



**MEMORANDUM**  
**Resolution FCTC 18-01**

**TO:** Fox Cities Transit Commission

**FROM:** Ron McDonald, General Manager

**DATE:** April 17, 2018

**RE:** Resolution to Support Valley Transit's application for a State of Wisconsin Volkswagen Mitigation Program Grant to purchase transit vehicles

**BACKGROUND**

The State of Wisconsin 2017 Budget Act 59 established a transit capital assistance grant program, under which the Department of Administration has created a competitive statewide grant program ("State of Wisconsin Volkswagen Mitigation Program Grant") to award settlement funds to eligible applicants for the replacement of public transit vehicles.

This resolution will serve as a letter of support for a Valley Transit capital grant application for transit buses through the State of Wisconsin Volkswagen Mitigation Program Grant.

**ANALYSIS**

In the past, Federal funding has been available to cover 80 percent of the capital costs for transit vehicles and infrastructure projects. Increasingly, this Federal funding is being allocated through discretionary grant programs making it necessary for Valley Transit to pursue other opportunities in order to offset the local costs of capital investments.

After reviewing our system's needs and researching projects which are eligible for funding through this grant program, transit staff have identified Valley Transit bus replacements as a top candidate based on the criteria listed for the State of Wisconsin Volkswagen Mitigation Program Grant. Valley Transit intends to include replacement of fifteen clean-diesel buses in the application.

**FISCAL IMPACT**

If the State of Wisconsin Department of Administration approves some or all of the project, the grantee will need to provide a 20 percent local match. Through the State of Wisconsin

Volkswagen Mitigation Grant, the grantee (City of Appleton) will incur a reduction in State Shared Revenue in an amount equal to 20% paid out in equal annual installments over a 10-year period.

Because all of the Valley Transit funding partners contribute to a restricted cash depreciation account for the purchase of buses, the grantee (City of Appleton) shall be made whole from the restricted cash depreciation account in amounts equal to the annual installments incurred over a 10-year period.

**RECOMMENDATION**

This state grant currently represents the best opportunity for Valley Transit to leverage local funding toward capital improvements that can benefit transit operations, I recommend approval of this resolution.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ron McDonald". The signature is stylized with a large, circular loop at the top.

Ron McDonald