



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: CLEAN AIR VEHICLE PARKING
VALIDATION PROGRAM

DATE: 05-29-07

Approved

Ray Warner

Date

6/4/07

COUNCIL DISTRICT: 3

RECOMMENDATION

Adoption of a resolution updating the Master Parking Rate Resolution to:

1. Combine the City's existing Clean Air and Hybrid Vehicle Parking Validation Programs into a modified Clean Air Vehicle program with the following modifications:
 - a. Match the program requirements to meet those for the State of California, Carpool Lane sticker requirements for a Single Occupancy vehicle, with the exception of including Neighborhood Electric Vehicles.
 - b. Clean Air Vehicles must be purchased after January 1, 2000 from a licensed auto dealership in the City of San Jose.
 - c. Limit participation of City parking facilities to the Third Street Garage, Fourth Street Garage, Market Street Garage, 2nd/San Carlos Garage, 2nd/St. James Lot, San Pedro/Bassett Lot, San Jose Regional Parks and parking meters throughout the City of San Jose.
 - d. Add an administrative fee of \$30 for a new or replacement permit to cover the administrative costs of the program.
2. Extend the modified Clean Air Vehicle program through June 30, 2009. Authorize the Director of Transportation to extend the program annually thereafter, as long as the parking supply and demand supports continuation of the program.
3. Authorize the Director of Transportation to add or remove any parking facility from the modified Clean Air Vehicle program as necessary.

OUTCOME

Approval of these recommendations will allow the City to continue to promote the use of clean air vehicles through a modified program, by providing free parking at parking meters citywide and at several City garages.

BACKGROUND

The Clean Air Vehicle Validation Parking Program was initiated by the City in April of 2001 with the goal of encouraging the purchase of clean-air vehicles in San Jose by providing free parking at the City's Downtown parking facilities and parking meters. Stickers are issued by DMV for clean air vehicles through the State of California High Occupancy Vehicle (HOV) Lane program.

The Hybrid Validation Parking Program with similar free parking privileges for participants was added in April of 2003 as new Hybrid technology was becoming more common in the marketplace. The goals were to facilitate the purchase of clean fuel vehicles at licensed San Jose Auto Dealerships, and to promote economic recovery, support the downtown businesses, and help reduce auto emissions. Permits for this program are issued by the City's Department of Transportation (DOT).

Initially, when the two programs were developed, the State issued HOV Stickers only to Electric and Compressed Natural Gas Vehicles, while the DOT issued permits only to Hybrid Vehicles. Changes in the technologies and subsequent revisions to the State's Clean Air Program expanded the criteria to include vehicles that utilized a gas and electric powered engine.

As of April 1, 2007 there were 1,590 participants in the Hybrid Parking Program. Staff believes that this is the highest participation rate in the nation for similar programs as quoted in a September 2006 article of the *Urban Transportation Monitor*.

Unless extended, the Hybrid Parking Validation Program and Clean Air Parking Validation Program are scheduled to sunset on June 30, 2007.

ANALYSIS

Because of technology changes in recent years, the State began limiting eligibility for the clean air program to only those vehicles that met the standards of what they considered to be the cleanest alternative fuel, hybrid and full electric vehicles. As a result of the State program changes, many vehicles can apply for and receive the State issued sticker and park free at Downtown City parking facilities and meters without having to purchase the vehicle from a licensed auto dealership in San Jose.

City's current Hybrid Vehicle Parking Program provides free parking privileges to any hybrid vehicle, irrespective of its fuel efficiency. A small number of hybrid vehicles are not considered eligible for the State Program because they do not meet the 45 miles per gallon criteria and strict emissions standards. There are a total of 96 of the 1,590 vehicles in the City's Hybrid Parking Program that would not meet the eligibility requirements of the proposed Clean Air Vehicle Validation Parking Program for the City.

With recent changes in the alternate fuel technologies and emphasis on fuel efficient vehicles, combining City's two existing programs into one that matches the State's clean air vehicle program guidelines is the simplest and most effective way to continue promoting this initiative.

This program would encourage the purchase of clean air vehicles in San Jose, provide a sales tax benefit to the City and provide participants with free parking opportunities in the downtown encouraging them to frequent the businesses in the area. A vehicle owner interested in participating in the City's program must submit an application with the City, pay an administrative fee of \$30 for a new or replacement permit, and display the necessary permit on the vehicle.

Upon City Council approval, staff will notify all current permit holders of the following new eligibility requirements:

- Vehicle must be purchased after January 1, 2000 from a licensed San Jose Auto Dealership
- Vehicle must be designated a "Clean Air Vehicle" in accordance with the State of California standard as defined by Assembly Bill 2628 and listed at: www.arb.ca.gov/msprog/carpool/carpool.htm
- Neighborhood Electric Vehicles are eligible for this program
- Vehicle owner must pay a \$30 administrative fee for a new or replacement permit

Staff will issue new permits to eligible vehicle owners and will also notify San José auto dealerships of these program changes.

POLICY ALTERNATIVES

Alternative #1: Allow the Clean Air and Hybrid Parking Programs to sunset on June 30, 2007.

Pros: No program change or action would be required by the City Council.

Cons: Those purchasing Clean Air Vehicles may choose to do so outside of the City and this would result in a decrease in tax revenue. City will no longer have a program promoting purchase of clean air vehicles from San Jose dealerships.

Reason for not recommending: The Clean Air and Hybrid Parking Programs have been extremely successful as documented by the parking usage and supported by the positive response from participants and the media. Continuing the program will help promoting purchase of clean air vehicles at San Jose dealership, supporting the local economy.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the criteria identified by the Sunshine Reforms Work Plan. The Downtown Parking Board approved these recommendations at its May 16, 2007 meeting. This memorandum will be posted on the City's website for the June 19th 2007 City Council meeting agenda.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office and City Attorney's Office. The Downtown Parking Board discussed and approved this item at its May 16th meeting.

FISCAL/POLICY ALIGNMENT

It is anticipated that approximately 1,000 permits will be issued during the FY2007-08. This will generate \$30,000 in new revenues for the Parking Fund.

This recommendation is consistent with the Transportation and Aviation Services CSA Outcome – provide viable transportation choices that promote a strong economy.

COST SUMMARY/IMPLICATIONS

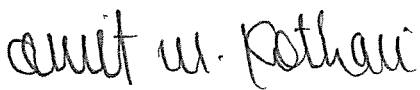
The total amount of validated parking for those with a Hybrid Parking Permit or a Clean Air Sticker averaged \$7,750 per month for the activity between July 2006 and February 2007 at all participating parking facilities. The permit fee of \$30 will support administrative costs of purchasing and issuance of these permits.

BUDGET REFERENCE

Not applicable.

CEQA

Not a project.


for James R. Helmer
Director of Transportation

For questions, please contact Amit Kothari, Deputy Director, at 535-3838.