



Eric Garcetti

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*Executive Director*

March 28, 2019

Honorable Members of the  
City Council of the  
City of Los Angeles

CD No. 15

Attention: Mr. John White, City Clerk's Office

SUBJECT: RESOLUTION NO. 19-8432 – PROPOSED FIRST AMENDMENT AGREEMENT NO. 19-2678-A  
WITH CLEAN ENERGY

Pursuant to Section 606 of the City Charter, enclosed for your approval is Resolution No. 19-8432 authorizing proposed Agreement No. 19-2678-A between the City of Los Angeles Harbor Department and Clean Energy Corporation (Clean Energy); which was approved at the February 21, 2019 meeting of the Board of Harbor Commissioners. The proposed First Amendment with Clean Energy will modify the term of the lease, the extension options, and compensation schedule, as well as additional uses for the fueling station. All other terms and conditions of the original Agreement No. 08-2678 will remain the same. Clean Energy currently pays compensation of \$0.01 per gallon of fuel sold through its fueling station with no provision for base rent. Because 40 percent of the fueling station premises is located on land jointly owned by the Harbor Department and the Port of Long Beach, the Harbor Department receives 20 percent of the total compensation paid by Clean Energy. For the fiscal year that ended June 30, 2018, the Harbor Department received \$5,018.81 from Clean Energy. Under the proposed First Amendment, Clean Energy would pay compensation of \$0.03 per gallon of fuel sold as well as base rent over the proposed five-year term of the First Amendment. Assuming annual fuel sales of 3,750,000 gallons and the receipt of annual base rent, the Harbor Department's 20 percent share of compensation is estimated to average \$55,504.80 annually if the proposed Amendment is approved. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. ADOPT the determination by the Board of Harbor Commissioners (Board) that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines;
2. APPROVE Harbor Department Resolution No. 19-8432 authorizing proposed Agreement No. 19-2678-A between the City of Los Angeles Harbor Department and Clean Energy Corporation; and
3. Return to the Board of Harbor Commissioners for further processing.

Respectfully Submitted,

AMBER M. KLESGES  
Commission Secretary

cc: Trade, Travel & Tourism Committee  
Councilman Buscaino  
Councilman Bonin  
Councilman Krekorian  
Mandy Morales, Mayor's Office

Erick Martell, Harbor Representative  
Alvin Newman, CAO  
Dennis Gleason, CD15  
Matthew Shade, CLA