

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Port of Los Angeles (POLA) Agreement with Clean Energy Corporation (Clean Energy).

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Port Resolution No. 19-8432 for the First Amendment to POLA Agreement No. 19-2678-A with Clean Energy to modify the lease terms, extend contract options and compensation schedule, and increase the variety of fuels at a Liquefied Natural Gas (LNG) fueling station facility on property jointly owned by the Ports of Los Angeles and Long Beach.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Approval of the proposed First Amendment with Clean Energy will increase the compensation amount paid to the POLA from \$0.01 to \$0.03 per gallon of fuel sold in a fuel station facility on land rented from the POLA. Clean Energy will no longer have its rent subsidized and must begin to pay a base rent amount to the POLA during the five years of the Amendment. The lease adjustment will be based upon the fair rental value of the land and other elements in agreement. The estimated compensation from fuel sales at \$0.03 per gallon is expected to be \$22,500 per year and the average annual base rent of approximately \$33,005 will total approximately \$55,505 per year. Funds will be deposited in the Harbor Revenue Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – APRIL 25, 2019

(LAST DAY FOR COUNCIL ACTION – APRIL 17, 2019)

SUMMARY

In a report to the Mayor dated March 28, 2019, the CAO states POLA requests approval of the First Amendment to the agreement with Clean Energy. The CAO reports that in 2009, POLA approved an initial agreement with Clean Energy for the construction and maintenance of a new LNG fueling station facility on property jointly owned by the Ports of Los Angeles and Long Beach. The proposed Amendment modifies the lease terms of the agreement, extends the contract options and compensation schedule, and increases the variety of fuels at the fueling station. The Amendment allows for additional fuel types to be dispensed at the fueling stations, as requested by the tenants. The additional fuel types will include diesel fuels and compressed natural gas.

The CAO goes on to report that the Ports of Los Angeles and Long Beach developed the fueling station facility in response to the goal of the Clean Air Action Plan (CAAP) to support the use of fuels for cleaner emission trucks. Fuel from the LNG fueling station was made available to

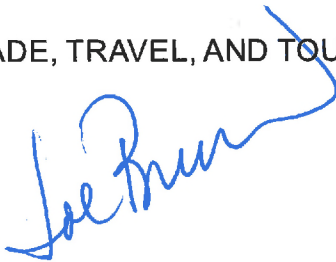
firms and trucks that are part of the LNG truck program. One of the primary objectives of programs under the Port's CAAP is to replace older, heavily polluting heavy-duty trucks with emission compliant, newer LNG fueled trucks. The heavy-duty trucks and equipment serving the Ports were sources of pollution in the South Coast region. The LNG Truck Program was approved to reduce truck-related emissions by providing financial incentives to assist in the purchase and operations of LNG-Powered trucks for firms servicing the Ports of Los Angeles and Long Beach.

On February 21, 2019, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action.

At its meeting held April 2, 2019, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed amendment of the POLA Agreement with Clean Energy, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in blue ink, appearing to read "Joe Trun", is written over the text "TRADE, TRAVEL, AND TOURISM COMMITTEE".

<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	YES
KREKORIAN:	YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-