to the Bay Area Air Quality Management District (BAAQMD) in the amount of \$240,000 to support the efforts of General Services Fleet Management in greening the City's vehicle fleet and to execute a grant agreement accepting the grant and any collateral documents.

## OUTCOME

The City will apply for funding from BAAQMD to subsidize the purchase of ten (10) zero-emission vehicles (ZEVs).

## BACKGROUND

The BAAQMD, in conjunction with the Department of Motor Vehicles (DMV), collects a \$4 surcharge on motor vehicle registrations paid within BAAQMD's jurisdiction. The surcharge provides funding for BAAQMD's Transportation Fund for Clean Air (TFCA). TFCA funds are distributed to public agencies and non-public entities to implement projects to reduce air pollution from motor vehicles in accordance with the requirements of State law and BAAQMD's *Bay Area 2005 Ozone Strategy*.

The Department of General Services, Fleet Management has requested funds in the FY 07/08 budget to replace 41 vehicles. Ten of these vehicles have been identified by Fleet Management as being appropriate matches for replacement with zero-emission plug-in electric vehicles. The funds being applied for would cover the incremental cost of vehicle replacement, which is the difference between the amount budgeted for replacement with a similar gasoline-powered vehicle and the cost for a ZEV.

## ANALYSIS

The TFCA funding would enable the City to accelerate work on lowering the overall emissions from City-owned vehicles. As reported to the Transportation and Environment Committee on May 21, 2007, Fleet Management has successfully focused on replacing vehicles that have reached the end of their efficient service life and working with departments to right-size the fleet, but continued incremental growth in fleet size and emissions indicate that more can be done to reduce the fleet's contribution to the City's carbon footprint.

ZEV vehicles have no emissions during operation and will address a key BAAQMD criterion for "Sensitive and Particulate Matter Impacted Communities" when they operate within the greater downtown area of San José. They also have no carbon monoxide or nitrogen oxides emissions and represent a significant reduction in fueling costs compared to traditionally fueled vehicles. It is anticipated that, upon replacement of the identified vehicles, the fleet would realize approximately 51 tons of CO2 reduction on an annual basis, and approximately \$15,000 in annual gasoline savings.

If awarded, the grant will be administered by General Services Fleet Management as part of the normal vehicle replacement process. In general, TFCA payments are made on a reimbursement basis, after project costs are incurred and documented. The project must commence, meaning the ordering or delivery of vehicles, in calendar year 2008 or sooner. Since the grant award decision is expected in September 2007, the City could order the identified vehicles and engines well within this timeline.

Staff training for maintenance of these vehicles will be included as a requirement with the purchase of these vehicles. Although the technology used in these vehicles is relatively new, Fleet Management feels confident that manufacturer service and parts support will be more than adequate to make this a successful pilot project.

## PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memo does not fall into any of the criteria listed above.

**COORDINATION**

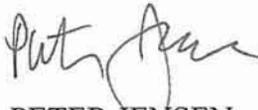
This memo has been coordinated with Finance and the City Attorney's Office.

**COST SUMMARY/IMPLICATIONS**

If the City is awarded the TFCA Grant in the amount of \$240,000 the grant would be used to support incremental costs necessary to obtain vehicles and engines that would lower City-operated fleet emissions. Budgetary action needed to replace the vehicles will take place at the June 19, 2007 Council Meeting.

**CEQA**

Not a Project.



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For questions please contact Ken Davies, Supervising Environmental Services Specialist,  
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