

CITY OF LOS ANGELES

CALIFORNIA

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Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

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March 16, 2010

PLACE IN FILES
MAR 17 2010
DEPUTY

To All Interested Parties:

The City Council adopted the action(s), as attached, under

Council file No. 10-0322, at its meeting held March 12, 2010.

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File No. 10-0322

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your

TRADE, COMMERCE, AND TOURISM

Committee

report as follows:

CATEGORICAL EXEMPTION, TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT and Resolution relative to a Memorandum of Agreement (MOA) between the City of Los Angeles, TraPac appellants and South Coast Air Quality Management District (SCAQMD) to install air filtration systems in Wilmington and San Pedro schools.

Recommendations for Council action:

1. FIND that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III Class 1 (6) of the Los Angeles City CEQA Guidelines.
2. APPROVE Resolution No. 09-6860 authorizing MOA No. 09-2818 among the Harbor Department, SCAQMD, and other environmental and community stakeholders under the Trans Pacific Containers Service Corporation (TraPac) Memorandum of Understanding (MOU) to install and maintain air filtration systems and/or HVAC (heating, ventilation, and air conditioning) systems in local schools in Wilmington and San Pedro.
3. CONCUR with the Board of Harbor Commissioners (Board) action of December 10, 2009 authorizing the Executive Director to execute the agreement.

Fiscal Impact Statement: The City Administrative Officer reports that approval of Harbor Department proposed MOA No. 09-2818 with the SCAQMD and other environmental and community stakeholders is for a five year term and will transfer \$6 million from the Harbor Revenue Fund into the Community Mitigation Trust Fund to administer and install air filtration systems in local schools in Wilmington and San Pedro, as required under the TraPac MOU. There is no impact on the City General Fund.

The Harbor Department reports the following:

Costs and/or Revenue Impact: In a previously approved Board action, the Harbor Department transferred \$6,000,000 into the Community Mitigation Trust Fund as required under the TraPac MOU. This Board action proposes that the Harbor Department enter into an MOA with the appellants and SCAQMD for the administration of the Air Filtration System Program referenced herein; upon execution of the MOA the \$6,000,000 previously committed will be transferred to the SCAQMD to fulfill the air filtration system requirement under the TraPac MOU. The Harbor Department will also compensate SCAQMD for administering the air filtration system program at 10% of the amount spent on contractors for implementing the program. This percentage is included in the not-to-exceed \$6,000,000.

Benefits of Funding: School air filtration systems will aid in alleviating the pollutants generated by port operations in the Wilmington and San Pedro, California communities. Approving this item will fulfill the Harbor Department's legal responsibilities under the TraPac MOU.

Financial Impact If Not Approved: \$6,000,000 allocated to air filtration systems has already been allocated to the Community Mitigation Trust Fund and is required to be spent on air filtration systems under the TraPac MOU. Not approving this MOA will delay the Harbor Department's legal responsibilities under the TraPac MOU.

Source(s) of Funding or Savings: Funds are available in Account No. 11926, Center 7000 and Program 000. The funds would be paid to SCAQMD in a lump sum. Excess monies would be returned to the Community Mitigation Trust Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE - APRIL 24, 2010

(LAST DAY FOR COUNCIL ACTION – APRIL 23, 2010)

SUMMARY

At a regular meeting held on March 3, 2010, the Trade, Commerce, and Tourism Committee considered the memorandum of agreement between the City of Los Angeles, Trapac appellants and South Coast Air Quality Management District to install air filtration systems in Wilmington and San Pedro schools. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the Board of Harbor Commissioners and City Administrative Officer reports. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE



ADOPTED
MAR 12 2010
LOS ANGELES CITY COUNCIL



<u>MEMBER</u>	<u>VOTE</u>
HAHN:	YES
ROSENDAHL:	YES
LABONGE:	YES

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Not Official Until Council Acts

RECOMMENDATION APPROVED;
RESOLUTION NO. 09-6860 ADOPTED AND;
AGREEMENT NO. 09-2818 APPROVED
BY THE BOARD OF HARBOR COMMISSIONERS

December 10, 2009

Rose M. Stwarshak
SECRETARY



THE PORT
OF LOS ANGELES
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 4, 2009

FROM: ENVIRONMENTAL MANAGEMENT DIVISION

SUBJECT: RESOLUTION NO. 09-6860 - MEMORANDUM OF AGREEMENT
WITH TRAPAC APPELLANTS AND SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT TO INSTALL AIR FILTRATION SYSTEMS IN
LOCAL SCHOOLS

SUMMARY:

On April 3, 2008, the Board of Harbor Commissioners (Board) approved a Memorandum of Understanding (TraPac MOU) between the City of Los Angeles (City) and the Appellants of the TraPac Environmental Impact Report (Appellants). The TraPac MOU provided for the establishment of the Community Mitigation Trust Fund (Trust Fund) to be funded upon construction of specified Port development projects. Furthermore, the TraPac MOU requires the City to provide \$6,000,000 for the installation and maintenance of air filtration systems and/or heating ventilation air conditioning (HVAC) air purifiers in schools in the communities of Wilmington and San Pedro, California, which are impacted by the operations of the TraPac Berths 136-147 Container Terminal. At the request of the City and Appellants, South Coast Air Quality Management District (SCAQMD) has consented to implement and administer, on behalf of the City and Appellants, the air filtration program required by the TraPac MOU. The City of Los Angeles Harbor Department (Harbor Department) staff recommends approval of the proposed Memorandum of Agreement (MOA) between the City, Appellants, and SCAQMD which sets forth the terms of agreement regarding this program.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that in accordance with the Los Angeles City Charter Section 1022, the work can be performed more feasibly by independent contractors than by City employees;
2. Approve, in substantial form, the MOA with Appellants and SCAQMD to install and maintain air filtration systems in Wilmington and San Pedro schools in accordance with the TraPac MOU between the City and the Appellants in an amount not-to-exceed \$6,000,000 and a term not to exceed five years;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to said agreement and forward to City Council pursuant to Los Angeles Charter Section 373; and
4. Adopt Resolution No. 09-6860.

DISCUSSION:

Background- On December 6, 2007, the Board certified the Final Environmental Impact Report (EIR) for the Berth 136-147 (TraPac) Container Terminal and approved the TraPac Project. Subsequent to that project approval, certain entities (Appellants) appealed the certification/project approval to the City Council under the provisions of the California Environmental Quality Act (CEQA). On April 3, 2008, the Board approved a Memorandum of Understanding (TraPac MOU) between the City and the Appellants (Transmittal 1). Among other terms, the MOU provides for settlement of the appeals and establishment of a Trust Fund to be operated by a non-profit entity established for the purpose of overseeing grants from the fund, for the Port to fund an "interim entity" to create the non-profit and perform other tasks pursuant to the TraPac MOU, and also for the City to provide approximately \$6,000,000 for the installation and maintenance of air filtration systems and/or HVAC air purifiers in schools in the communities of Wilmington and San Pedro, California, which are impacted by the operations of the TraPac Berths 136-147 Container Terminal.

Air Filtration Proposal- The selection of an interim entity is currently underway but not yet complete. However, Appellants have requested to move forward with the funding of air filtration systems for Wilmington and San Pedro schools before the interim entity is set up. The purpose of the filtration systems is to reduce air particulates in school facilities. To accomplish this, Appellants and Staff asked SCAQMD to oversee the installation and maintenance of such systems. SCAQMD recently implemented a program similar to the air filtration program required by the TraPac MOU in schools located in Long Beach, California, which involved conducting a competitive public process to retain a filtration systems contractor, oversight of the actual installation and maintenance of such filtration systems, and generating studies regarding the efficacy of such filtration systems.

Services to be Provided- SCAQMD has agreed to implement the air filtration project in accordance with the TraPac MOU, which requires an agreement between all the parties. The proposed MOA between the City, the Appellants and SCAQMD is for a term of five years and, upon execution, the City shall transfer \$6,000,000 to SCAQMD

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to be used in performance of the air filtration project under the terms of the TraPac MOU. The project shall include SCAQMD issuing an RFP for needed equipment and services, selection of schools in association with Appellants and the City, and installation of systems. SCAQMD's compensation is capped at 10 percent of the amount of funds spent on contractors to implement the program.

ENVIRONMENTAL ASSESSMENT:

The proposed activity is an administrative activity to transfer funding to install air filtration systems at schools. As such, the Director of Environmental Management has determined that the proposed activity is exempt from the requirements of the California Environmental Quality Act in accordance with the Article II Section 2(f) of the Los Angeles City CEQA Guidelines. Installation of the filtration systems by SCAQMD is the addition of health and safety equipment at existing facilities and is exempt from CEQA in accordance with Article III Class 1(6) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action to transfer funds has no direct employment effect. Future expenditures of these funds by SCAQMD for the installation and maintenance of air filtration systems in local schools is estimated to support 42 one-year equivalent jobs in the five-county region.

FINANCIAL IMPACT:

Costs and/or Revenue Impact- In a previously approved Board action, the Harbor Department transferred \$6,000,000 into the Community Mitigation Trust Fund as required under the TraPac MOU. This Board action proposes that the Harbor Department enter into an MOA with the Appellants and SCAQMD for the administration of the Air Filtration System Program referenced herein; upon execution of the MOA the \$6,000,000 previously committed will be transferred to the SCAQMD to fulfill the air filtration system requirement under the TraPac MOU. The Harbor Department will also compensate SCAQMD for administering the air filtration system program at 10% of the amount spent on contractors for implementing the program. This percentage is included in the not-to-exceed \$6,000,000.

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Benefits of Funding- School air filtration systems will aid in alleviating the pollutants generated by port operations in the Wilmington and San Pedro, California communities. Approving this item will fulfill the Harbor Department's legal responsibilities under the TraPac MOU.

Financial Impact if Not Approved- \$6,000,000 allocated to air filtration systems has already been allocated to the Community Mitigation Trust Fund and is required to be spent on air filtration systems under the TraPac MOU. Not approving this MOA will delay the Harbor Department's legal responsibilities under the TraPac MOU.

Source(s) of Funding or Savings- Funds are available in Account 11926, Center 7000 and Program 000. The funds would be paid to AQMD in a lump sum. Excess monies would be returned to the Community Mitigation Trust Fund.

CITY ATTORNEY:

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

DATE: DECEMBER 4, 2009

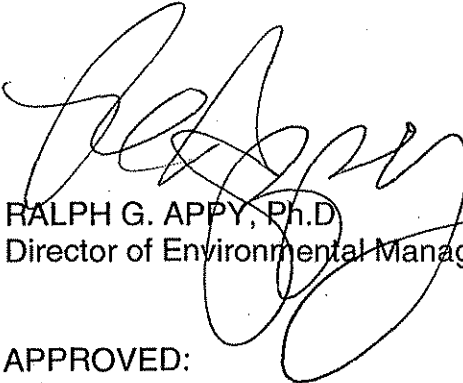
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SUBJECT: MOA WITH TRAPAC APPELLANTS AND SCAQMD FOR SCHOOL AIR FILTRATION SYSTEMS

TRANSMITTALS:

1. TraPac Community Mitigation Trust Fund MOU
2. Proposed MOA with Appellants and SCAQMD

FIS Approval:


RALPH G. APPY, Ph.D.
Director of Environmental Management


MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

RGA:GD
BOARD MEETING: 12/10/09

FILE: G:\ADMIN_BOARD REPORTS\CEQA\TRAPAC- AIR FILTRATION SYSTEM\TRAPAC SCAQMD MOA - FINAL.doc

UPDATED: 12/4/2009 9:00 AM - YO

I CERTIFY THAT THE FOREGOING
RESOLUTION WAS ADOPTED BY THE
COUNCIL OF THE CITY OF LOS ANGELES
AT ITS MEETING OF MAR 12 2010
BY A MAJORITY OF ALL ITS MEMBERS.



JUNE LAGMAY
CITY CLERK

BY 
DEPUTY