



## Staff Report

---

File #: REPORT 18-0421, Version: 1

---

**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of July 10, 2018**

**APPROVE FUNDING FROM THE CALIFORNIA GREEN  
BUSINESS NETWORK TO IMPLEMENT A GREEN BUSINESS  
PROGRAM FOR THE CITY OF HERMOSA BEACH**  
(Environmental Analyst Kristy Morris)

**Recommended Action:**

It is recommended that City Council:

1. Receive an update; and
2. Approve estimated revenue of \$30,000 in the Grant Fund for the program and an appropriation of \$30,000 in the Grant Fund to implement the California Green Business Network program in the City of Hermosa Beach.

**Background:**

PLAN Hermosa, the City's General Plan, was adopted by the City Council in August 2017. As part of that document, the City set community-wide greenhouse gas reduction goals that are consistent with California statewide goals to reduce emissions 66% below 2005 levels by the year 2040. As part of the plan approval process, Council expressed preference for, and adopted policies, that focus on incentive and voluntary measures to reduce greenhouse gas emissions rather than mandatory requirements.

In November 2017, Hermosa Beach City Council adopted a new cycle of environmental incentives (Attachment 1) aligned with PLAN Hermosa and updates to California Building Standards Code. At this meeting, City Council encouraged staff to develop incentives for businesses to adopt environmental sustainability practices and demonstrate leadership. Examples include discounting the business license fee for those businesses that participate in a green business program.

Although the City has participated in the Clean Bay Restaurant Program for over decade, the program is limited to restaurants and does not include all Hermosa Beach business sectors. At the November 2017 City Council meeting, staff discussed joining the California Green Business Network (CGBN) Program that has certified more than thirty (30) businesses in Manhattan Beach since 2012. Council encouraged staff to pursue opportunities for implementing a green business program in the City of Hermosa Beach.



### **Analysis:**

City Council approved \$3000 in the City's FY2016-17 and FY2017-18 adopted budgets to implement a green business recognition program. Staff conducted a cursory review of green business programs currently implemented in other jurisdictions and many participate in the California Green Business Network program <https://greenbusinessca.org/>. The CGBN program is well-established and provides third-party verification via a standardized checklist of measures as well as providing technical support and incentives to businesses to assist with completing the rigorous measures. There is an annual cost to participate in the program based on the size of the jurisdiction, and cities may or may not charge a fee for businesses to participate. The California Green Business Program currently has 3,500 businesses certified through their twenty-seven (27) existing local green business programs that include Manhattan Beach, Santa Monica, and Laguna Beach.

In 2018, the CGBN executed a grant agreement with the California Environmental Protection Agency for \$1,000,000 to expand and accelerate the success of the program and the environmental outcomes throughout California. In March 2018, the City of Hermosa Beach submitted an application and received \$30,000 in new community funding to develop, implement and widely promote a comprehensive CGBN program in the City. Staff will work with a consultant and the Hermosa Beach Chamber of Commerce, and the businesses it represents, to enroll and certify businesses.

The City has contracted Moore Environmental, who currently manages successful CGBN programs in neighboring Manhattan Beach and Laguna Beach, to implement the program. Moore Environmental is a local business that is knowledgeable of the opportunities and limitations for implementing a Green Business Program in Hermosa Beach. New community start-up seed funding will be used to enroll a minimum of fifteen (15) business from a range of business sectors in the first year of the program and this growth will continue with a goal of enrolling as many as 30 businesses in the first two (2) years of the program.

The CGBN program offers measureable and beneficial outcomes for businesses such as reduced operating costs, marketing opportunities, and increased sales, and supports the City's sustainability goals such as reducing energy use, improving air quality, preventing stormwater pollution, solid waste reduction, and water conservation. The program will be administered by the City Manager Department and will generate metrics that can be used to support the continuation and expansion of the program. It is recommended that City Council approve the \$30,000 in new community funding from the California Green Business Network to implement a green business program in the City.

### **Fiscal Implications:**

The total budget for the project is \$30,000, to be paid by the California Green Business Network. Per grant guidelines, the grant award shall be paid in two installments; The first \$15,000 upon signature of the sub-contract (Attachment 2). The final \$15,000 is to be reimbursed to the City upon the completion of certifying the initial 15 businesses by February 2019. The City awarded a contract purchase order to Moore Environmental for \$30,000 to implement the program that includes \$25,000 in consulting fees and \$5,000 in business expenses such as micro-grants and awards (Attachment 3). The \$30,000 in new community funding will be appropriated in the Grant fund for this program.

Future funding sources to support the continuation of the program can include direct funding through the City's current and future solid waste franchise agreements, Used Oil Payment Program Grant funds, NPDES funds, business inspection fees, General Funds and this list is not exhaustive.



**Attachments:**

1. Hermosa Beach Sustainability Incentives
2. California Green Business Network Agreement
3. Moore Environmental Scope of Work

**Respectfully Submitted by:** Kristy Morris, Environmental Analyst

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** John Jalili, Interim City Manager