

DATE: DECEMBER 7, 2021

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF AN AGREEMENT WITH THE CITY OF LONG BEACH TO SHARE COSTS FOR THE CLEAN TRUCK PROGRAM TERMINAL ACCESS CENTER

SUMMARY:

Staff requests approval of a proposed Agreement between the City of Los Angeles Harbor Department (Harbor Department) and the City of Long Beach, acting through their Harbor Department (POLB) (collectively "Ports"), to share costs for the Clean Truck Program (CTP) Terminal Access Center (TAC). POLB has been providing the property for eight years and has recently requested the Harbor Department to help subsidize the cost of the property. The land rent is in line with POLB space assignment rates in their tariff. The TAC site is located at 1265 Harbor Avenue, Long Beach on land owned by the City of Long Beach. The expenses to be shared by the Ports include the land rental value and fence value for the TAC site, operational costs, office lease costs, and power costs for the location. The Harbor Department will be financially responsible to pay POLB for half of the expenses incurred to operate the TAC. Staff currently anticipates TAC operating expenses to be \$16,225 per month (\$194,700 per year) as long as the CTP TAC remains at the current site or as otherwise agreed by the Ports in writing.

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 administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the proposed Agreement with the City of Long Beach to share costs for the Clean Truck Program Terminal Access Center;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement for and on behalf of the Board; and
4. Adopt Resolution No. _____.

SUBJECT: AGREEMENT TO SHARE COSTS FOR THE TERMINAL ACCESS CENTER

DISCUSSION:

Background/Context – One of the most notable and successful strategies contained in the San Pedro Bay Ports Clean Air Action Plan (CAAP), adopted in 2006 and updated in 2010 and 2017, is the Clean Truck Program (CTP), which led the trucking industry to replace the existing fleet of trucks that provide drayage services at the Ports with cleaner trucks. As a result of the successful CTP efforts over the years, air emissions have been reduced by 97% for diesel particulate matter (DPM), 78% for nitrogen oxides (NOx), and 92% for sulfur oxides (SOx) compared to 2005.

Terminal Access Center (TAC) – One of the essential components to ensuring success of the CTP is the provision of a TAC, which aids the trucking community with CTP compliance and terminal access requirements. The TAC is located at 1265 Harbor Avenue, Long Beach, CA 90813, within the Long Beach Harbor District on land owned by the City of Long Beach consisting of 89,953 square feet with 1,314 linear feet of perimeter fencing and lighting.

The Ports' TAC is staffed by CTP administrators who provide on-port customer service for Concessionaires, walk-in licensed motor carriers, and truck drivers, as well as manage calls to the CTP helpline. The TAC provides a variety of services, including CTP registration, truck inspections, technical assistance with radio frequency identification (RFID) hardware, non-container terminal sticker distribution and application, day-pass assistance, and other similar customer service functions.

Proposed Agreement – POLB has been providing the property for eight years and has requested the Harbor Department to help subsidize the cost of the property. The land rent is in line with POLB space assignment rates in their tariff. The proposed Agreement (Transmittal 1) has been negotiated between the Harbor Department and POLB and establishes CAAP costs for the TAC. The following TAC costs will be shared equally:

Land Rent	\$27,885	
Fence Cost	\$2,760	
Operational Costs	\$510	
Office Lease Cost	\$1,135	
Power Cost	\$160	(Power cost will be adjusted based on actual monthly cost)
APPROX. TOTAL	\$32,450	

The approximate monthly costs of \$32,450 shall be shared equally by the Ports. The Harbor Department shall pay POLB \$16,225 per month beginning the first day of the first month after the proposed Agreement is effective and continuing monthly as long as the Ports operate the TAC at this location or otherwise agreed by the Ports in writing. Cost

DATE: DECEMBER 7, 2021

PAGE 3 OF 4

SUBJECT: AGREEMENT TO SHARE COSTS FOR THE TERMINAL ACCESS CENTER

adjustment mechanisms are included in the proposed Agreement in case actual costs change over time.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with POLB to share costs for the CTP TAC, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Agreement would require the Harbor Department to pay one-half of the expenses incurred by POLB to operate the Clean Truck Program Terminal Access Center. Initially, total TAC operating expenses are anticipated to be \$32,450 per month, of which the Harbor Department would be financially responsible for 50%, or \$16,225 per month (\$194,700 per year) until the agreement is terminated.

Assuming a commencement date of January 1, 2022, Fiscal Year (FY) 2022 funding of \$97,350 is available within Account 59967 (Clean Truck Program – Admin. Costs), Center 0330, Program 000.

Going forward, expenses to operate the TAC are subject to change in the event that: (i) monthly Land Rent and Fence Costs as per Item 636 of POLB's Tariff No. 4 are adjusted; (ii) lease expenses associated with the office trailer are increased; or (iii) the cost of power at the site deviates from its current average of \$160 per month.

The Harbor Department's initial cost share of \$194,700 per year will be offset by the monies collected from CTP Concession Application Fees, Annual Truck Fees and Day Passes which have averaged approximately \$2.3 million per year from FY 2017 – FY 2021. The Harbor Department's financial obligations after the current fiscal year are contingent upon Board appropriation of funds and will be requested for future budget years.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Agreement as to form and legality.

DATE: DECEMBER 7, 2021

PAGE 4 OF 4

SUBJECT: AGREEMENT TO SHARE COSTS FOR THE TERMINAL ACCESS CENTER

TRANSMITTALS:

1. Agreement with the City of Long Beach

FIS Approval: *MB*
CA Approval: *JC*



CHRISTOPHER CANNON
Director of Environmental Management

Michael DiBernardo

MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: Teresa Pisano

FILE: Y:_ADMIN_BOARD REPORTS_AIR QUALITY\CTP\POLB - TAC Rent\Environmental_POLB Agmt for TAC Rent_Board Report - FINAL.docx
UPDATED: 12/7/2021 1:51 PM - YO