



City of San Antonio

Agenda Memorandum

File Number:16-4851

Agenda Item Number: 2.

Agenda Date: 9/14/2016

In Control: Transportation, Technology and Utilities Committee

DEPARTMENT: Office of Sustainability

DEPARTMENT HEAD: Douglas Melnick, Chief Sustainability Officer

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Air Quality - Employee Commuter Benefits Program Update

SUMMARY:

Briefing on a proposed employee commuter benefits ordinance for implementation.

BACKGROUND INFORMATION:

On October 1, 2015, the U.S. Environmental Protection Agency (EPA) released a more stringent “health-based” air pollution standard of 70 parts per billion, impacting San Antonio’s air quality attainment status. Air quality is a significant priority for City Council, as it has an impact on our community's public and economic health. Additionally, on October 9, 2013, Councilman Ray Lopez, District 6, issued a Council Consideration Request (CCR) for a comprehensive review of the City’s air quality efforts.

ISSUE:

The Office of Sustainability staff has evaluated various opportunities to reduce air pollution by coordinating with multiple City departments, the Alamo Area Council of Governments and the Texas Commission on Environmental Quality. Based on research from consultants (Environ), as well as national best practices, the Office of Sustainability is examining implementation of a suite of pollution reduction measures for City Council consideration.

City staff is proposing to further examine a citywide ordinance requiring private employers with more than one thousand full-time employees locally to offer at least one of three options to their employees. A fourth flex option is available if an employer is not within ¼ mile of a VIA service route.

The proposed options are:

- 1) Employee-paid alternative transportation pretax benefit
- 2) Employer-paid direct transit subsidy benefit
- 3) Employer-provided vehicle for an employee carpool program
- 4) Flex option: a) Carpool and Bicycle Subsidies; b) Telework Program; c) Compressed Work Week

The goals of the proposed policy are to improve air quality by incentivizing San Antonio commuters to shift their commute trips from driving alone to taking public transit, bicycling or vanpooling. Similar to laws in San Francisco, San Jose, New York and Washington D.C., this measure will help to reduce rush hour demands on the region's roadways and expand opportunities for public transit while helping reduce employees' commute costs and offering bottom line savings for employers.

Governmental entities and employers with less than one thousand employees will be encouraged to participate, but are exempt from the provisions of this proposed ordinance. Additionally, if an employer demonstrates that compliance with the proposed program would cause a financial hardship, the City of San Antonio may elect to waive the requirements of compliance for that employer. Upon a federal non-attainment designation in October 2017, City staff plans to recommend expansion of the proposed policy to employers in other industry size classes.

Based on a staff examination, three of the five U.S. comparison communities (San Diego, Houston, and Dallas) do not require employers to offer commuter incentives. While employers of fifty or more in Phoenix and San Jose annually register and report employee commuter benefits program implementation activities.

Office of Sustainability staff has obtained research and feedback on the proposed policy from the Economic Development Department, Transportation & Capital Improvements, Alamo Area Metropolitan Planning Organization, Texas Department of Transportation, Alamo Area Council of Governments, and VIA Metropolitan Transit. Before proceeding with a policy adoption, staff recommends conducting a communications and engagement strategy through January 14, 2017 for stakeholders such as San Antonio Manufacturers Association, chambers of commerce, major employers, Economic Development Foundation and other members of the business community. Staff will compile and analyze all stakeholder feedback to develop a final comprehensive recommendation to City Council in February 2017 to ascertain if an employee commuter benefits policy is suitable for the City of San Antonio.

ALTERNATIVES:

The Committee can recommend deferment of a policy examination or recommend not implementing a policy review.

FISCAL IMPACT:

If City Council approves City staff to later proceed with implementation of code amendments to require employers with one-thousand or more employees to offer employee commuter benefits, fiscal resources will be required to fund policy enforcement and public outreach.

RECOMMENDATION:

Staff recommends the proposed policy to be advanced to full City Council for their consideration of implementation.