

Memorandum

To: **Chairman and Commissioners**

Date: **January 9, 2004**

From: **Diane C. Eidam**

File No:

**Book Item 2.1e
Action**

Ref: **Project Approval for \$421,000 to the City of Vallejo for the Ferry Boat Purchase Project**

Issue:

Should the Commission approve the City of Vallejo's application to use \$421,000 in Proposition 116 (PUC 99646) funds to complete the ferryboat purchase?

Recommendation:

Commission staff has reviewed the City's application, as well as subsequent clarifications to the application and recommends that the Commission approve the attached resolution, which would grant approval of the City of Vallejo's application for \$421,000 in Proposition 116 Program funds to complete the ferryboat purchase project.

Background:

Proposition 116 (PUC Section 99646) authorizes \$10,000,000 to be allocated to the City of Vallejo for expenditure on water-borne ferry vessels and terminal improvements.

In 1991, the Commission adopted the Proposition 116 Water-Borne Ferry Program Guidelines, Resolution #G-91-5. In August 1992, the Commission approved Resolution #G-92-17 (replacing Resolution #G-91-5), which added clarification to the Guidelines regarding the Competitive Water-Borne Ferry Program.

In December 2003, the City of Vallejo submitted an application for the Ferryboat Purchase Project. The City entered into the RFP process in November 2001. Best and Final proposals were received in December 2002. The price for the vessel was \$10,827,406 including the base vessel, California use tax, spare machinery, spare parts, and construction management. An option item being offered is a Selective Catalytic Reduction (SCR) system as a means of achieving the project goals for a low emissions ferry. The total cost of the SCR option was \$472,594 including required shipboard equipment and supporting shore infrastructure. In February 2003, the City Council adopted a resolution awarding the contract to accept the SCR option, at a total project budget of \$11,300,000.

In February 2003, the City Council adopted an resolution awarding the contract for the low emissions ferry, including the SCR option at an estimated project cost of \$11.3 million and is funded with State and federal funds. This project is expected to be complete in June 2004.

Approval of the attached resolution will authorize \$421,000 in Proposition 116 Program funds (PUC Section 99646) to complete the ferryboat purchase project in the City of Vallejo.

CALIFORNIA TRANSPORTATION COMMISSION

Commission Project Application Approval
City of Vallejo
Proposition 116 Water-Borne Ferry Program
Ferryboat Purchase Project

Resolution #PA-04-

- 1.1 WHEREAS, in June 1990 the voters approved Proposition 116, the Clean Air and Transportation Improvement Act, for \$1.99 billion for rail and mass transportation purposes; and
- 1.2 WHEREAS, the California Transportation Commission is designated in Proposition 116 to oversee the five grant programs over the 20-year term of the Proposition; and
- 1.3 WHEREAS, Proposition 116 calls for the Commission to establish an application process and to develop and adopt guidelines to implement those programs; and
- 1.4 WHEREAS, Proposition 116 establishes as a purpose of the application process that it "facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features"; and
- 1.5 WHEREAS, Proposition 116 requires applications to specify full and complete capital plans, financial plans, and operating plans, including schedules and funding sources; and
- 1.6 WHEREAS, in August 1992 the Commission adopted revised policy and application guidelines (#G-91-17, policy provision #22) that require a grant applicant to certify that if the project cost exceeds the amount proposed by the grant applicant, then the grant applicant shall cover the cost increase with local, federal or private funds; and
- 1.7 WHEREAS, the financial plans include a back-up funding plan, should the project exceed the cost approved by the Commission the increased cost shall be covered by funds other than Proposition 116; and
- 1.8 WHEREAS, in December 2003, the City of Vallejo submitted an application requesting \$421,000 in Proposition 116 (PUC Section 99646) funds for the Ferryboat Purchase Project; and
- 1.9 WHEREAS, the December 2003, Proposition 116 application from the City of Vallejo, as well as supplemental information has been reviewed by Commission staff, and appears to meet all basic requirements as specified in the Proposition 116 Water-Borne Ferry Program and the Commission's policies and guidelines; and
- 2.1 BE IT THEREFORE RESOLVED, that the Commission hereby grants approval of the application from the City of Vallejo for \$421,000 in Proposition 116 (PUC Section 99646) funds for the Ferryboat Purchase Project; and
- 2.3 BE IT FURTHER RESOLVED, that a Proposition 116 project approval by the Commission reserves the State funding within the Program, and allows project development work to be undertaken by the applicant agency, which will be subject to state reimbursement pursuant to the Commission's "Financial Guidelines for Local Agency Reimbursement" and subsequent fund transfer agreement.