



City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 19, 2024

FROM: AIRPORT WARD: 3

SUBJECT: APPLICATION TO THE U.S. DEPARTMENT OF TRANSPORTATION CHARGING AND FUELING INFRASTRUCTURE (CFI) DISCRETIONARY GRANT PROGRAM IN THE AMOUNT OF \$4,007,227 WITH REQUIRED CITY MATCH OF \$1,001,807 FOR A PROJECT TOTAL OF \$5,009,034 FOR DEVELOPMENT OF A MULTI-PORT ELECTRIC VEHICLE CHARGING HUB AT THE RIVERSIDE MUNICIPAL AIRPORT – SUPPLEMENTAL APPROPRIATION, INTERFUND TRANSFER

ISSUES:

Application to, and acceptance of, a U.S. Department of Transportation Charging and Fueling Infrastructure (CFI) Discretionary Grant Program funds in the amount of \$4,007,227 with required 20% local project set-aside match of \$1,001,807 (\$5,009,034 project total) for development of a 24-station Electric Vehicle (EV) light-, medium-, and heavy-duty vehicle charging hub at Riverside Municipal Airport.

RECOMMENDATIONS:

That the City Council:

1. Authorize an application to the U.S. Department of Transportation Charging and Fueling Infrastructure (CFI) Discretionary Grant Program in the amount of \$4,007,227;
2. If awarded, authorize acceptance of grant funds from the U.S. Department of Transportation Charging and Fueling Infrastructure (CFI) Discretionary Grant Program in the amount of \$4,007,227, or the actual awarded amount;
3. With at least five affirmative votes, authorize a supplemental appropriation in the total amount of \$1,001,807 from the Electric Fund Low Carbon Fuel Reserve Account and appropriate expenditures to the Electric Fund EV Charger Install at Public Facilities Account;
4. With at least five affirmative votes, and upon grant award, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation and related interfund transfer from the Electric Fund EV Charger Install at Public Facilities account to the Grants & Restricted Programs Fund, Airport Charger Hub Project in the amount of up to \$1,001,807;
5. With at least five affirmative votes, and upon grant award, authorize the Chief Financial

Officer, or designee, to record a supplemental appropriation in the amount of \$1,001,807 in the Grants & Restricted Programs Fund, Airport Charger Hub Project expenditure account;

6. With at least five affirmative votes, and upon grant award, authorize the Chief Financial Officer, or designee, to record an increase in revenue in the amount of \$4,007,227, or the actual awarded amount, and appropriate an equal amount in expenditures in the Grants & Restricted Programs Fund, Airport Charger Grant Project accounts; and
7. Authorize the City Manager, or designee, to execute any and all grant agreements and related documents with the U.S Department of Transportation for completion of this Charging and Fueling Infrastructure (CFI) Discretionary Grant Program project, making minor and non-substantive changes as necessary.

BOARD RECOMMENDATION

The Riverside Board of Public Utilities met on October 28, 2024 and unanimously (with all Board members present) recommended that the City Council: 1) With at least five affirmative votes, approve the supplemental appropriation of \$1,001,807 from the Electric Fund Low Carbon Fuel Reserve Account and appropriate expenditures to the Electric Fund EV Charger Install at Public Facilities Account, and 2) With at least five affirmative votes and upon grant award, authorize the Chief Financial Officer, or designee, to record a transfer from the Electric Fund EV Charger Install at Public Facilities account to the Grants & Restricted Programs Fund, Airport Charger Hub Project in the amount of up to \$1,001,807.

BACKGROUND:

Through legislation and Executive Orders, California has committed to reducing emissions in the transportation sector through the adoption of zero-emission vehicles ranging from passenger cars to heavy-duty trucks. To support widespread adoption of electric vehicles (EVs), California has set a goal of deploying 250,000 public and shared private electric vehicle chargers by 2025 and forecasts the need for 1.2 million by 2030. This target includes public chargers that are available at parks, shopping centers, hotels, public buildings, etc., and shared private electric vehicle chargers, such as those found at workplaces and multi-unit dwellings. As of March 31, 2022, California has achieved almost a third of the target with thousands of additional EV chargers installed since 2022.

Readily available charging infrastructure is a key component to the adoption of EVs. Electric vehicle drivers, especially those with access to only one vehicle, need to be able to drive to the same places that they drove to in gasoline or diesel-powered vehicles. Access to electric vehicle chargers needs to be available to all drivers, including those in disadvantaged, low-income, tribal, and rural communities. EV adoption is growing rapidly and charging infrastructure needs to meet the demand.

The Riverside Airport (KRAL) is an aeronautical education hub providing the Inland Empire and surrounding counties with the largest selection of educational programs in flight, mechanical, and aviation degree programs including 7 different aviation schools. The airport is tasked with meeting the aviation needs of the Inland Empire. In 2022, Riverside Airport was the 2nd busiest airport in California with a Federal Aviation Administration (FAA) contract tower. Riverside Municipal Airport is ranked the 22nd busiest airport (out of 54 airports) in California. The airport is a central site in

mid-city Riverside, with accessibility from major freeways and thoroughfares in the City and has land available for a large project as contemplated in this report.

In March 2018, the City Council authorized RPU to opt into the LCFS Program and RPU's programming for the revenues the program generates was approved in October 2021 under the Electrify Riverside Programs. RPU receives most of its credits from the estimated residential EV charging within its service territory. The revenue generated from the sale of these residentially produced base credits is required to be used to support existing and future residential EV owners. Of the revenue RPU receives from the sale of LCFS base credits, 25% is required to support the statewide, utility run, California Clean Fuel Reward Program (CCFR). The remaining revenues are allocated to customer rebate programs and a program to support the construction of publicly available EV chargers at City facilities. RPU is also required to ensure that 50% of the remaining revenue supports EV owners in low-income households, disadvantaged communities.

RPU allocated an initial \$500,000 to the "EV Charger Install at Public Facilities" program. This program provides all City departments the opportunity to use the program's funding for the installation of publicly available EV charging at City facilities. RPU and any department requesting to use these funds is encouraged to leverage other incentive programs, such as grants, to implement the installation of publicly available EV chargers within the City.

DISCUSSION:

The U.S. Department of Transportation's Charging and Fueling Infrastructure Discretionary Grant Program (CFI Program) is a competitive grant program created by President Biden's Bipartisan Infrastructure Law to strategically deploy publicly accessible electric vehicle charging and alternative fueling infrastructure in the places people live and work – urban and rural areas alike – as well as along designated Alternative Fuel Corridors (AFCs). CFI Program investments will make modern and sustainable infrastructure accessible to all drivers of electric, hydrogen, propane, and natural gas vehicles.

This program provides two funding categories of grants:

1. Community Charging and Alternative Fueling Grants (Community Program); and
2. Charging and Alternative Fuel Corridor Grants (Corridor Program).

The Bipartisan Infrastructure Law provides \$2.5 billion over five years for this program to strategically deploy EV charging infrastructure and other alternative fueling infrastructure projects in urban and rural communities in publicly accessible locations, including downtown areas and local neighborhoods, particularly in underserved and disadvantaged communities.

The proposed project, known as the Riverside Airport EV Charging Hub (Charging Hub), will become one of the largest EV charging hubs in the region. In an area that is underserved by publicly accessible EV charging infrastructure, the Riverside Airport EV Charging Hub will include twenty-four (24) total EV charging stations, consisting of fourteen (14) Level 2 (J1772 connectors), and ten (10) Level 3 DC Fast Charge (5 Tesla connectors, 5 CCS connectors) with dual port availability. The Charging Hub will accommodate passenger EV charging as well as medium- and heavy-duty (MHD) vehicle charging to assist the City with its fleet conversion. The MHD chargers will also be accessible to the public, allowing private fleets owned by local businesses or rented by residents to be charged at the Charging Hub. The chargers will be located under large shade structures with a solar component on top to power area lighting and other aspects of the project.

The Project's budget of \$5,009,034 is being optimized to pay primarily for equipment, construction, installation of the chargers, the solar PV system with batteries, and the grid improvements necessary to support the project. Project costs are in line with similarly sized EV charging projects. No other federal funds are being sought for this project and no operating subsidies are currently anticipated. The Project is anticipated to generate operational income for the Airport by charging fees for EV refueling.

Staff is proposing a supplemental appropriation of \$1,001,807 to the EV Charger Install at Public Facilities program from the Electric Fund Low Carbon Fuel Reserve. This supplemental appropriation will allow the program to provide match funding of up to \$1,001,807 for the proposed Riverside Airport EV Charging Hub, if selected for award for the CFI grant. RPU has available funding for this match and will also maintain \$500,000 in the program fund for other future EV charger projects at public facilities.

The Charging Hub Project meets both the regulatory requirements for expenditure of LCFS funds as well as meets the intent of the Electrify Riverside Programs. This project, if awarded the grant,

1. Will provide safe and convenient EV charging to the public;
2. Will support City and regional areas identified as a disadvantaged community per the criteria established by the State; and,
3. Meets the intent of using the LCFS funds to leverage other programs by providing the grant match.

RPU staff will participate in the project development where necessary to ensure that the expenditure of the LCFS funds meets both the regulatory requirements and the City's Electrify Riverside Program requirements. RPU will file all required reporting on the use of LCFS funds in its annual reporting.

RPU and the Office of Sustainability concur with this Report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the following Strategic Plan Priorities:

Strategic Priority No. 4 Environmental Stewardship and **Goal No. 4.6** – Implement the requisite measures to achieve citywide carbon neutrality no later than 2040.

Strategic Priority No. 6 Infrastructure, Mobility and Connectivity and **Goal No. 6.3** – Identify and pursue new and unique funding opportunities to develop, operate, maintain, and renew infrastructure and programs that meet the community's needs.

This item aligns with each of the Cross-Cutting Threads of the City's Envision Riverside 2025 Strategic Plan as described below:

1. **Community Trust** – This project will stimulate trust in airport assets as EV charging becomes publicly accessible to residents of Riverside.
2. **Equity** – Providing publicly available EV charging in areas that lack such opportunities and are or accessible to disadvantaged communities is intended to create an equitable distribution of services to ensure every member of the community can access EV charging.
3. **Fiscal Responsibility** – By pursuing a grant through the Federal Highway Administration

for this EV charging hub, city resources are conserved.

4. **Innovation** – Developing an EV charging hub with solar-panel shade structure leverages innovative technology for the benefit of EV owners while simultaneously ensuring the City adapts to carbon neutrality goals.
5. **Sustainability & Resiliency** – Installing sustainable infrastructure in the form of EV chargers, at the Riverside Airport, contributes to meeting the community’s charging needs while also preparing for the goals set by the State to reach 100 percent zero-emission vehicle (ZEV) sales for new passenger vehicles by 2035. The full transition to ZEVs is also a critical step toward carbon neutrality.

FISCAL IMPACT:

The total fiscal impact of this action is an increase in revenue and expenditures in the amount of \$5,009,034, including the City match portion of \$1,001,807 funded by the Electric Fund, Low Carbon Fuel Reserve.

Upon Council approval and grant award, the following revenue, supplemental appropriations, and interfund transfer will be recorded as listed in the table below.

Supplemental Appropriation & Interfund Transfer

Fund	Program	Account	Amount	
<i>Supplemental Appropriation / Transfer Out</i>				
Electric	Low Carbon Fuel Reserve	0000510-101094	(\$1,001,807)	
	EV Charger Install at Public Facilities	0000510-990215	*\$1,001,807	
<i>Transfer In / Revenue</i>				
Grants & Restricted Programs	Airport Charger Hub Project – Transfer In	9xxxxxx-985510	*\$1,001,807	
	Airport Charger Hub Project – Federal Grant	9xxxxxx-331300	\$4,007,227	
	Total Revenue/Transfer In			\$5,009,034
	<i>Expenditures</i>			
	Airport Charger Hub Project – City Funds		9xxxxxx-440301	*\$1,001,807
	Airport Charger Hub Project – Federal Grant		9xxxxxx-440111	\$4,007,227
Total Expenditures			\$5,009,034	

***Denotes City Match**

Once operational, fee revenue will be collected by the Airport Fund from the charging stations. At this point, the revenue generated upon completion of the project is unknown; however, any revenue would be directed towards the maintenance and upkeep of the charging stations and other costs associated with the operation of the equipment.

Prepared by: Daniel Prather, Airport Manager
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Jack Liu, Interim City Attorney
 Concurs with: David A. Garcia, Utilities General Manager, Riverside Public Utilities