



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Christopher M. Moore  
Chief of Police

**SUBJECT:** AGE AND MILEAGE  
INCENTIVES FOR ACCESSIBLE  
AND CLEAN FUEL VEHICLES

**DATE:** August 27, 2012

Approved

Date

9/4/12

## RECOMMENDATION

Approve an Ordinance of the City of San José amending San José Municipal Code Sections 6.64.045 and 6.64.055 creating definitions for Accessible and Clean Fuel Vehicle for Police Taxi Permits and amending sections 6.64.160, 6.64.180, 6.64.360 and 6.64.390 of Chapter 6.64 of Title 6 relating to Accessible and Clean Fuel Vehicles.

## OUTCOME

Adoption of this Ordinance would codify the age and mileage restrictions for taxis adopted by Council in 2002, and allow increased limitations for clean fuel and accessible taxis. It also provides some clarifying changes to ensure consistency between the types of permits issued for taxi drivers.

## BACKGROUND

San José requires two permits for those who provide taxi service in San José, the permit required of all taxi operations issued under Title 6 (Police Permit) and one that is specific to working at the airport which is issued under Title 25 (Airport Permit).

On December 10, 2002, City Council approved a maximum ceiling on the age (10 years) and mileage (400,000 miles) for taxicab vehicles. The limits were part of several recommendations for setting well-defined standards for the Taxicab Industry that were to be consistently and fairly applied. Under this direction, in January, 2003, the Police Department implemented these standards and has inspected the vehicles for compliance since that time.

In June 2011, Council adopted changes to Title 25 regarding Airport Permit Requirements. In implementing these changes, it was determined that some clarifications should be made to Title 6 to ensure consistency between the two permits.

## ANALYSIS

The current age and mileage restrictions have been in effect for almost ten years. They were adopted after industry input and support to protect both cab drivers and passengers. However, vehicles that run on clean fuel and those which are accessible to those who are disabled are more expensive to own yet provide other benefits to the community.

Recent economic and manufacturing developments pertaining to alternative fuel vehicles, including CNG vehicles present an opportunity to review the standard. For example, Ford Motor Company has ceased production of the CNG sedan. Several Ford factory-built CNG vehicles are available with very low mileage. However, the age restriction does not provide sufficient time for the taxi industry to recapture increased costs associated with purchase of these vehicles.

Moreover, it is estimated that as of 2006, there are more than 51.2 million people living in the United States with a disability. Of these, approximately 3% require a wheelchair. For individuals with limited mobility, it can be difficult to secure an accessible taxi for transportation. The challenge facing the industry is that these vehicles are more expensive and it can be difficult for an operator to recapture the increased cost.

Both of these types of vehicles, Clean Air and Accessible are more expensive at the outset, however they provide real benefits to the City beyond that of a regular taxi. For this reason, it is important to provide incentives for the purchase and use of these vehicles.

For purposes of determining the limit on the incentive, Staff received input from the taxi industry regarding the mileage limitations. According to the input received from the industry, once a vehicle exceeds 550 thousand miles, the maintenance costs outweigh the benefit of keeping the vehicle in service. Therefore, the increased limitation reflects this input.

The Police Department will continue the annual inspection of taxi vehicles. Clean fuel and accessible vehicles will be required to present further documentation that a mechanical inspection of the vehicle has included the fuel efficiency and accessible components. The inspection must have been conducted within 30 days of the dealer vehicle certification.

Lastly, there are a few clarifying changes in the proposed Ordinance to ensure consistency between the permits issued by the Police Department and those issued by the Airport. For example, if the holder Police Permit has had his or her Airport permit revoked, that revocation may serve as the basis for the denial of the Police Permit as well.

## **EVALUATION AND FOLLOW-UP**

The Department will provide an Information Memorandum to Council once it obtains data regarding the number of vehicles that are utilizing the incentives.

## **POLICY ALTERNATIVES**

*Alternative #1: Preserve the status quo and not adopt the Proposed Ordinance.* This would continue to require clean fuel and accessible vehicles to meet the same age and mileage restrictions as those with regular vehicles.

**Pros:** The current system insures that all taxis operating in San José meet the same standards.

**Cons:** The current age and mileage restrictions may discourage businesses and individuals from purchasing clean fuel and accessible vehicles.

**Reason for not recommending:** Providing incentives to the taxi industry will help offset the increase in investment for these vehicles. This is particularly important for accessible vehicles which may not also receive the benefit of increased gas mileage.

## **PUBLIC OUTREACH/INTEREST**

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting—early distribution)**
- 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)**

Stakeholders were notified by email of the proposed change. The taxi industry approached the City regarding the incentive for the alternative fuel vehicles, specifically CNG vehicles. In addition, staff has met with representatives of the taxi industry, and inspected some of the clean fuel vehicles anticipated to be part of the program. The proposed Ordinance will be available on the City's website for the September 18, 2012 Council meeting.

## **COORDINATION**

This memorandum has been coordinated with the Airport and City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL

August 28, 2012

**Subject: Age and Mileage Incentives for Accessible and Clean Fuel Vehicles**

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**BUDGET REFERENCE**

This change would not impact the budget because the taxicabs would continue to obtain the same permit.

**CEQA**

Not a Project, File No. PP10-068.



Chief Christopher Moore  
Chief of Police

For questions please contact Kevin McMillin at the Police Department (408) 537-1676