



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Resolution to Accept the Volkswagen Mitigation Trust Fund grant for three battery-electric buses

- 1) Resolution authorizing the advancement of an application for Volkswagen Environmental Mitigation Trust Funding for the replacement of Beeline buses and signing of certificates and assurances with respect to applications to the zero-emission transit, school and shuttle bus project.

### COUNCIL ACTION

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**Item Type:** Consent

**Approved for** December 12, 2023 **calendar**

### EXECUTIVE SUMMARY

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The City of Glendale City Council previously approved the purchase of five battery-electric buses. Over the past year, bus manufacturers applied to the contracting agencies and received a price increase due to supply chain cost increases. The grant funds secured and appropriated to purchase the battery-electric buses are insufficient to purchase the battery-electric buses. Staff applied for Volkswagen Environmental Mitigation Trust funds in the amount of \$648,000 and are tentatively awarded the funding pending the passage of the attached resolution. The added funds will offset a portion of the price increase with the other portion from another state grant.

## **RECOMMENDATION**

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Approve the resolution that allows the advancement of the application for the Volkswagen Environmental Mitigation Trust funds, sign the required certifications and assurances, and administer funds, if awarded.

## **ANALYSIS**

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The Volkswagen Environmental Mitigation Trust (VEMT) provides \$423 million for California to mitigate the excess nitrogen oxide (NOx) emissions caused by Volkswagen's (VW) use of illegal emissions testing defeat devices in certain VW diesel vehicles. The VEMT is a component of partial settlements with VW and provides funding opportunities for specified eligible actions that focus mostly on "scrap and replace" projects for the heavy-duty sector, including on-road freight trucks, transit and shuttle buses, school buses, forklifts, and port cargo handling equipment, commercial marine vessels, and freight switcher locomotives.

As required, California developed a Beneficiary Mitigation Plan (Plan) through an extensive public process. The Plan was approved in May 2018, and the California Air Resources Board (CARB) reported it to the Trustee, Wilmington Trust, N.A., on June 28, 2018. Implementing California's Beneficiary Mitigation Plan will fully mitigate the excess NOx and additionally commits to long-term air quality and climate goals by investing in zero-emission technologies.

CARB selected the San Joaquin Valley Air Pollution Control District (SJVAPCD) to administer the mitigation funding and solicit applications. The Zero-Emission Transit, School, and Shuttle Bus Project provide funding for new zero-emission replacement buses. The program guidelines allow up to \$216,000 per battery-electric bus replacement. The City is requesting funding for three replacement buses for a total of \$648,000 in VEMT grant funds in the preliminary application.

As part of the VW Settlement fund application process, the City Council must approve the attached resolution to advance the submitted application. The resolution gives authority to the City Manager or his designee to sign the required assurances, grant agreement, and receive the grant funding.

## **STAKEHOLDERS/OUTREACH**

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The State of California agreed to the VW Settlement program that included input from the Governor and state legislature.

## **FISCAL IMPACT**

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There is no fiscal impact associated with this report. After the grant agreement is finalized, staff will return to the City Council with a request to appropriate the grant funds described in this report.

## **ENVIRONMENTAL REVIEW (CEQA/NEPA)**

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This item is considered a ministerial activity and therefore not subject to CEQA/NEPA review.

## **CAMPAIGN DISCLOSURE**

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Not applicable

## **ALTERNATIVES TO STAFF RECOMMENDATION**

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Alternative 1: Do not approve the Resolution authorizing the execution of the necessary agreements, and other documents required to accept the Volkswagen Environmental Mitigation Trust grant funds. Doing so, however will result in forgoing grant funds to mitigate the price increase in battery-electric buses.

2. The City may consider any other alternative not proposed by staff.

## **ADMINISTRATIVE ACTION**

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**Submitted by:**

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**Prepared by:**

Martha D'Andrea, Transit Manager

**Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS/ATTACHMENTS**

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N/A