

TRANSPORTATION COMMITTEE REPORT relative to proposed contract with Blue California, LLC (Blue California) for electric vehicle carshare operations using grant funds from the California Air Resources Board (CARB) Fiscal Year 2014-15 Targeted Carsharing and Mobility Options in Disadvantaged Communities Pilot Project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Los Angeles Department of Transportation (LADOT) to execute a contract with Blue California to install, operate and maintain an electric vehicle (EV) car share pilot program in selected communities for an 11 year term (five years effective from the date of contract execution, with three two-year options for renewal), for a total compensation not to exceed \$600,000, and subject to the approval of the City Attorney as to form and legality.
2. DIRECT the General Manager, LADOT, to report back and seek City Council approval should:
 - a. The LADOT elect to terminate the contract over the 11 year term; or not exercise the renewal options as there is a fiscal impact.
 - b. There be a desire to expand the pilot program to other areas.
3. RECOMMEND that:
 - a. The franchise exemption be capped to this pilot area and this operator as detailed in the December 12, 2016 City Administrative Officer (CAO) report, attached to the Council file.
 - b. Should this pilot program be expanded to other areas in the City that the LADOT seek Full Cost Recovery for applicable Permits and Fees through either a grant reimbursement or the car share operator.
 - c. The LADOT be instructed to ensure that graffiti removal meets existing city standards to ensure compliance with the City's zero tolerance policy.
4. AUTHORIZE the General Manager, LADOT, to execute a Memorandum of Understanding with the Steering Committee, a collaboration of community based organizations located within and around the project area, to provide program services to enhance EV car share member recruitment, project design, communication, outreach and marketing services for a term of three years effective from the date of contract execution, for a total compensation not to exceed \$492,000, subject to the approval of the City Attorney as to form and legality
5. INSTRUCT the General Manager, Los Angeles Department Water and Power and the General Managers of the Bureaus of Contract Administration and Engineering, in collaboration with the LADOT, to establish an EV infrastructure installation planning and approval process that:

- a. Meets the project's operational requirements and City criteria.
 - b. Ensures the on-time commercial launch of the car share project.
 - c. Dedicates adequate support staff and resources through completion of the installation.
6. AUTHORIZE the LADOT to invoice Blue California for parking related costs and deposit these funds into the Special Parking Revenue Fund No. 363 in an account to be determined as revenue to offset the loss of parking meter receipts.
 7. REQUEST the City Attorney to prepare and present an Ordinance amending Los Angeles Municipal Code (LAMC) Section 80.58.1 to add a new subsection which exempts EV Charging Stations installed as part of an EV car share Disadvantaged Communities Pilot Program from the provisions of LAMC Section 62.08 (Above Ground Facilities Installation Ordinance).
 8. AUTHORIZE the General Manager, LADOT, or designee, to prepare Controller instructions and/ and/or make any technical adjustments that may be required to implement the actions approved by the Mayor and Council on this matter, subject to the approval of the CAO; and AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: In its December 6, 2016 report, attached to the Council file, the CAO reports that the General Fund fiscal impact is unknown at this time. The fiscal impact ranges between \$350,400 to \$3.1 million for the reimbursement or purchase of the infrastructure and equipment should the City or the operator exit the contract before the contract term expires. The total cost of the program is estimated at \$13.49 million, of which \$566,712 is a potential General Fund impact unless Special Funds are identified and \$375,600 is unfunded.

Community Impact Statement: None submitted.

TIME LIMIT FILE - FEBRUARY 5, 2017

(LAST DAY FOR COUNCIL ACTION - FEBRUARY 3, 2017)

Summary:

On December 7, 2016, your Committee considered a November 23, 2016 LADOT and December 6, 2016 CAO reports relative to proposed contract with Blue California for electric vehicle carshare operations using grant funds from CARB FY 2014-15 Targeted Carsharing and Mobility Options in Disadvantaged Communities Pilot Project. According to the LADOT, on October 30, 2015, Council authorized the LADOT to prepare and release a Request for Qualifications (RFQ) to identify and select an operator for the Carsharing Pilot Project (Council File No. 15-1227). At this time, the LADOT is recommending the award of a \$600,000 contract over five years to Blue California to install electric vehicle station equipment (EVSE) and operate the first-ever EV car share pilot program in disadvantaged communities. Blue California will provide significant private investments in this project, including at least \$5,000,000 for capital investment in EVSE and at least \$5,000,000 in startup operating investment over five years.

The LADOT also noted that on October 14, 2015, Council accepted a \$1.67 million grant awarded to the City for an EV car sharing pilot program in disadvantaged communities and directed the LADOT to execute the agreement with CARB. The grant agreement is for a period of three years and will expire on November 30, 2018; however, grant funds must be expended by October 31, 2018. Future phases may be funded with CARB support as the program shows progress. The LA EV Car Sharing Pilot Project will use grant funds to significantly increase the presence of car sharing within the City and radically improve the availability of the service to low-income Angelenos by adding 100 electric vehicles in disadvantaged communities. These communities were identified among those eligible as defined by the California Communities Environmental Health Screening Tool (CalEnviroScreen 2.0). The proposed project area will initially be located in portions of the communities of Downtown LA, Hollywood, Koreatown, Pico Union, and Westlake which include portions of Council Districts 1, 9, 10, 13, and 14. A map of the communities is attached to the November 23, 2016 LADOT report and attached to the Council file. Finally, a demonstration EV Station will be sited in the project area within 3 months of the contract execution and the remaining locations will be determined during project implementation.

The CAO then stated that the CARB grant term is from October 31, 2015 through October 31, 2018. Under the original grant terms, 60 percent of the grant expenditures were required by January 1, 2017. Because the selection of an operator and the contract negotiations have taken longer than anticipated, the LADOT has renegotiated the grant expenditure terms to a new date of June 1, 2017, requiring 55 percent to be spent down by that time. However, CARB is requiring that, during December 2016, Council approval be obtained, that the contract with the selected operator be entered into and that work be started towards a demonstration site.

Blue California will partner with the City of Los Angeles through an infrastructure investment business model, to commit a total of \$10 million upfront for operations, infrastructure and equipment to implement the EV car share program in the pilot areas. The cost of operations is on-going and estimated at \$5 million over the 11 years and includes operations, hiring of the street team ambassadors, the provision of vehicles, maintenance and equipment, technology systems, and staffing costs. The cost to install the infrastructure in the right of way is one-time and is estimated at \$5 million in an upfront capital investment for construction and equipment, excluding the costs for associated permits and city fees. This commitment assumes full implementation of 200 charge points. After consideration and having provided an opportunity for public comment, the Committee moved to continue the matter pending a further report-back from the CAO in regard to the specific details of the proposed contract with Blue California.

Subsequently, on December 12, 2016, the Committee considered a December 12, 2016 CAO report in response to the Committee's direction of December 7, 2016. The CAO provided an overview of the proposed contract terms along with the potential fiscal impacts and especially in the event of contract termination. After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the December 12, 2016 CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,



TRANSPORTATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BONIN:	YES
KORETZ:	ABSENT
HUIZAR:	YES
MARTINEZ:	ABSENT
RYU:	YES

ARL
12/12/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-