



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 15, 2020

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE TEMPORARY ENTRY AND USE PERMIT NO. 1784 WITH FENIX MARINE SERVICES, LTD. AND CENTER FOR TRANSPORTATION AND THE ENVIRONMENT, INC.

SUMMARY:

Staff requests approval of Temporary Entry and Use Permit (TEUP) No. 1784 with Fenix Marine Services, Ltd. (FMS) and its contractor, Center for Transportation and the Environment, Inc. (CTE), to use and access the backland area of Berth 301 for a duration of up to 12 months, to test a zero-emission hybrid hydrogen fuel cell/battery electric top pick.

The planned demonstration project is funded under a grant from the California Air Resources Board (CARB). The proposed TEUP provides FMS and CTE the necessary real estate entitlement to undertake the demonstration project.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines;
2. Approve the Temporary Entry and Use Permit with Fenix Marine Services, Ltd. and Center for Transportation and the Environment, Inc.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Temporary Entry and Use Permit; and
4. Adopt Resolution No. _____.

SUBJECT: APPROVE TEUP NO. 1784 WITH FMS AND CTE

DISCUSSION:

Background – In 2017, CTE secured a grant on behalf of FMS under CARB’s “Demonstration of Zero-Emission Technologies for Freight Operations at Ports” grant program to demonstrate a zero-emission hybrid hydrogen fuel cell/battery electric top pick at the FMS terminal. The cost of the project is estimated to be \$8.8 million, of which, \$6.5 million would be funded by the grant, and the remaining \$2.3 million would be borne by CTE and its partners.

This project aligns with the City of Los Angeles Harbor Department’s Zero Emissions Roadmap, Zero Emissions White Paper, and the 2017 San Pedro Bay Ports Clean Air Action Plan Update. Completion of the project would help forge a path towards commercialization of zero-emission top picks, facilitating potential deployment by terminals at the Port of Los Angeles.

In July 2020, CTE completed installation of the concrete charging pad necessary for the demonstration. Staff recommends issuing a joint TEUP to FMS and CTE for a period of no longer than 12 months to complete the project. This approach will ensure both parties have the appropriate insurance and indemnity obligations in place for the duration of the project.

The Harbor Department’s contribution to this project is limited to 1) granting the TEUP; and, 2) constructing a ~4,000 square foot driveway to the demonstration site (Transmittal 1), which is estimated not to exceed \$150,000. The top pick is currently scheduled to arrive during the First Quarter of 2021, and the estimated testing period is eight months.

Material terms of the proposed TEUP (Transmittal 2) are as follows:

Provisions	Description
Real Estate Entitlement	TEUP
Assignees	1. Fenix Marine Services, Ltd. 2. Center for Transportation and the Environment, Inc.
Premises	24,450 square feet (0.56 acres) of backland area at Berth 301 as depicted in the attached site map.
Permitted Use	Use and occupancy of the Premises for the demonstration of a zero-emission hybrid hydrogen fuel cell/battery electric top pick, including the installation of a wireless charging station and mobile hydrogen fueling system, and all lawful activities related and incidental thereto. Assignees are prohibited from conducting any marine terminal operations under this TEUP.

SUBJECT: APPROVE TEUP NO. 1784 WITH FMS AND CTE

Permit Condition	As a condition to this TEUP, Assignees will install fencing (e.g. temporary construction fence or k-rails) along the southern and western boundary lines of the Premises for the duration this TEUP.
Effective Date	Upon Board approval and execution by the Executive Director
Term	12 months after the Effective Date
Revocation	Executive Director may revoke this TEUP at any time with 15 days' written notice.
Compensation	Assignees will not pay any monetary compensation for the use of the Premises under this TEUP.
Compliance with Applicable Laws and Environmental Obligations	Assignees will comply with all applicable laws and regulations and implement any environmental permit conditions as required by the Environmental Management Division.
Restoration	Upon expiration or termination of this TEUP for whatever reason, Assignees shall return the Premises in the condition it was at the issuance of this TEUP, unless otherwise requested by the Executive Director and with the exception of any paving constructed by the Harbor Department during the term of this TEUP.
Insurance	Insurance provision includes all standard insurance requirements.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a TEUP No. 1784 with FMS and its contractor, CTE, for access to and use of the backland area of Berth 301 to test a zero-emissions hybrid hydrogen fuel cell/battery electric top handler, which is an activity involving the issuance of any permit to use an existing facility involving negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed TEUP will allow FMS and its contractor, CTE, use of the property located in the backland area of Berth 301 to test a zero-emission hybrid hydrogen fuel cell/ battery electric top handler. The total cost of the project is \$8.8 million, of which \$6.5 million would be funded by the CARB grant and the remaining \$2.3 million would be borne by CTE and its partners. The Harbor Department's contribution to this project is limited to 1) granting the TEUP; and 2) constructing a ~4,000 square foot driveway to the demonstration site, which is estimated to cost \$150,000.

DATE: DECEMBER 15, 2020

PAGE 4 OF 4

SUBJECT: APPROVE TEUP NO. 1784 WITH FMS AND CTE

CITY ATTORNEY:

Temporary Entry and Use Permit No. 1784 has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Project Site Map
2. Temporary Entry and Use Permit

FIS Approval: 

CA Approval: 

Marisa L. Katnich
MARISA L. KATNICH
Director, Cargo & Industrial Real Estate

Michael DiBernardo
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

ES:MG:MLK:SM:raw
Author: Sayaka Meguri
BL860raw Fenix TEUP