



DATE: September 12, 2023

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Negotiate and Execute a Site License Agreement with East Bay Community Energy for Electric Vehicle Charging at Multiple Locations and Finding the Action is Exempt from CEQA Review

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute a site license agreement with East Bay Community Energy (EBCE) for electric vehicle charging at multiple locations, including the addition of The Stack Center, and finding the action is exempt from CEQA review.

SUMMARY

In November last year, Council authorized an agreement with EBCE to develop and operate publicly available electric vehicle (EV) fast charging hubs at up to seven City-owned municipal parking lots and garages. Staff is seeking Council authorization to add The Stack Center as the location of an additional EV charging hub. Staff is also seeking Council authorization to add properties to or remove properties from the agreement as appropriate.

BACKGROUND

In 2018, the EBCE Board of Directors adopted a Local Development Business Plan. One of the key strategies included in the Plan is to develop and implement projects that support electrification of transportation in its service territory. EBCE is also working to align its initiatives with California's EV goals including:

- By 2025, 1.5 million Zero-Emission Vehicles (ZEVs) on the road and 250,000 public and shared EV chargers in operation.
- By 2030, approximately 1.2 million public and shared chargers to meet the fueling demands of the 7.5 million ZEVs anticipated to be on California roads¹.

¹ <https://www.energy.ca.gov/news/2021-06/report-shows-california-needs-12-million-electric-vehicle-chargers-2030#:~:text=In%20addition%20to%20the%201.2,trucks%20and%20buses%20also%20anticipated.&text=These%20numbers%20fall%20short%20of,250%2C000%20chargers%20by%2054%2C000%20installations.>

In support of the above goals, on August 25, 2022, the California Air Resources Board (CARB) approved a rule requiring 100 percent of new car sales in California to be ZEVs by 2035. The rule also includes ZEV targets for 2026 (35 percent) and 2030 (68 percent).

In light of the anticipated demands for EV charging, EBCE seeks to develop, own, and operate a network of publicly available EV fast charging hubs throughout its service territory. EBCE aims to deploy forty to fifty fast charging hubs throughout its service area over the next several years, including two or three hubs in Hayward within the next few years. Each hub is planned to have a minimum of ten dual-port Direct Current Fast Chargers (DCFCs)². A charging hub with ten dual port DCFCs can charge up to twenty vehicles simultaneously. Due to the loading areas needed for van-accessible parking spaces, each hub may occupy up to twenty-two existing parking spaces.

On November 1, 2022³, Council adopted a resolution authorizing the City Manager to negotiate and execute a Multi-Site License Agreement (MSLA) with EBCE to allow the development of charging hubs on City properties. The resolution specifically identifies the following sites as potential locations:

1. Cinema Garage – 22695 Foothill Boulevard
2. Municipal Lot 1 – 919 A Street
3. Municipal Lot 2 – 1042 B Street
4. Municipal Lot 4 – 1147 B Street
5. Municipal Lot 5 – 22456 Maple Court
6. Municipal Lot 6 – 1164 A Street
7. Northeast Corner of Mission Blvd. and Fairway Street

These initial locations were selected because they are under City ownership, large enough to accommodate the twenty-two parking spaces needed, and in proximity of high-density multi-family residences.

Cinema Place Parking Structure – The first hub to be developed will be the Cinema Place parking structure because grant funding has been secured for that project. Approximately \$1.2 million in grant funds from the California Energy Commission (CEC) has been secured to fund a fast-charging hub in the Cinema Place parking structure. EBCE’s grant agreement with the CEC requires that the hub be operational by September 1, 2024. EBCE is currently conducting engineering analysis and coordinating with PG&E to design the hub.

DISCUSSION

When the publicly accessible charging hubs were considered by the Council Sustainability Committee (CSC) on October 6, 2022⁴, the CSC unanimously recommended that Council

² There are generally three types of EV chargers:

- *Level 1* – 15-20 Amps, providing a driving distance of 3-4 miles/hour of charge
- *Level 2* – 40 Amps, providing a driving distance of 25-30 miles/hour of charge
- *Direct Current Fast Charger (DCFC)* – 80 – 400 Amps, providing a driving distance of 125-1,000 miles/hour of charge

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5901795&GUID=27FCE637-B869-4CDB-949D-691ACC60E606&Options=&Search=>

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5860959&GUID=18C2C23E-0277-446D-9523-5C71105382D5&Options=&Search=>

authorize the agreement and requested that the charging hubs be extended to other areas of Hayward. Staff has continued to explore additional potential sites and identified an opportunity for an additional charging hub at The Stack Center, to be developed at Tennyson and Ruus Road. Phase 1 of the Stack Center will include remodeling of the existing Matt Jimenez Community Center and construction of a parking lot, shown as P2 on Attachment III.

Phase 1 plans have been revised to incorporate the conduit needed for 10 dual-port chargers in the parking lot. On June 20, 2023⁵, Council adopted a resolution approving the plans and specifications for Phase 1 of The Stack Center and the bid opening is currently scheduled for October 31, 2023. Phase 2 of The Stack Center development will include construction of a new community center building. During Phase 2, the transformer, switchgear, and EV chargers would be installed.

As with the other charging hubs to be developed by EBCE, and as noted in the key terms of the agreement below, EBCE will cover: the cost of the conduit and installation; the chargers and installation; the cost of operation and maintenance of the chargers; and the cost of the electricity for the chargers. The operators of The Stack Center have expressed concerns about the number of parking spaces that will be dedicated to EV charging and that this could potentially limit the parking available for non-EV drivers. EBCE has indicated flexibility and is open to phasing the installation of the chargers. While the electrical infrastructure will be installed during the parking lot construction, the chargers can be installed as demand is observed. Staff is considering the installation of five dual-port chargers during the Phase 2 construction.

Key Terms of Site License Agreement – The key terms of the draft agreement are:

1. The term of the agreement would be for fifteen years.
2. The agreement would allow charging hubs to be developed on multiple sites owned by the City.
3. EBCE will pay for construction, operation, and maintenance of the chargers.
4. EBCE will pay for electricity used by the chargers.
5. The City will provide the land and access to the parking spaces.
6. EBCE may place signage related to the charging facilities.
7. Rates for charging will be set by EBCE and may change from time to time at EBCE's sole discretion.
8. After the City and EBCE agree on design details, construction schedule, etc., for each site, the City would issue a "Notice to Proceed" before EBCE can develop each hub.

Staff and EBCE will continue to explore additional potential sites in Hayward including other areas of the City. Staff is also seeking Council's authorization to allow the City Manager to add or remove sites to the agreement in the future as appropriate.

FISCAL IMPACT

⁵ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6264038&GUID=FCB77542-6C81-473E-A003-C676B8186C9C&Options=&Search=>

The recommended agreement and the siting of charging hubs in Hayward will have no costs to the City's General Fund or other City Funds. EBCE will fully fund the construction and operation of the charging hubs. The City's contribution for each charging hub will be the dedication of the parking spaces and areas needed for transformers and electrical equipment. The City will receive a small increase in revenues from the utility user tax (UUT) associated with the electricity used for the chargers.

Upon the bid opening for construction of Phase 1 of The Stack Center, the costs of the conduit needed for the charging hub will be known. Staff intends to enter into an MOU to document EBCE's commitment to cover all costs associated with development of the charging hub.

ECONOMIC IMPACT

EBCE has assured staff that discounted rates will be offered for low-income customers, but details of the program are not yet available. Given that the City has representation on EBCE's Board of Directors, the City will be able to weigh in on rate setting.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of *Confront Climate Crisis & Champion Environmental Justice*. This item specifically relates to the following Project:

Reduce Greenhouse Gases and Dependency on Fossil Fuels

Project C2: Continue to collaborate with EBCE to provide public EV charging facilities

SUSTAINABILITY FEATURES

Electrification of vehicles throughout the community is necessary to meet the City's long-term greenhouse gas (GHG) emissions reduction goals. In June 2020, Council adopted ambitious goals to reduce GHG emissions 55% below 2005 levels by 2030 and to work with the community to develop a plan that may result in the reduction of community-based GHG emissions to achieve carbon neutrality by 2045. Of Hayward's total GHG emissions, the transportation sector accounts for close to 65%. While active transportation (walking, biking, etc.), ridesharing, and other strategies will be important to achieving needed reductions in Hayward's transportation emissions, the electrification of cars and trucks will also be necessary.

Hayward's *2040 General Plan* includes the following policy related to EVs.

NR-2.10 – Zero-Emission and Low-Emission Vehicle Use: The City shall encourage the use of zero-emission vehicles, low-emission vehicles, bicycles and other non-motorized vehicles, and car-sharing programs by requiring sufficient and convenient infrastructure and parking facilities throughout the City.

ENVIRONMENTAL REVIEW

The proposed agreement is statutorily exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) pursuant to Section 15262 (Feasibility and Planning Studies) of the CEQA Guidelines. Charging hubs developed on existing parking lots will likely be categorically exempt from environmental review in accordance with CEQA pursuant to Section 15301, Class 1 (Minor Alteration of Existing Facilities) of the CEQA Guidelines.

PUBLIC CONTACT

No public contact has been made regarding the addition of The Stack Center to the multi-site license agreement (MSLA). Before Council approved the MSLA in November 2022, staff did solicit public comments. On September 7, 2022, staff mailed letters to approximately 600 downtown business owners and property owners to solicit comments on the installation of new charging facilities. Public meetings were held on September 20 (on Zoom) and September 22 (in person) to allow community members to ask questions and provide feedback. One person attended the September 20 meeting; no attendees were present for September 22 meeting. On October 11, 2022, staff received a letter from a downtown business owner in support of downtown EV charging and offering thoughts on the locations under consideration.

NEXT STEPS

If Council approves, staff will continue to negotiate and execute the Multi-Site License Agreement with EBCE. Additionally, staff will continue to work with EBCE to design the charging hub at the Cinema Place parking structure and for The Stack Center. Additional next steps include:

- Execute MSLA.
- Stack Center Phase 1 Bid Opening on October 31, 2023.
- Stack Center Award of Contract – late Fall 2023.
- Execute MOU with EBCE outlining the costs EBCE will cover and acknowledging the timing of the phasing of the Stack Center construction.
- Phase 1 is scheduled to be completed by June 2024

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager