



December 18, 2007

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Recommend the City Council authorize the City Manager to enter into and execute an Agreement with American Honda Motor Company, Inc., for the lease of a Hydrogen Fuel Cell Vehicle beginning on the date the vehicle is delivered to the City, and continuing thereafter for 12 months or as otherwise terminated. (Citywide)

**DISCUSSION**

The City of Long Beach has actively utilized and promoted the use of alternative fuel vehicles for over a decade. Long Beach was the first "Clean City" designated by the State of California and currently has 289 alternative-fueled vehicles in operation in the City's fleet. The City is continuously searching for new opportunities to implement alternative fuel technology wherever feasible and affordable.

In line with these past efforts, Long Beach Gas and Oil (LBGO) is requesting authorization to enter into an agreement with American Honda Motor Company, Inc., for the lease of a Hydrogen Fuel Cell Vehicle beginning on the date the vehicle is delivered to the City, and continuing thereafter for 12 months or as otherwise terminated. The lease fee is \$500 per month and there is no option for LBGO to purchase or own the vehicle.

In conjunction with this agreement, LBGO is awaiting the opening of the Air Products and Chemical, Inc., (Air Products) hydrogen fuel station at 2400 East Spring Street, which will be the first fully public hydrogen fueling station in California. LBGO will implement the Hydrogen Fuel Cell Vehicle lease agreement only upon the opening of the fueling station.

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Air Products, through a cooperative agreement with the U.S. Department of Energy, American Honda Motor Company, Inc., BMW of North America, LLC, Nissan North America, Inc., and Toyota Motor Sales, U.S.A., Inc., will operate and maintain the fueling station at no cost to the City. The station will be available to the general public, and will be a component of Governor Arnold Schwarzenegger's California Hydrogen Highway Network Action Plan, which envisions a network of 150 to 200 hydrogen-fueling stations (every 20 miles) throughout the State by the year 2010. The Governor's California Hydrogen Highway Network Action Plan was developed to reduce the State's dependence on foreign oil, and to protect our citizens from health harms related to vehicle emissions.

This matter was reviewed by Deputy City Attorney Richard Anthony on November 20, 2007 and Budget Management Officer Victoria Bell on November 21, 2007.

TIMING CONSIDERATIONS

City Council action is requested on December 18, 2007 to facilitate receipt of the Hydrogen Fuel Cell Vehicle.

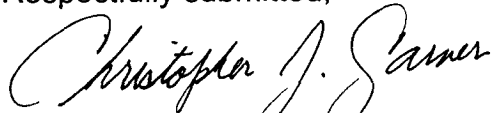
FISCAL IMPACT

Funds associated with the agreement are budgeted in the Gas Fund (EF 301) and the Long Beach Gas and Oil Department (EN).

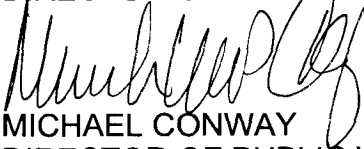
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

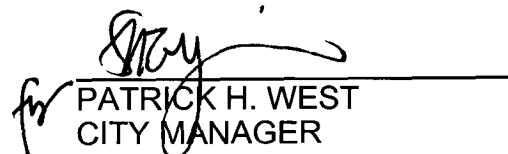


MICHAEL CONWAY  
DIRECTOR OF PUBLIC WORKS

CJG: JC

C:\CCL HONDA VEHICLE 12-04-07

APPROVED:



PATRICK H. WEST  
CITY MANAGER