



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Montgomery and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Bruce Moe, Finance Director

**DATE:** December 2, 2008

**SUBJECT:** Adoption of Ordinance Amending Chapter 4.108 of the Manhattan Beach Municipal Code (Vehicles for Hire Franchise) Establishing Phased-In Requirements for Clean Air Vehicles Used in the Operation of the City Franchise

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**RECOMMENDATION:**

Staff recommends that the City Council adopt Ordinance No. 2119 amending the City's Vehicle for Hire code.

**FISCAL IMPLICATION:**

There is no fiscal implication associated with the recommended action. The City currently collects \$136,950 per year (\$830 per cab) in franchise fees for the 165 cabs authorized to operate in Manhattan Beach.

**BACKGROUND:**

The City's taxicab franchises expired at the end of November. In preparation for the new franchises, and in keeping with our green efforts, staff developed clean vehicle standards. Those requirements are documented in Ordinance No. 2119, which was introduced and approved by the City Council at the November 18<sup>th</sup> meeting. In order for it to become effective, the Council must now adopt the Ordinance.

**DISCUSSION:**

Highlights of the Ordinance are as follows:

- Four-year Phase-in with defined clean air vehicles (year 1=25%, Year 2=50%, Year 3=75%, year 4 = 100%) (excludes exemption for disabled-access and specialty vehicles)
- Vehicles must meet the California Air Resources Board (CARB) ratings of SULEV (Super Ultra Low Emissions Vehicle) or higher
- The standards permit currently available vehicles which use hybrid or CNG technology
- If the vehicle is gasoline-electric hybrid powered, it must achieve 33 miles per gallon or higher

- Alternatively, if the vehicle utilizes a low carbon fuel, such as Compressed Natural Gas (CNG), the standard will be the “Well-to-Wheels”<sup>1</sup> efficiency test and must achieve a ten percent greenhouse gas reduction in the fuel cycle
- 25% of a franchisees’ fleet is exempt from the requirement to accommodate larger capacity passenger vehicles and disabled persons’-accessible vehicles such as vans, which currently are not widely available in alternative fuel form. This will be revisited at such time they become commercially available, and a phase-in will be negotiated with the franchisees
- The franchise vehicles cannot exceed eight model years at any time during the franchise

The requirements become effective on July 1, 2009, or upon the opening of a CNG fueling station in the South Bay, whichever event occurs first. At that time, the cab companies have one year to achieve the first phase of the requirement, which is 25% of their authorized fleet, excluding those exempt vehicles described above.

Staff is in the process of negotiating new franchise agreements with the existing franchisees, and expects to return to the Council with those agreements in the first quarter of 2009.

Attachments: A. Ordinance No. 2119

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<sup>1</sup> The analysis takes into account the fuel cycle, from production, processing and storage, to transportation, distribution and use in the vehicle. An analysis of the fuel cycle was conducted by an independent firm as part of AB 1007 which requires increased use of alternative fuels in the State. The analysis concludes that CNG is a low carbon fuel.

ORDINANCE 2119

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, ADDING A NEW SECTION 4.108.21 TO CHAPTER 4.108 TO TITLE 4 OF THE MANHATTAN BEACH MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council of the City of Manhattan Beach hereby finds as follows:

- a. Promotion of low emission vehicles is in the best interest of the health and welfare of the citizens of Manhattan Beach. This ordinance is intended to encourage replacement of existing standard emission vehicles with low emission vehicles.
- b. This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that the activity will not result in direct or indirect or reasonably foreseeable direct or indirect physical change to the environment.

SECTION 2. A new Section is hereby added to Chapter 4.108, Title 4 of the Manhattan Beach Municipal Code to read as follows:

4.108.21 Clean Air Vehicles

Effective July 1, 2009; or the commencement of operation of one retail Compressed Natural Gas (CNG) fueling station within Manhattan Beach, El Segundo, Hermosa Beach, Redondo Beach or Torrance; whichever is earlier, Franchisees are required to provide clean air vehicles as defined within this section of the code, by the end of the one year period following the effective date, in the following percentages of that franchisee's total number of vehicles authorized for use for that year:

<u>Year</u>	<u>Minimum %</u>
1	25%
2	50%
3	75%
4	100%

The percentages listed above recognize that certain special purpose vehicles (disabled access, vans used for school transportation or larger passenger volume vehicles to accommodate large parties) may not be commercially available as clean air models at the time of adoption of this Ordinance. These special purpose vehicles, which may not exceed twenty-five percent (25%) of the total authorized vehicles under each franchisee's allocation, will be exempt from the requirement until a commercial clean air model is available. At that time, the City and franchisees will negotiate an implementation schedule.

Gasoline or diesel powered Clean Air vehicles for purposes of this requirement shall meet or exceed, and be maintained within the specifications of the following ratings provided by the California Air Resources Board (CARB):

- Super Ultra Low Emissions Vehicle (SULEV)
- Partial Zero Emissions Vehicle (PZEV)
- Advanced Technology Partial Zero Emissions Vehicle (AT PZEV)
- Zero Emissions Vehicle (ZEV)

Additionally, vehicles used in the operation of the franchise, in the percentages listed above, must be either be a Low Carbon Fuel vehicle (i.e., compressed natural gas vehicle) achieving a minimum "well-to-wheels" greenhouse gas reduction of 10% in accordance with the Governor's Executive Order S-01-7,

or a Hybrid electric vehicle achieving a minimum of thirty-three (33) miles per gallon in City use according to the US Environmental Protection Agency.

No vehicle shall be older than eight model years at any time during the franchise period.

SECTION 3. All other provisions of Manhattan Beach Municipal Code shall remain unchanged and continue in full force and effect.

SECTION 4. Any provisions of the Manhattan Beach Municipal Code, or appendices thereto, or any other ordinances of the City, to the extent that they are inconsistent with this ordinance, and no further, are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 6. This ordinance shall go into effect and be in full force and operation from and after thirty days after its final passage and adoption.

SECTION 7. The City Clerk shall cause this Ordinance or a summary thereof to be published and, if appropriate posted, as provided by law. Any summary shall be published and a certified copy of the full text of this Ordinance posted in the Office of the City Clerk at least five (5) days prior to the City Council meeting at which this Ordinance is to be adopted. Within fifteen (15) days after the adoption of this Ordinance, the City Clerk shall cause a summary to be published with the names of those City Council members voting for and against this Ordinance and shall post in the Office of the City Clerk a certified copy of the full text of this Ordinance along with the names of those City Council members voting for and against the Ordinance.

PASSED, APPROVED and ADOPTED this 2nd day of December, 2008.

Ayes:  
Noes:  
Absent:  
Abstain:

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Mayor, City of Manhattan Beach, California

ATTEST:

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City Clerk