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TORRANCE CITY COUNCIL – APRIL 9, 2013

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At 11:31 p.m., the meeting was adjourned to Tuesday, April 16, 2013 at 5:30 p.m. for an executive session, with the regular meeting commencing at 7:00 p.m. in the Council Chamber.

**MINUTES OF AN ADJOURNED REGULAR
MEETING OF THE TORRANCE CITY COUNCIL**

1. CALL TO ORDER

The Torrance City Council convened in an adjourned regular session at 6:31 p.m. on Tuesday, April 9, 2013 in the Council Chamber at Torrance City Hall.

ROLL CALL

Present: Councilmembers Barnett, Brewer, Furey, Numark, Rhilinger, Sutherland and Mayor Scotto.

Absent: None.

Present: City Manager Jackson, City Attorney Fellows, Deputy City Clerk Poirier and other staff representatives.

Agenda Item 18 was considered out of order at this time.

18. EXECUTIVE SESSION

The City Council immediately recessed to closed session to confer with the City Manager and the City Attorney on agenda matters listed under 18A) Conference with Legal Counsel – Initiation Litigation, pursuant to California Government Code §54956.9(d)(4).

The City Council reconvened at 7:00 p.m. with all members present. No formal action was taken on any matter considered in closed session.

2. FLAG SALUTE/ INVOCATION

The flag salute was led by Torrance Youth Council member Teena Roshini.

The non-sectarian invocation was given by Councilmember Rhilinger.

3. REPORT OF CITY CLERK ON POSTING OF THE AGENDA/ MOTION TO WAIVE FURTHER READING

Deputy City Clerk Poirier reported that the agenda was posted on the Public Notice Board at 3031 Torrance Boulevard on Thursday, April 4, 2013.

MOTION: Councilmember Furey moved that after the City Clerk has read aloud the number and title to any resolution or ordinance on the meeting agenda, the further reading thereof shall be waived, reserving and guaranteeing to each Councilmember the right to demand the reading of any such resolution or ordinance in regular order. The motion was seconded by Councilmember Numark and passed by unanimous vote.

4. WITHDRAWN, DEFERRED OR SUPPLEMENTAL ITEMS

No items were withdrawn or deferred. Supplemental material was available for Items 12A and 12B.

5. COUNCIL COMMITTEE MEETINGS AND ANNOUNCEMENTS

Councilmember Sutherland announced that the Finance and Governmental Operations Committee had met earlier to discuss the 2012-2013 Second Quarter Budget Review.

Councilmember Brewer announced that the City Council Citizen Development and Enrichment Committee will hold a joint meeting with the Torrance Unified School District on Monday, April 15, at 4:30 p.m. in the Civic Center Library meeting room to discuss joint agency services.

Deputy City Clerk Poirier announced that the next commissioner certification classes will be held on Tuesday, June 4, and Thursday, October 24, at 6:00 p.m.

7. ORAL COMMUNICATIONS #1

7A. Joel Massa, South Bay Bocce Courts Project, announced that a fundraiser will be held at the Comedy and Magic Club in Hermosa Beach on Thursday, May 30, with additional information at www.SouthBayBocceCourts.org.

7B. Annette Morton, resident, expressed concerns about water rate increases.

7C. Joe Badrena, resident, requested clarification regarding Water Replenishment District fee increases.

7D. Debbie Hays, Old Torrance Neighborhood Association, announced that California Water Service will offer free low-flush replacement toilets on Saturday, April 13, from 10:00 a.m. to 1:00 p.m. at their service center located at 2632 W. 237th Street.

7E. Ben Dale, Church of Jesus Christ of Latter Day Saints, announced an upcoming Mormon Helping Hands event to be held on Saturday, April 27.

7F. Jerry Lee and Teena Roshini, Torrance Youth Council, reported on the successful pancake breakfast fundraiser held the previous weekend and thanked those who attended for their support.

8. CONSENT CALENDAR

8A. APPROVAL OF MINUTES

Recommendation

Recommendation of the City Clerk that City Council approve the City Council minutes of February 26, March 5, March 12, and March 19, 2013.

8B. RELEASE OF SUBDIVISION BONDS FOR TRACT MAP NO. 60560

Recommendation

Recommendation of the Community Development Director that City Council approve the release of three subdivision bonds for Tract Map No. 60560, which was subdivided by Hawthorne Newton, LLC and is located at 24510 Hawthorne Boulevard.

8C. CHANGE ORDER RE PRINTING OF BUS SCHEDULES

Considered separately, see below.

MOTION: Councilmember Sutherland moved for the approval of Consent Calendar Items 8A and 8B. The motion was seconded by Councilmember Brewer and passed by unanimous vote.

Consent Calendar Item 8C was considered separately at this time.

8C. CHANGE ORDER RE PRINTING OF BUS SCHEDULES

Recommendation

Recommendation of the Transit Director that City Council approve a change order to the purchase order with Phoenix Marketing Services, Inc. (PO #2013-301) in the amount of \$28,000 for a new not to exceed amount of \$66,500 to provide bus schedules, with a term expiring on June 30, 2013.

Transit Administration Manager Mills advised that the increase in funding was necessary because a new booklet format has been developed for the Torrance Transit bus schedule, which includes individual route maps, as well as a system map, and additional helpful information for bus riders.

MOTION: Councilmember Brewer moved to concur with the staff recommendation. The motion was seconded by Councilmember Sutherland and passed by unanimous vote.

12. ADMINISTRATIVE MATTERS

12A. PURCHASE OF COMPUTER AIDED DISPATCH/ AUTOMATIC VEHICLE LOCATOR SYSTEM

Recommendation

Recommendation of the Transit Director that City Council:

- 1) Approve a contract services agreement with Clever Devices to purchase and install a Computer Aided Dispatch/Automatic Vehicle Locator (CAD/AVL) system at a cost not to exceed \$2,086,926.04 for a term beginning April 2, 2013 to December 31, 2014; and
- 2) Appropriate \$193,862 from TDA Reserve and \$113,257 from Excess Prop A Discretionary to FEAP #266 (AVL system).

Ian Dailey and Bradley Tollison, Torrance Transit, provided an overview of the CAD/AVL system and discussed the potential benefits for bus riders and transit system.

In response to questions from the Council, staff discussed the CAD/AVL system's capabilities, including gathering boarding data, allowing dispatching to be handled from a supervisor's vehicle, and providing realtime information on the location of buses via the internet and handheld computer devices.

MOTION: Councilmember Furey moved to concur with the staff recommendation. The motion was seconded by Councilmember Brewer and passed by unanimous vote.

12B. CAR2GO CAR SHARING PROGRAM

Recommendation

Recommendation of the City Council Transportation Committee to allow the Car2Go car sharing program to operate in Torrance, with the waiver of the parking restriction in two hour parking zones for Car2Go vehicles.

With the aid of slides, Walter Rosenkranz, representing Car2Go, provided an overview of the Car2Go car sharing program.

Responding to questions from the Council, Mr. Rosenkranz reported:

- That liability insurance is included in the cost of the membership/rental fees and the liability limits are well in excess of state requirements.
- That members are required to self-report any traffic violations and the company periodically checks Department of Motor Vehicles records of members to ensure they are eligible to participate in the program.
- That members are prohibited from parking illegally and the cost of any parking citation is passed on to the member to discourage this behavior.
- That members do not have to put money in parking meters and cities are reimbursed for the lost revenue through permit fees.

- That the majority of members are between 25 and 45 years old, but a substantial number of members are over 50 years old.
- That the company intends to place approximately 300-350 cars in the South Bay area which encompasses approximately 45 square miles.

Mayor Scotto disclosed that he had spoken with Mr. Rosenkranz about the program on more than one occasion and had discussed the possibility of negotiating with owners of parking lots at convenient locations throughout the city where the cars could potentially be parked so they do not impact residential neighborhoods.

Mr. Rosenkranz confirmed that the company would be willing to pursue this idea, noting that this type of arrangement has been done in other cities at college campuses.

Mayor Scotto asked about progress with regard to the other eight cities involved in the South Bay, and Mr. Rosenkranz reported that Lomita, Gardena and El Segundo have approved the program and he was not sure about the status in the other cities.

Mayor Scotto invited public comment.

Ryan Harty, manager of Environmental Business Development for American Honda Motor Company, stated that the company strongly supports car-sharing programs due to the potential benefits, such as reducing traffic congestion and air pollution. He urged that the South Bay market be open to all competitors on comparable terms, noting that Honda is affiliated with the Zipcar car sharing program.

Victor Garate and Shirley Pe, All Yellow Cab, expressed concerns about the car-sharing program's impact on owner/operators of taxicabs in Torrance. Mr. Garate explained that taxi drivers and their vehicles are subject to rigorous testing to ensure public safety and the taxi industry pays \$216,000 in fees to the city on an annual basis for the privilege of doing business in Torrance, including a \$35,000 per company annual franchise fee. Ms. Pe noted that taxicabs are not permitted to park overnight on residential streets in Torrance.

Mayor Scotto disclosed that he had spoken with Ms. Pe about her concerns.

Responding to questions from the Council, Ms. Pe stated that car-sharing programs are in direct competition with taxicab companies because they both offer per minute pricing and primarily deal with short point-to-point trips. Mr. Garate explained that conventional car rental companies do not offer the same competition because the rentals are longer term and the customer must go to the rental agency to pick up the vehicle.

Councilmember Brewer related his observation that car-sharing programs appeal to a younger age group than those who typically use taxis.

Mr. Garate reported that many young people use taxis during afternoon and nighttime hours, especially on weekends, and he believes the taxi business would be greatly affected by a car-sharing program.

Jacki Bacharach, executive director of South Bay Cities Council of Governments, stated that the organization supports car-sharing and specifically this model of car-sharing because it is region-wide and simulates the convenience of owning your own car. She noted that car-sharing reduces the need for secondary cars and it is complimentary to public transit. She reported that her staff spoke with people in other cities with Car2Go programs and

learned that the same concerns were expressed about the program initially, however, none of the concerns materialized and Car2Go's record for customer service is exemplary. She stated that business groups in the South Bay all support the Car2Go program because they recognize that low-cost mobility is important to business. She provided an update on the status of the proposal in the other eight South Bay cities involved.

Geneva Martin, resident, expressed support for the Car2Go program.

James McGee, resident, stated that that he supports capitalism and competition, however he reviewed the business plan for this company and doubted that it will make a profit in the long term because people are unlikely to walk two or three blocks to use a car.

Dick Rossberg, resident, expressed concerns that the program would add to parking problems in the already congested downtown area, noting that his son's business, Torrance Bakery, averages over 1000 customers a day. He conceded that there might be other areas of Torrance where the program could be beneficial.

The City Council briefly recessed from 8:55 p.m. to 9:13 p.m.

Ralph Witsell, executive director of Discover Torrance Visitor's Bureau, expressed support for the Car2Go program, relating his belief that the availability of the program would enhance the city's competitive edge in attracting leisure visitors and conventions. He noted that both the Torrance Marriott and the Best Western Hotel also support the program.

Jose Tovar, resident and Cal State Long Beach professor, voiced objections to Car2Go's request for an exemption from parking restrictions in his neighborhood, which is near El Camino College, contending that it would lead to the same problems that prompted the permit-only parking. He also expressed concerns that having a lot of cars parked on residential streets could reduce home values.

Brooks Morris, Enterprise Rent-a-Car, stated that the company supports the concept of car-sharing, but wants there to be a level playing field. He reported that Enterprise has five locations in the Torrance area and they are required to provide off-street parking for their fleet of 525-550 vehicles at considerable expense. He noted that his company intends to propose a different car-sharing program within the next 60-90 days, which would have less impact on street parking.

Doug Smith, director of operations at the Torrance Marriott, stated that the hotel strongly supports the Car2Go proposal and would agree to dedicate parking spaces on the site for this purpose. He reported that a Hertz rental agency is located on the property and this would provide another option for guests.

Charles M. Deemer, resident, noted that the information provided by Car2Go indicates that each car-sharing vehicle takes 15 private vehicles off the road and expressed concerns about lost revenue from the sale of vehicles. He suggested that some of the other cities where Car2Go is located tend to be more liberal, such as Seattle and Portland, and their residents may be more open to this concept. He stated that he supports car-sharing, but not necessarily this company.

Brian Rosario, Torrance Area Chamber of Commerce, voiced support for the Car2Go program, relating his belief that this new mode of transportation will enhance the experience of living in and visiting the South Bay and that it will stimulate the economy by providing greater mobility. He reported that the chamber contacted other Chambers of Commerce in cities

where Car2Go operates and learned that there has been no “push-back” from members in the transportation industry and taxicab operators in Austin, Portland and Seattle were also contacted and they indicated that car-sharing programs were not a major source of competition.

Ron Lee, resident, stated that the information provided about this program was more of a marketing plan rather than a feasibility study and expressed concerns about the lack of an integrated plan for entire region. He recommended that this only be approved as a pilot program since there are so many moving parts.

Maureen O’Donnell, resident, urged the Council to table this item and require that a plan be devised specifically for Torrance. She voiced her opinion that this company would have an unfair advantage if allowed to park in restricted areas. She questioned whether Car2Go would have adequate staff to move cars when necessary. She expressed concerns about the adequacy of insurance coverage and about the possibility the cars could be stolen and used in the commission of crimes. She suggested that since rates for the cars can run as high as \$13.99 per hour plus tax, it may be more economical to take a taxi. She called for a survey to determine whether residents were receptive to this type of program.

Police Lieutenant D’anjou reported that staff investigated fees for car-sharing programs in Seattle and the annual fees are as follows: \$1300 per each free-floating car; \$300 per car for no-fee street parking; \$2500 per car for metered parking. He advised that the Police Department believes there will be additional parking enforcement issues associated with the program, but the impact is difficult to gauge until the program is operational. He suggested that the risk of the cars being stolen was no greater than any other vehicle and may in fact be less because each car is equipped with an Automatic Vehicle Locator (AVL).

Responding to audience members comments, Mr. Rosenkranz stated:

- That the company was not seeking an exclusive agreement and co-exists with other car-sharing operators in many of its markets.
- That there has been no indication that taxi service has been impacted in other cities where Car2Go operates.
- That the company will have a local office in the South Bay and 10-15 employees to maintain the program.
- That it was unlikely that the cars would be stolen or used to commit crimes because they are equipped with a tracking device.
- That businesses generally embrace the program and the turnover of cars is the fastest in commercial areas.
- That cars are typically parked less than two hours in neighborhoods surrounding universities.

Mr. Rosenkranz clarified that the only fee that applies to the program in Seattle is the \$1300 fee per free floating car and this encompasses lost revenue from parking meters. He explained that the cities where the program operates are not trying to make money from the program and just want to make sure it doesn’t cost them anything.

In response to Councilmember Barnett’s inquiry, Mr. Rosenkranz offered a rough estimate that 80-125 of the 300-350 cars in the South Bay area would be located in Torrance.

Councilmember Barnett stated that he believes parking restrictions must be honored if the program is to go forward because parking problems have been an on-going issue in Torrance.

Councilmember Numark expressed an interest in seeing the terms of the agreements Car2Go has worked out with other cities, and Mr. Rosenkranz related his understanding that examples have been provided to staff.

Councilmember Furey stated that the only way he would support the program would be if all parking regulations in Torrance are respected. He noted that while permit fees paid to other cities compensate them for lost parking meter revenue, Torrance has no parking meters and any permit fees charged would not compensate business owners in downtown Torrance who lose revenue because parking spaces are taken up by Car2Go vehicles or the inconvenience to homeowners who have them parked on their streets. He recommended that the City consider establishing a franchise fee for car-sharing programs.

In response to Councilmember Rhilinger's inquiry, Mr. Rosenkranz confirmed that car-share vehicles are equipped with a device that prevents them from being parked outside the "home area" and this could potentially be used as a means to prevent them from parking in restricted areas in Torrance.

Councilmember Rhilinger pointed out that the car-sharing program could be beneficial for the seniors by providing a way for them to have mobility without the expense of maintaining a car. She asked about data on this demographic with regard to how far they travel and where they go.

Mr. Rosenkranz stated that he did not have statistical information, but a significant percentage of the membership is over-50 years old.

In response to Mayor Scotto's inquiry, Mr. Rosenkranz reported that between 5 and 15 personal vehicles are taken out of the transportation system for each car-share vehicle.

Using the low end of that range, Mayor Scotto estimated that the City of Torrance would lose approximately \$30,000 per year in sales tax revenue due to the corresponding decrease in the sale of new cars. He noted that this loss would multiply as other car-sharing companies enter the market; pointed out that Torrance would be disproportionately affected because the majority of auto dealerships in the region are located here; and voiced his opinion that a franchise fee should be established to offset this loss. He indicated that he was not in favor allowing car-share vehicles to park in permit-only areas due to the inconvenience to residents who suffered many years before the permit system was instituted.

Councilmember Numark voiced his opinion that this proposal was an opportunity to provide residents with another option for getting around and if it's successful, it will be meeting a demand. He suggested that the impact on car sales was speculative at this point and indicated that he was not in favor of requiring one industry to prop up another. He stressed the need for an agreement clearly outlining the car-sharing company's responsibilities.

Mayor Scotto related his belief that the only way the car-sharing program will work in the El Camino area is if the company negotiates an agreement with the college to allow their cars to be parked on the campus.

Councilmember Brewer reported that he has observed car-sharing in Washington, D.C., where his daughter goes to college and cars only stay parked for a brief time before they are picked up by someone else. He stated that he believed the City should approach car-sharing with an open mind and allow the cars to park in permit-only areas on a trial basis.

Mr. Rosenkranz pointed out that by excluding permit-only areas, residents who live there will not have access to the program.

Councilmember Rhilinger questioned whether Car2Go would agree to a trial period since setting up the program involves a considerable investment.

Mr. Rosenkranz reported that the company has done year-long pilot programs in other cities and every city where this has been done has extended the permit.

Councilmember Sutherland voiced his opinion that it would be fundamentally unfair for the City to waive parking restrictions for this company when residents and other businesses must abide by them and that it would lead other car-sharing companies to request the same waiver. He related his belief that there should be a franchise fee associated with the permit for this type of business commensurate with the fees paid by taxicab companies.

City Manager Jackson recommended that staff be directed to explore the franchise concept and devise rules/regulations that would apply to any car-sharing company seeking to do business in Torrance along with fees to provide a revenue stream to offset the cost of managing the franchises. With regard to parking restrictions, he offered to have staff facilitate meetings between the car-sharing company and residents/businesses in restricted parking areas, noting that the burden would be on the car-sharing company to market the program to them.

Councilmember Rhilinger reported that outreach efforts to obtain input from residents in restricted parking areas were disappointing and she doubted that the car-sharing company would have better results.

Councilmember Brewer expressed concerns about trying to devise a "one-size fits all" franchise agreement since car-sharing companies may have very different business models.

Councilmember Numark related his understanding that the City could achieve the same results as a franchise agreement by entering into a contract with a car-sharing company, which details all the terms and conditions.

Mr. Rosenkranz reported that none of the cities where Car2Go operates uses franchise agreements.

City Attorney Fellows provided clarification regarding the difference between contracts and franchises, noting that a limit on the number of vehicles allowed to operate in the Torrance could be included as part of a franchise agreement as was done with taxicab franchises.

The City Council briefly recessed from 10:58 p.m. to 11:08 p.m.

Discussion continued regarding establishing a framework to regulate car-sharing programs, and it was the consensus of the Council to direct staff to draft a non-exclusive franchise.

Mayor Scotto discussed the setting of franchise fees, and City Manager Jackson offered to have staff conduct a survey of fees in other cities where Car2Go operates and report back to the Council. He also offered to survey them concerning the regulations imposed and any limits placed on the number of car-share vehicles that may operate in their cities.

City Attorney Fellows suggested that it would be best if regulations were consistent throughout the South Bay region and proposed involving the South Bay Cities Council of Governments to accomplish this.

Mayor Scotto voiced his opinion that Torrance should take the lead in establishing regulations.

The Council briefly discussed whether to allow car-share vehicles to park in restricted areas, and it was the consensus of the Council to defer this matter until the draft of the non-exclusive franchise was brought back for consideration.

MOTION: Councilmember Sutherland moved to direct staff to create a draft of a non-exclusive franchise for car-sharing programs for consideration at the May 7, 2013 City Council meeting. The motion was seconded by Councilmember Numark and passed by unanimous vote.

17. ORAL COMMUNICATIONS

17A. Councilmember Brewer announced that the Torrance Civic Chorale will be presenting a concert "I Hear America Singing" on Saturday, April 13, at 8:00 p.m. at the Armstrong Theatre.

17B. Councilmember Brewer announced that Friends of the Torrance Theatre Company will be holding a fundraiser at the Comedy and Magic Club in Hermosa Beach on Thursday, April 25, at 6:30 p.m.

17C. Councilmember Furey announced that the 2nd Annual Old Torrance Festival Day, sponsored by the Torrance Police Department and the Torrance Fire Department, will be held in downtown Torrance beginning at noon on Sunday, April 14, which will include a chili cook-off, carnival games and a display of vintage fire trucks.

17D. Councilmember Furey announced that the 41st Annual Bunka Sai festival will be held on April 20 and 21, at the Ken Miller Recreation Center, benefiting the Sister City Cultural Exchange Program.

17E. Councilmember Numark announced that there will be an Earth Day recycling event on Saturday, April 20, from 10:00 a.m. to 2:00 p.m. in the civic center parking lot at Maple Avenue and Civic Center Drive, which will include free paper shredding, electronics recycling, used oil collection and mulch giveaway.

17F. Councilmember Numark requested an excused absence from the April 16 City Council meeting.

17G. Councilmember Rhilinger announced that a brown bag lunch seminar for small businesses will be held on Thursday, May 2, from 11:30 a.m. to 1:30 p.m. at the Holiday Inn located at 19800 S. Vermont Avenue.

17H. Councilmember Sutherland announced that a Tip-a-Cop fundraising event will be held on Wednesday, April 10, at Lazy Dog Café.

17I. Councilmember Sutherland announced that a meeting will be held on Thursday, April 18, at 7:00 p.m. in the Toyota Meeting Hall to discuss the Street Tree Master Plan.

17J. Councilmember Barnett announced that the Armed Forces Committee will meet on Wednesday, April 17, at 4:00 p.m. in the City Manager assembly room to discuss the 2013 Armed Forces Day Parade and Celebration.

18. EXECUTIVE SESSION

Considered earlier in the meeting, see page 1.

19. ADJOURNMENT

At 11:31 p.m., the meeting was adjourned to Tuesday, April 16, 2013 at 5:30 p.m. for an executive session, with the regular meeting commencing at 7:00 p.m. in the Council Chamber.

Attest:

/s/ Frank Scotto
Mayor of the City of Torrance

/s/ Sue Herbers
Sue Herbers, CMC
City Clerk of the City of Torrance

Approved on May 7, 2013