



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
13**

Meeting Date: **MAY 3, 2012**

**Subject:**

**Approve Alternate Solution in Lieu of Taxicab Front-of-the-Line Incentive for Alternative Fuel Vehicles.**

**Recommendation:**

Adopt Resolution No. 2012-0056, approving the implementation of an alternate solution in lieu of the taxicab front-of-the-line incentive for alternative fuel vehicles.

**Background/Justification:**

On May 5, 2008, the Airport Authority agreed to a Memorandum of Understanding (MOU) with the Attorney General of the State of California to address the reduction of greenhouse gas emissions and the carbon footprints of airport businesses at San Diego International Airport (SDIA).

The Authority implemented a front-of-the-line incentive program on October 25, 2011 to encourage alternative fuel vehicle (AFV) or clean air vehicle (CAV) conversions in FY 2012. Only one vehicle conversion had occurred prior to the front-of-the-line incentive being offered. The front-of-the-line incentive program provided that taxicabs which converted to AFV or CAV vehicles between October 25, 2011 and January 1, 2012 would be allowed to enter the taxi hold lot at the front of the line until June 30, 2012. The details of this incentive program were never memorialized in a formal, written policy as to the exact nature of the incentive; however, the facts indicate this incentive offer prompted the purchase of AFVs and CAVs. A total of 44 taxicabs converted to AFV vehicles before January 1, 2012 and were therefore eligible for the front-of-the-line incentive.

On December 8, 2011, the non-converted taxicab drivers discontinued their operations in protest of the front-of-the-line incentive, claiming financial hardship from loss of fares. As a result, the Authority suspended the front-of-the-line incentive program on December 8, 2011 in order to discuss the concerns of non-converted taxicab drivers and owners and explore alternative solutions to the suspended front-of-the-line incentive program.

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While it is impossible to calculate the value of front-of-the-line privileges (due to the difficulty in estimating the additional trips gained, average taxicab fares, profit from fares, etc.), Authority staff met with the owners of the eligible 44 AFV/CAV taxicabs to discuss reasonable compensation in lieu of front-of-the-line privileges. A verbal consensus was reached whereby each eligible AFV and CAV taxicab owner would receive \$3,600 per converted cab. This would result in a total payment of \$158,400, recommended to be paid in the current FY 2012. Execution of a release of liability by all 44 eligible AFV owners would be a condition precedent to making any payments. Staff believes this is an appropriate solution and recommends the Board's approval.

**Fiscal Impact:**

The recommended payment to taxicab owners of \$158,400 in FY 2012 is not included in the FY 2012 operating budget. Anticipated operating expense budget savings would be utilized to fund the expense. There is no future fiscal impact if payments are made in FY 2012.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

**Equal Opportunity Program:**

Non applicable

**Prepared by:**

VERNON EVANS,  
VICE PRESIDENT FINANCE/TREASURER

RESOLUTION NO. 2012-0056

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING THE IMPLEMENTATION OF AN ALTERNATE SOLUTION IN LIEU OF THE TAXICAB FRONT-OF-THE-LINE INCENTIVE FOR ALTERNATIVE FUEL VEHICLES

WHEREAS, the Airport Authority implemented a taxicab front-of-the-line incentive program on October 25, 2011 to encourage alternative fuel vehicle (AFV) or clean air vehicle (CAV) conversions in FY 2012.; and

WHEREAS, the front-of-the-line incentive program provided that taxicabs which converted to AFV or CAV vehicles between October 25, 2011 and January 1, 2012 would be allowed to enter the taxi hold lot at the front of the line until June 30, 2012.; and

WHEREAS, the details of this incentive program were never memorialized in a formal, written policy as to the exact nature of the incentive; however, the facts indicate this incentive offer prompted the purchase of AFVs and CAVs; and

WHEREAS, a total of forty-four (44) taxicabs converted to AFV vehicles and were eligible for the front-of-the-line incentive; and

WHEREAS, the program was suspended on December 8, 2011 in order to discuss concerns of non-converted taxicab drivers and owners who alleged financial hardship due to loss of fares and explore alternative solutions to the suspended front-of-the-line incentive program; and

WHEREAS, Authority staff recommends a cash payment in FY 2012 of \$158,400, or \$3,600 per converted cab, to the forty-four (44) eligible AFV taxicab owners in lieu of front-of-the-line privileges; and

WHEREAS, execution of a release of liability by all forty-four (44) eligible AFV taxicab owners is a condition precedent to any payment being made related to the alternate solution; and

WHEREAS, the Board has considered the information provided by staff, including information in the staff report and other relevant materials regarding the alternate solution; and

WHEREAS, prior to the approval of the alternate solution in lieu of the taxicab front-of-the-line incentive program, the Board provided an opportunity for interested members of the public to comment and present further information regarding this matter;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby APPROVES the implementation of an alternate solution in lieu of the taxicab front-of-the-line incentive program; and

BE IT FURTHER RESOLVED that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA). Cal. Pub. Res. Code §21065, and is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 3<sup>rd</sup> day of May, 2012, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

# San Diego County Regional Airport Authority

Alternate Solution in Lieu of Taxicab Front-of-the-Line Incentive for Alternative Fuel Vehicles



Presented by:  
Vernon D. Evans, CPA  
Vice President, Finance / Treasurer & CFO

May 3, 2012



# *Taxicab Front-of-the-Line Incentive Background*



- On May 5, 2008, the Airport Authority agreed to a Memorandum of Understanding (MOU) with the Attorney General of the State of California to address the reduction of greenhouse gas emissions and the carbon footprints of airport businesses at San Diego International Airport (SDIA).
- The Authority implemented a front-of-the-line incentive program on October 25, 2011 to encourage alternative fuel vehicle (AFV) or clean air vehicle (CAV) conversions in FY 2012.
- The front-of-the-line incentive program provided that taxicabs which converted to AFV or CAV vehicles between October 25, 2011 and January 1, 2012 would be allowed to enter the taxi hold lot at the front of the line until June 30, 2012.
- The details of the front-of-the-line incentive program were never memorialized in a formal policy.
- Prior to the front-of-the-line incentive only 1 operator had converted to an AFV vehicle.



# *Taxicab Front-of-the-Line Incentive Background (cont.)*



- A total of 44 taxicabs converted to AFV vehicles before January 1, 2012 and were therefore eligible for the front-of-the-line incentive.
- On December 8, 2011, the non-converted taxicab drivers discontinued their operations in protest of the front-of-the-line incentive, claiming financial hardship from loss of fares.
- The Authority suspended the front-of-the-line incentive program on December 8, 2011 in order to discuss the concerns of non-converted taxicab drivers and owners and explore alternative solutions to the suspended front-of-the-line incentive program.



# *Taxicab Front-of-the-Line Incentive Alternate Solution*



- On April 24, 2012, Authority staff met with the owners of the eligible taxicabs to discuss an alternate solution and reached a verbal consensus.
- To replace the financial benefit lost from suspension of the front-of-the-line incentives staff recommends the following:
  - Eligible AFV and CAV taxicab owners shall receive \$3,600 per cab.
  - This amount totals **\$158,400** and will be paid in the current FY 2012.
  - An execution of a release of liability by all 44 eligible AFV owners would be a condition precedent to making any payments related to this recommended alternate solution.





## *Staff Recommendation*



Adopt Resolution No. 2012-\_\_\_\_\_, approving the implementation of an alternate solution in lieu of the taxicab front-of-the-line incentive for alternative fuel vehicles.





# Questions

