



425 S. Palos Verdes Street Post Office Box 151 San Pedro, CA 90733-0151 TEL/TDD 310 SEA-PORT www.portoflosangeles.org

Antonio R. Villaraigosa

Mayor, City of Los Angeles

Board of Harbor
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Geraldine Knatz, Ph.D.

Executive Director

February 23, 2010

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

CD No. 15

Attention: Ms. Sharon Gin, City Clerk's Office

SUBJECT: APPROVAL OF MEMORANDUM OF AGREEMENT NO. 09-2818
BETWEEN THE CITY OF LOS ANGELES, THE TRAPAC APPELLANTS
AND THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT TO
INSTALL AIR FILTRATION SYSTEMS IN WILMINGTON AND SAN
PEDRO SCHOOLS

Pursuant to Section 373 of the City Charter, enclosed for your approval is a proposed Memorandum of Agreement, between the City of Los Angeles Harbor Department, the South Coast Air Quality Management District, and the TraPac Appellants, for the installation and maintenance of air filtration systems in Wilmington and San Pedro Schools. Memorandum of Agreement No. 09-2818 was approved by the Board of Harbor Commissioners at its meeting held December 10, 2009.

RECOMMENDATION:

The City Council approve proposed Memorandum of Agreement No. 09-2818 between the City of Los Angeles Harbor Department, the South Coast Air Quality Management District, and the TraPac Appellants for the installation and maintenance of air filtration systems in Wilmington and San Pedro Schools.

Respectfully submitted,


ROSE M. DWORSHAK
Commission Secretary

cc: Trade, Commerce & Tourism Committee
Councilwoman Hahn, encs.
Councilman Rosendahl, encs.
Councilman LaBonge, encs.
Tricia Carey, Legislative Representative, encs.
Alvin Newman, CAO, encs.
Christine Yee Hollis, CLA, encs.
Jenny Chavez, CD 15, encs.

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

December 10, 2009

Rose M. Elwarshak
SECRETARY



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;

DATE: DECEMBER 4, 2009

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

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

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

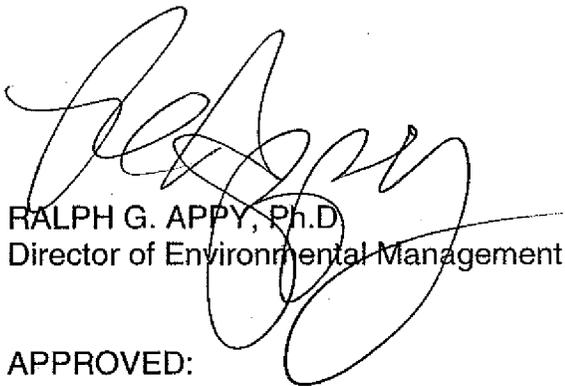
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SUBJECT: MOA WITH TRAPAC APPELLANTS AND SCAQMD FOR SCHOOL AIR
FILTRATION SYSTEMS

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

MEMORANDUM OF UNDERSTANDING

I. DEFINITIONS

1. The term "CEQA" shall mean the California Environmental Quality Act (Public Resources Code § 21000 *et seq.*) and the State CEQA Guidelines and applicable case law.
2. The term "City" shall mean the City of Los Angeles.
3. The term "Clean Air Action Plan" shall mean the San Pedro Bay Ports Clean Air Action Plan adopted by the Los Angeles Board of Harbor Commissioners and Long Beach Board of Harbor Commissioners on November 20, 2006.
4. The term "Port" shall mean the Port of Los Angeles Board of Harbor Commissioners.
5. The term "NEPA" shall mean the National Environmental Policy Act (42 U.S.C. § 4321 *et seq.*).
6. The term "Nonprofit" shall mean the entity created by this agreement in section V to execute the Port Community Mitigation Trust Fund.
7. The term "Parties" shall mean the City, Port and Appellants.
8. The terms "Port Community Mitigation Fund" shall mean the fund created under this Agreement between the Parties, and shall be used by the Nonprofit solely to fund mitigation projects.
9. The terms "RFP" shall mean Request For Proposals.
10. The term "TraPac EIR" shall mean the environmental impact report prepared by the Port under CEQA for the container terminal project at Berths 136-147 of the Port.
11. The term "TraPac Project" shall mean the project described in the TraPac EIR.
12. The term "Appellants" shall mean the Natural Resources Defense Council, American Lung Association of California, Change to Win, Coalition for a Safe Environment, Coalition for Clean Air, Communities for a Better Environment, Communities for Clean Ports, Earth Day LA, Environmental Priorities Network, Harbor Watts Economic Development Corporation, International Brotherhood of Teamster, Los Angeles Alliance for a New Economy, Physicians for Social Responsibility—LA, San Pedro and Peninsula Homeowner's Coalition, Sierra Club Harbor Vision Task Force, Kathleen Woodfield, and Chuck Hart, who appealed the Port's approval of the TraPac EIR to the City Council.

II. BACKGROUND

WHEREAS, the Parties desire to resolve the disputes between them arising from the Port's approval of environmental impact reports (EIRs);

WHEREAS, the surrounding communities of Wilmington and San Pedro, however, receive a disproportionate share of negative environmental impact due to port operations;

WHEREAS, the Parties agree to support collaborative efforts to grow and green the port in a manner that provides a concrete way to reduce cumulative environmental impacts on the community while creating jobs and economic prosperity to the surrounding region;

WHEREAS, the Parties agree that there are off-port impacts in the communities of San Pedro and Wilmington; and

WHEREAS, the Parties agree that this agreement does not address all the impacts stemming from port operations.

NOW THEREFORE, the Parties agree as follows:

III. DECLARATION OF GOALS AND PURPOSES

The Parties enter this agreement to address the Port and the City's desire to provide for operation of the TraPac Project without litigation or appeals to the Los Angeles City Council from Appellants. The Parties want to address the outstanding impacts from port operations and growth. The Parties agree that this agreement provides a mechanism for moving forward in cooperation to determine how best to address impacts from current and future port operations. All Parties agree that the mitigation contained within this agreement has a nexus with port operations. The Parties' decision to enter this agreement does not constitute any representation regarding the adequacy of the TraPac EIR.

IV. FUTURE COOPERATION BETWEEN THE PORT, CITY, AND APPELLANTS

The Parties or their designated representative shall cooperate to implement this agreement. In addition, the Parties or their designated representative shall agree to cooperatively address and respond to future port-related environmental issues at the Port and in San Pedro and Wilmington. Upon the Port's request, Appellants engaged in the EIR process for specific projects, agree to individually or as a collective group meet and confer in good faith with the Port on such future EIRs on Exhibit B and will make efforts to avoid litigation or appeals to the City Council. The Port will take reasonable efforts to disclose all pertinent information to the Appellants to the extent feasible prior to release of the DEIR to help inform discussion and feedback. To the extent the ports make the information available, Appellants may give Port staff written or oral comments.

Upon the Ports' request, Appellants individually or as a collective group will meet and confer in good faith with the Port after submitting a formal comment letter on a DEIR. After the Port has certified an EIR, Appellants will contact the Port or Port staff prior to filing an appeal or a lawsuit challenging the project within the time constraints imposed by law.

V. PORT COMMUNITY MITIGATION TRUST FUND

The Port shall establish a Port Community Mitigation Trust Fund to be operated by a Nonprofit established for the purpose of overseeing grants from the Port Community Mitigation Trust Fund. A Nonprofit will be set up to provide off port mitigation projects for the communities of Wilmington and San Pedro related to impacts from port operations. The Nonprofit may also fund community adjacent wetlands, supporting habitat zones and appropriate public access and viewing sites to same projects that may occur on-port lands. The Nonprofit may get funding from other sources to execute its mission, and it may also make recommendations to the Board of Harbor Commissioners on mitigation projects.

A. PURPOSE OF THE NONPROFIT

A Nonprofit will be established to address off-port impacts created by existing and future Port operations in the communities of Wilmington and San Pedro, including but not limited to off-Port impacts from the TraPac Project in Wilmington and San Pedro.

Specifically, the Nonprofit's mission shall be to allocate money for projects that will protect, improve and assess public health by offsetting past, present, and future off-port impacts from Port operations, including the CEQA categories of noise, land use, blight/aesthetics, recreation, natural resources, light/glare, safety, air quality, community resources, cultural resources, geology and soils, population and housing, public services, water quality, and future categories of impacts identified under CEQA. Such projects shall be geared towards addressing the cumulative off-port impacts created by Port operations. The Nonprofit shall not allocate money for goods movement infrastructure projects. The Port and City agree that monies provided by the Port to the Nonprofit for such projects shall be allocated in a manner consistent with Section VB of this Agreement.

Funds allocated to the Nonprofit shall not be used to fund CEQA/NEPA mitigation for future projects and/or mitigation already designated within the TraPac EIR/EIS or other future CEQA/NEPA documents. It is assumed that projects subject to CEQA/NEPA will include all mitigation that is legally required and that the Port and/or project applicant will be responsible for the costs associated with that mitigation. In other words, the establishment of the Port Community Mitigation Trust Fund does not eliminate or reduce the Port's obligations to mitigate the adverse impacts of its projects consistent with CEQA, NEPA, and CAAP, whether inside or outside of the Port. In the first year, the Nonprofit shall ensure that the projects described in "Exhibit A" are prioritized for

funding before other projects are approved for funding. Specifically within "Exhibit A," categories A, B, and C shall have greatest priority for initial funding. In addition, the Nonprofit shall develop project criteria to ensure that all other projects approved and funded through the Port Community Mitigation Trust Fund are consistent with this section of this Agreement. The funding provided by the Port to the Port Community Mitigation Trust Fund shall be determined according to the calculus laid out in section VB.

B. FUNDING

- i. \$500,000 up front for organizational costs.
- ii. \$11,240,000 for the TraPac project contribution for the Exhibit A Projects—
This \$11.24 million comes from the following two contributions:
 - a. Approximately \$6 million for air filtration systems in schools;
 - b. \$5.24 million for other projects identified in Exhibit A from the projected increase in TEUs from the TraPac project ($\$3.50 \times 1,497,142$ TEUs).
- iii. \$300,000 for off port impact study articulated in section VI A.

Total Year 1 contribution: \$12.04 million

From year 2 forward, the sum of:

- iv. \$2.00 per TEU for the increase in TEUs over the prior calendar year from facilities existing in 2007, and continued for the incremental increase in the four remaining years of this agreement.
- v. If Port expansion projects from Exhibit B proceed, the Port will make a one-time additional contribution at a rate of \$3.50 per TEU (or \$1.50 for px and 0.15 per ton) per project for growth associated from such expansion projects. The funds will be transferred into the Port Community Mitigation Trust Fund on approval by the Port of each individual project. This provision is not to be interpreted that all of the projects from "Exhibit B" must proceed before transferring individual project contributions into the Port Community Mitigation Trust Fund.

"Exhibit C" provides a sample of how potential contributions to the Port Community Mitigation Trust Fund could work in 2008.

C. REQUIREMENTS FOR NONPROFIT

The requirements for compliance for the Nonprofit entity with respect to delegation of authority and compliance with tidelands trust requirements will be determined in connection with the establishment of the Nonprofit. The Nonprofit's bylaws and the Port's agreement with the Nonprofit shall provide for adequate oversight of the

Nonprofit. Prior to the release of any funds, the City Attorney's office shall prepare the necessary documents to ensure compliance with all laws, including the City of Los Angeles Charter and Administrative Code and the Tidelands trust. The Port Community Mitigation Trust Fund will at all times be subject to the applicable local and state laws pertaining to certain legal matters.

D. PHASE IN PERIOD

Within 60 days of entering into this agreement, the Parties will agree to an interim entity that will be responsible for assisting in the creation of the Port Community Mitigation Trust Fund and the Nonprofit to administer the fund. The interim entity will facilitate and coordinate the development of bylaws, organizational structure, and a multi-year strategic plan by working and soliciting input from the Parties. The interim entity may have the responsibility for funding a small subset of Exhibit A projects with Year 1 funds and the studies articulated in section VI upon the direction of the Appellants and the Representative for Council District 15. The allocation within section VB_i could go towards consultants and/or experts to assist in development of bylaws, organizational structure, and a multi-year strategic plan.

VI. OFF-PORT IMPACT STUDIES

A. The Port will fund an initial study of off-Port impacts, with a maximum price of \$300,000. If the cost of the study exceeds this amount, then money shall be augmented from section VB funds. The study will consist of an analysis of off-port impacts on health and land use in Wilmington and San Pedro. The land-use analysis will take into consideration the applicability of the California Air Resources Board's April 2005 study "Air Quality and Land Use Handbook: A Community Health Perspective" and the health impacts analysis will take into consideration the applicability of the biannual survey by the UCLA Center for Health Policy Research called the California Health Interview Survey, which already does a more concentrated interview process in LA County. A third party entity selected through an RFP process shall carry out the study. It is envisioned that this initial study will take six months. The Port will not be involved in the execution of this study, but rather, this initial study shall be commissioned by the interim entity identified within section VC. A report on the scope of the study as articulated within the RFP shall be made to the Trade, Commerce and Tourism Committee of the Los Angeles City Council before being issued. In addition, periodic updates on the study progress shall be made to the Trade, Commerce and Tourism Committee of the Los Angeles City Council.

B. Once the Nonprofit has been established, it will fund from section VB_{ii} funds a second, more expansive study of off-Port impacts examining aesthetics, light and glare, traffic, public safety and effects of vibration, recreation, and cultural resources related to port impacts on harbor area communities, including Ranchos Palos Verdes, with a maximum price of \$300,000. The Port will not be involved in the selection of the third party entity or execution of this study. If the cost of the study exceeds this amount, then additional funds from section VB_{ii} shall be used to complete the study. A third

party entity selected through an RFP process shall carry out the study. The results of the study will be presented to the Trade, Commerce and Tourism Committee of the Los Angeles City Council.

VII. BUFFER ZONE

The Board of Harbor Commissioners will take necessary actions to place a deed restriction on the Wilmington buffer to ensure the property remains as public open space in perpetuity.

VIII. RELEASE OF CLAIMS

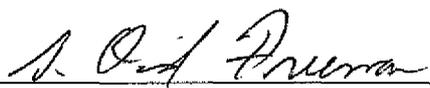
The Appellants hereby release all claims relating to the Port's approval of the TraPac EIR/EIS, including CEQA challenges. Further, this release does not release any of the rights and obligations under this agreement, and shall not extend to any action to enforce or interpret the provisions of this agreement.

IX. RENEWAL OF AGREEMENT

After a period of 5 years, the agreement may be renewed for a successive 5 year period by mutual agreement of the Port and a majority of the Appellants.

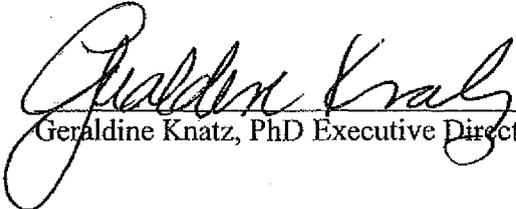
SIGNATURES OF PARTIES:

DATED: 7-15-05
The Los Angeles Board of Harbor Commissioners

By: 
S. DAVID FREEMAN
President

[Signatures Continued On Next Page]

DATED: _____
The City of Los Angeles Harbor Department
And the City of Los Angeles by its Board of
Harbor Commissioners

By: 
Geraldine Knatz, PhD Executive Director

DATED: 4/2/2008
Appellants

By: /s/ David Pettit
David Pettit
Natural Resources Defense Council

By: /s/ Colleen Callahan
Colleen Callahan
Manager of Air Quality Policy and Advocacy
American Lung Association of California

By: /s/ Greg Tarpinian
Greg Tarpinian
Executive Director
Change to Win

By: /s/ Jesse Marquez
Jesse Marquez
Executive Director
Coalition for a Safe Environment

By: /s/ Martin Schlageter
Campaign and Advocacy Director
Coalition for Clean Air

By: /s/ Shana Lazerow
Shana Lazerow
Attorney
Communities for a Better Environment

[Signatures Continued On Next Page]

By: /s/ Rupal Patel
Director
Communities for Clean Ports

By: /s/ Jim Stewart
Earth Day LA

By: /s/ Lillian Light
Lillian Light
President
Environmental Priorities Network

By: /s/ Frank O'Brien
Executive Director
Harbor Watts Economic Development Corporation

By: /s/ Chuck Mack
International Vice President and Port Division Director
International Brotherhood of Teamsters

By: /s/ Patricia Castellanos
Co-Director, Ports Campaign
Los Angeles Alliance for a New Economy

By: /s/ Katherine Attar
Health and Environment Program Coordinator
Physicians for Social Responsibility

By: /s/ Andy Mardesich
Andy Mardesich
President
San Pedro and Peninsula Homeowners Coalition

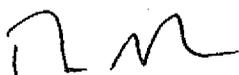
By: /s/ Tom Politeo
Tom Politeo
Co-Chair
Sierra Club Harbor Vision Task Force

By: /s/ Kathleen Woodfield
Kathleen Woodfield

By: /s/ Chuck Hart
Chuck Hart

APPROVED AS TO FORM:

Dated: as of April 3, 2008
ROCKARD J. DELGADILLO, City Attorney

By: 

Thomas A. Russell
General Counsel
Port of Los Angeles

EXHIBITS

EXHIBIT A

Projects identified in A, B, and C will occur in Wilmington only.

- A. Installation of sound dampening double paned windows in schools and residences in the zone of greatest impact from TraPac
- B. Installation and maintenance of air filtration systems/HVAC air purifiers in schools impacted from TraPac operations
- C. Provide funds to local clinics, other health service providers, and other organizations aimed at addressing health impacts from air pollution stemming from port operations;
- D. Qualified job training/hiring program associated with the Wilmington off-port mitigation measures identified in A, B, and C above, consistent with the Port and City's workforce development efforts.
- E. An analysis of the impacts of port operations on wetlands and recreational access in Wilmington and San Pedro. Specifically, the study will serve to assess the potential places for wetlands restoration and creation in San Pedro and Wilmington. The recommendations shall be provided to the Port for action.

EXHIBIT B

List of Projects Relating to Section V of this Agreement

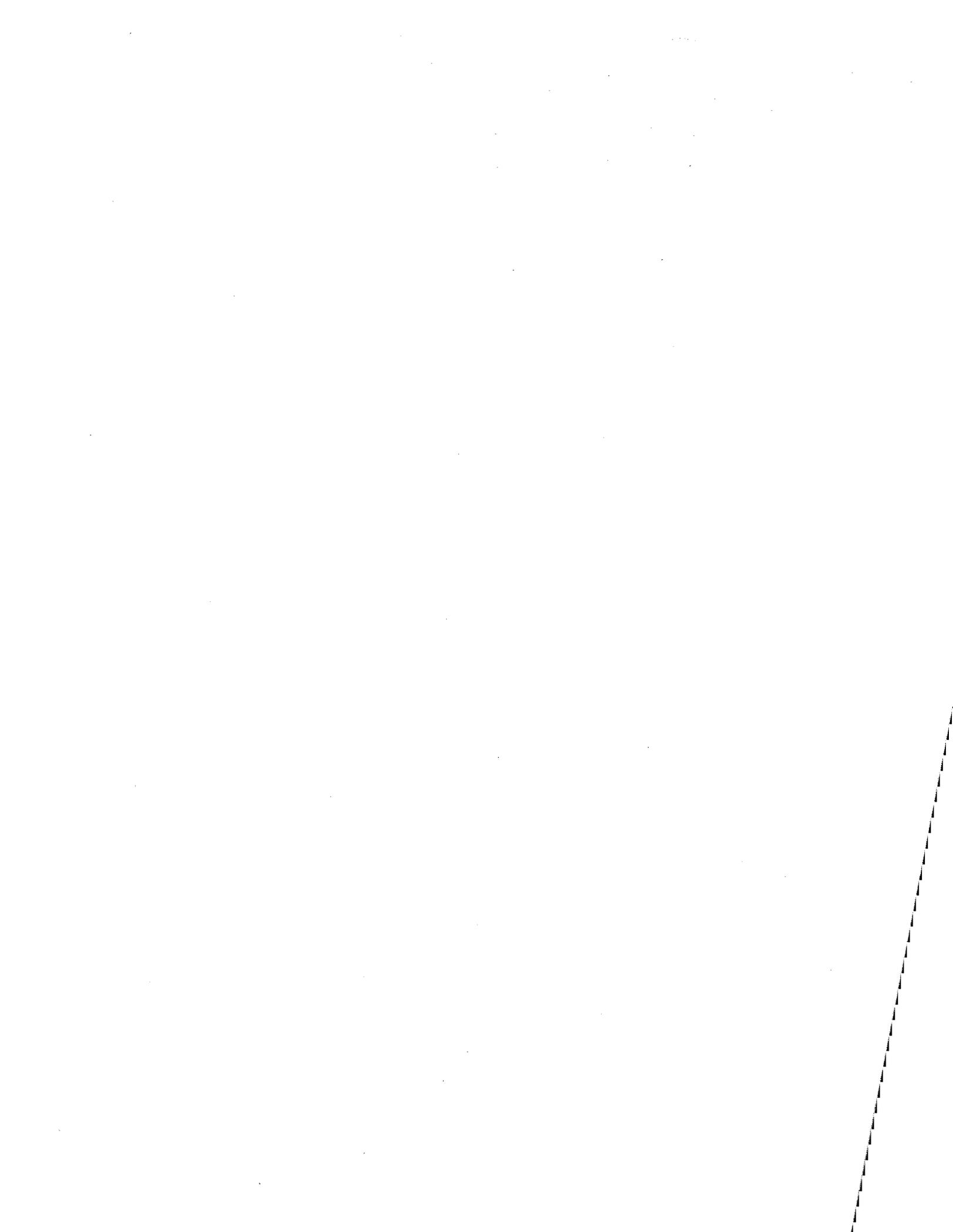
- 1. San Pedro Waterfront Project
- 2. Channel Deepening Project
- 3. B226-236: Evergreen Container Terminal Improvements Project
- 4. Plains All American Oil Marine (Pacific Energy), Pier 400 Project
- 5. B97-109: China Shipping Development Project
- 6. B171-181: Pasha Marine Terminal Improvements Project
- 7. 302-305: APL Container Terminal Improvements Project
- 8. Wilmington Waterfront Master Plan, (Avalon Blvd. Corridor Project)
- 9. Port Transportation Master Plan, Port of Los Angeles
- 10. B206-224: YTI Container Terminal Improvements Project
- 11. B121-131: Yang Ming Container Terminal Improvements Project
- 12. Ultramar Lease Renewal Project
- 13. Terminal Island On-Dock Rail Project

EXHIBIT C

The following chart outlines how potential contributions to the Port Community Mitigation Trust Fund could work in 2008.

	Growth	Contribution
Natural growth	365,000 TEUs (@ \$2)	\$730,000
San Pedro Waterfront Project	1,106,787 PX (@ \$1.5)	\$1,661,805
B97-109: China Shipping Development Project	1,147,800 TEUs (@ \$3.50)	\$4,017,300
Plains All American Oil Marine (Pacific Energy), Pier 400 Project	34,845,841 tons (@.15)	\$5,226,876
Total		\$11,635,981

- Assumptions: (1) Natural growth in TEUs at 5%;
(2) Waterfront Development adds 1,106,787 passengers;
(3) China Shipping Project assumes an additional 1,147,800 TEUs;
(4) Pacific Energy Partners add 34,845,841 tons; and
(5) The projects within this table proceed.



MEMORANDUM OF AGREEMENT BETWEEN SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT, CITY OF LOS ANGELES AND TRAPAC APPELLANTS
REGARDING THE INSTALLATION AND MAINTENANCE OF AIR FILTRATION
SYSTEMS IN WILMINGTON AND SAN PEDRO SCHOOLS

This Memorandum of Agreement ("Agreement" or "MOA") is made as of this ___ day of _____, 20___, by and among the South Coast Air Quality Management District, a government agency ("SCAQMD"), certain of the TraPac Appellants listed in Exhibit A hereto ("Appellants"), and the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners ("City"), who, from time to time herein, shall be referred to individually as "Party" and collectively as "Parties."

RECITALS

WHEREAS, on or about April 3, 2008, for a lawful public purpose and valuable consideration, City entered into Memorandum of Understanding by and among City and Appellants to settle Appellants' administrative appeals and potential legal claims against City relating to the environmental impact report and related findings for the TraPac Berths 136-147 Container Terminal Project ("TraPac MOU"), a copy of which TraPac MOU is attached hereto as Exhibit B;

WHEREAS, the TraPac MOU requires City to provide \$6 million 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 Project ("TraPac Project");

WHEREAS, 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;

WHEREAS, at the request of City and Appellants, SCAQMD has consented to implement and administer, on behalf of City and Appellants, the air filtration program required by the TraPac MOU; and

WHEREAS, all Parties desire to provide, a role in overseeing and steering the implementation and administration of such air filtration program.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. Recitals. The Recitals to this Agreement, above, are hereby incorporated herein and made a part hereof.
2. Effective Date. This Agreement shall become effective following its full approval by City, Appellants, and SCAQMD ("Effective Date").
3. Term. The Term of this Agreement is five (5) years, and may be renewed by mutual agreement of the Parties for a term to be agreed upon by the Parties. The TraPac MOU has a term of 5 years from its effective date of April 16, 2008, with an option to renew for an additional term. The Parties agree that the term of this Agreement may exceed the term of the TraPac MOU and that a decision not to renew the TraPac MOU shall not be interpreted as a termination of this Agreement or the obligations agreed to herein.
4. Termination. Subject to the provisions of Section 3, this Agreement shall terminate upon the earlier to occur of: (a) written acknowledgement by the Executive Director of City's Harbor Department ("Executive Director") and the Appellants or their designative representative of SCAQMD's full performance of its obligations under this Agreement; (b) the mutual written consent of all Parties; (c) a Party's unilateral termination of the Agreement, with or without cause, upon thirty (30) days' written notice; or (d) the TraPac MOU is deemed invalid or unenforceable. If a Party's unilateral decision to terminate is based on a disputed matter of the performance of one or more of the Parties, then all Parties shall make good faith efforts to resolve any such disputes prior to termination becoming effective. In the event that this Agreement is terminated, any and all uncommitted monies provided to SCAQMD to perform this Agreement shall be returned to City for use in accordance with the TraPac MOU. Notwithstanding the termination of this Agreement SCAQMD shall continue to monitor air filtration systems in schools funded by this Agreement for at least three (3) years after installation in order to ensure those systems are functioning properly.
5. Performance Criteria and Schools
 - a. Installation and maintenance of air filtration systems ("Filtration Systems Program") shall meet performance specifications as set forth in Exhibit C ("Filtration Systems Performance Specifications"). These performance specifications are based on in-use testing of high-performance panel filters, register-based air purifiers, and multiple stand-alone systems in classrooms for removal efficiency of ultrafine PM, fine PM, and black carbon, and air flow monitoring data from the AQMD Pilot Study of High Efficiency Particle Filtration for Classrooms ("AQMD Pilot Study"). The specifications shown in Exhibit C are based on known achievable performance based on the AQMD Pilot Study.

- b. A Request for Proposals ("RFP") (a copy of which is attached as Exhibit F) will be released for the installation and maintenance of air filtration systems, and proposers will be required to provide evidence of in-use testing of multiple high efficiency air filtration solutions in classrooms that meet or exceed the performance standards of air filtration solutions used in the AQMD Pilot Study.
 - c. The geographical boundaries of the areas from which school facilities are to be selected shall be determined for purposes of this specific project by the "Geospatial Analysis For Port of Los Angeles Community Mitigation Trust Fund (CMTF) Support" that was prepared by ENVIRON International Corporation on February 3, 2009 ("ENVIRON Report"), which is attached hereto as Exhibit D. Specifically, the schools eligible to receive air filtration systems funded by this Agreement shall be located within the "red boundary" identified in Figure 2 of the ENVIRON Report and be adversely affected by port-related emissions from port-derived traffic density, or port-related excess residential cancer risk (the "Eligible Schools"). Figures 9, 10, 11 and 12 of the ENVIRON Report shall be used as guidance in determining the schools most adversely affected by port operations and emissions.
 - d. SCAQMD, in consultation with the Parties pursuant to Section 6, shall select the schools to receive the air filtration systems based on technical feasibility, cost-effectiveness, and the analysis provided in the ENVIRON Report.
 - e. Prior to installation, schools selected for installation and maintenance of air filtration systems shall agree in writing to comply with upkeep, replacement, and maintenance requirements for their system, as a condition of the award.
6. Meeting and Reporting Requirements. SCAQMD shall convene meetings on a regular basis with the Parties, and such meetings may include technical experts and school district representatives. The City and Appellants' participation in these meetings is encouraged but not required. At such meetings, SCAQMD will seek input, advice and assistance regarding the implementation of the Filtration Systems Program, which include, but are not necessarily limited to, the following:
- a. Seek input and advice on the draft Request for Proposal and the proposed contract(s) SCAQMD may enter into with the selected contractor(s) who will assist SCAQMD in its performance of this Agreement.
 - b. Seek input and advice on the selection of schools receiving air filtration systems and maintenance of those systems.

- c. Seek input and advice on assessments performed by SCAQMD contractor(s) pertaining to the feasibility of placing and maintaining air filtration systems at Eligible Schools.
- d. Seek input, advice and assistance in obtaining school district approval to install and maintain air filtration systems at Eligible Schools, including recommendations on terminating negotiations when efforts to obtain school or school district approval have been exhausted.
- e. Seek input, advice and assistance at any public meetings held or other outreach conducted in an effort to obtain school district approval for the installation and maintenance of air filtration systems.
- f. Seek input and advice regarding the agreements SCAQMD enters into with schools for the installation and maintenance of air filtration systems, including input and advice on funding options for the long-term maintenance of any air filtration systems installed, and SCAQMD's monitoring of such systems.
- g. Seek input and advice in determining if excess funds exist beyond what is needed to fulfill performance of this Agreement and if so, how the excess funds should be allocated. Any such determination shall be reduced in writing and provided to the parties to the TraPac MOU and the Parties to this Agreement.
- h. Seek input, advice and assistance on any other issues and to report issues to the City and Appellants that could impede or interfere with the implementation of the Filtration Systems Program.

7. Funding of Filtration Systems Program.

- a. The TraPac MOU requires that the \$6 million provided by the City for the installation and maintenance of air filtration systems/HVAC air purifiers be allocated to schools in the communities of Wilmington and San Pedro, California, with a priority to providing funding to Wilmington schools first. To the extent that the TraPac MOU is modified to allow any portion of the \$6 million to be allocated to schools in another community, this Agreement shall enable and govern the administration of such funds.
- b. The Parties acknowledge that the Harbor Revenue Fund, as that term is defined in Section 656 of City's Charter, constitutes the funding source for the Filtration Systems Program and that, as such, the laws, rules and regulations applicable to such Harbor Revenue Fund must be complied with in the performance of this Agreement.

8. Third-Party Approvals. The Parties acknowledge that implementation of the Filtration Systems Program shall require the reviews and approvals of third-parties including, without limitation, the schools selected to receive the air filtration systems and the Los Angeles Unified School District ("LAUSD"). SCAQMD shall have the obligation to seek any third-party approvals required to implement this Agreement. Whether or not actual implementation of the Filtration Systems Program at any of the selected schools occurs, however, a Party shall not be deemed to have breached this Agreement as long as it, in good faith, is using best efforts to perform its obligations under this Agreement.
9. SCAQMD Implementation and Administration of Filtration Systems Program. After execution of this Agreement, SCAQMD shall commence performance of the work as outlined in Exhibit E of this Agreement, attached here and incorporated here by reference.
10. Payment. Within five (5) days after the SCAQMD Governing Board's approval of the selected contractor, SCAQMD shall submit to the City a written request for payment for the implementation of the Filtration Systems Program. The City shall pay SCAQMD Six Million Dollars (\$6,000,000) within fifteen (15) days of the request for payment. These funds shall be used to pay contractor(s) retained by SCAQMD for actual costs to implement the Filtration Systems Program, including the installation and maintenance of air filtration systems/HVAC air purifiers, and for SCAQMD's agreed administrative costs. Unspent monies paid by the City to SCAQMD under this Agreement shall be invested in an interest bearing account pursuant to law.
 - a. Administrative and Implementation Costs. The total amount paid to SCAQMD for administrative and implementation costs shall not exceed ten percent (10%) of the amount paid to the contractor(s) hereunder to implement the Filtration Systems Program. SCAQMD's administrative and implementation costs include staff time for program management to ensure timely progress and oral/written reporting, contract administration time for contracts and invoices, technical staff time for review of contractor work and expertise on monitoring and air filtration, air monitoring staff time to conduct on-site PM monitoring and analysis post-installation to verify satisfactory performance of air filtration systems, and coordinating meetings to seek input and advice from interested Parties.
 - b. Submission of Actual Invoices. At least annually and not later than 60 days after the end of the term of this Agreement or the completion of all work under this Agreement, whichever comes first, SCAQMD shall submit to City, for purposes of reconciliation, all actual invoices showing costs incurred for the Filtration Systems Program and all documentation verifying administrative and implementation costs. The form of invoice shall be subject to approval by the City.

- c. Reimbursement. All interest and any unspent portion of the funds paid by City shall be returned to the City not later than sixty (60) days after termination of this Agreement for use in accordance with the TraPac MOU. All payments and performance shall be subject to audit by the City at any time.
11. Schedule. SCAQMD will work in good faith to meet the schedule set forth in Exhibit G ("Schedule of events/Milestones"). However, the Parties acknowledge that because of the necessity of third-party approvals referenced in Section 8 of this Agreement, a schedule for SCAQMD's performance of the work is difficult to determine. Any changes in the schedule shall not affect the City's rights and obligations under Section 27 of this Agreement.
12. Recordkeeping and Audit Rights. SCAQMD shall keep and maintain full, complete and accurate books of accounts and records of the monies expended pursuant to this Agreement in accordance with generally accepted accounting principles consistently applied, which books and records shall be readily accessible to and open for inspection and copying at the premises. During the term of this Agreement, City or Appellants or their designated representatives may audit, review and copy any and all non-privileged and non-confidential writings (as that term is defined in Section 250 of the California Evidence Code) of SCAQMD arising from or related to this Agreement, whether such writings are (a) prepared by SCAQMD or any individual or entity acting for or on behalf of SCAQMD, and (b) without regard to whether such writings have previously been provided to City or Appellants. SCAQMD shall keep records for the length of the term plus five years.
13. SCAQMD Existing Air Filtration Programs. In consideration of the purpose and requirements of this MOA, including the expenditure of funds, SCAQMD agrees that this MOA shall not affect the implementation or funding for the projects at two schools in the City of Los Angeles, which were initiated prior to entering into this MOA.
14. Indemnification. Each Party agrees to indemnify, defend, and hold harmless the other Parties with respect to any loss, cost, expense or liability incurred by such other Parties with respect to the indemnifying Party's own obligations, including without limitation funding obligations, under this MOU; provided, however, that no party shall be obligated to indemnify another Party for any loss, cost, expense, or liability that is caused by the gross negligence or willful misconduct of such other Party. Notwithstanding the generality of the foregoing, the City shall indemnify, defend, and hold harmless SCAQMD from claims and liabilities arising out of or relating to: the selection, in accordance with this Agreement, of any non-LAUDS schools to receive air filtration systems; or the provision of any benefit to such schools, which is based on their status as a non-public school.

15. Compliance with Applicable Laws. The Parties shall comply with all federal, state, municipal, local and departmental laws, ordinances, rules, regulations, and orders. If in any instance a City standard is more stringent than a state, federal or other requirement, the City standard shall be followed.
16. Notices. In all cases where written notice is to be given under this Agreement, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid. When so given, such notice shall be effective from the date of mailing of the same. For the purpose hereof, unless otherwise provided by notice in writing from the respective parties, notice to City's Harbor Department shall be addressed to Executive Director, Los Angeles Harbor Department, P.O. Box 151, San Pedro, California 90733-0151, notice to SCAQMD shall be addressed to Science and Technology Advancement Office, SCAQMD, 21865 Copley Drive, Diamond Bar, CA, 91765, Attn: Patricia Kwon, and notice to Appellants shall be addressed to them care of the Natural Resources Defense Council, and Coalition for Clean Air or their designated representative, as follows: Melissa Lin Perrella, NRDC, 1314 Second Street, Santa Monica, CA 90401; Martin Schlageter, Coalition for Clean Air, 811 West 7th St., Suite 1100, Los Angeles, CA 90017. Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law.
17. Taxpayer Identification Number ("TIN"). The Internal Revenue Service ("IRS") requires that all consultants and suppliers of materials and supplies provide a TIN to the Party that pays them. SCAQMD declares that its authorized TIN is _____ . No payments will be made under this Agreement without a valid TIN.
18. State Tidelands Grants. This Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929 (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. SCAQMD and Appellants agree that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.
19. Construction of Agreement . This Agreement shall not be construed against the Party preparing the same, shall be construed without regard to the identity of the person who drafted such and shall be construed as if all Parties had jointly prepared this Agreement and it shall be deemed their joint work product; and any uncertainty or ambiguity shall not be interpreted against any one Party. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting Party shall not be applicable.

20. Titles and Captions. The Parties have inserted the section titles in this Agreement only as a matter of convenience and for reference, and the section titles in no way define, limit, extend or describe the scope of this Agreement or the intent of the parties in including any particular provision in this Agreement.
21. Modification in Writing. This Agreement may be modified only by written agreement of all Parties. Any such modifications are subject to all applicable approval processes required by, without limitation, City's Charter and City's Administrative Code.
22. Waiver. A failure of any Party to enforce the Agreement upon a breach or default shall not waive the breach or default or any other breach or default. All waivers shall be in writing.
23. Governing Law. This Agreement is made and entered into in the State of California and shall in all respects be construed, interpreted, enforced and governed under and by the laws of the State of California, without reference to choice of law rules.
24. Severability. Should any part, term, condition or provision of this Agreement be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced, the validity of the remaining parts, terms, conditions or provisions of this Agreement shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Agreement, then such part, term, condition or provision shall be deemed not to be a part of this Agreement; or (b) if such part, term, condition or provision is material to this Agreement, then the parties shall revise the part, term, condition or provision so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible.
25. Jurisdiction. The Parties consent to the jurisdiction of the State of California for the enforcement of this Agreement.
26. Integrated Agreement. This Agreement contains the entire understanding and agreement between the Parties with respect to the matters referred to herein. No other representations, covenants, undertakings, or prior or contemporaneous agreements, oral or written, regarding such matters which are not specifically contained, referenced, and/or incorporated into this Agreement by reference shall be deemed in any way to exist or bind any of the Parties. Each Party acknowledges that it has not been induced to enter into the Agreement and has not executed the Agreement in reliance upon any promises, representations, warranties or statements not contained, referenced, and/or incorporated into the Agreement. **THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO BE, AND IS, AN INTEGRATED AGREEMENT.**
27. Interpretation and Partial Satisfaction of TraPac MOU. The City and Appellants acknowledge and agree as follows: (i) references to the "Port" and "City" in the TraPac MOU shall be interpreted to be to the same legal entity, the City of Los

Angeles, acting by and through its Board of Harbor Commissioners, not to the Board of Harbor Commissioners itself; (ii) City's \$6,000,000 payment to SCAQMD under this Agreement shall constitute full and satisfactory performance of any and all obligations to provide air filtration systems and/or HVAC air purifiers under Section V.B.ii. and Exhibit A of the TraPac MOU; (iii) all amounts paid under this Agreement shall be paid from the \$11,240,000 TraPac project contribution for Exhibit A Projects. If any of the aforementioned \$6,000,000 is returned to the City, however, the City shall allocate those funds for use in accordance with the TraPac MOU, and Appellants reserve any and all rights to ensure such allocation.

28. Exhibits; Sections. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached. To the extent the terms of an exhibit conflict with or appear to conflict with the terms of the body of the Agreement, the terms of the body of the Agreement shall control. References to sections are to sections of this Agreement unless stated otherwise.

29. Force Majeure. No Party shall be liable or deemed to be in default for any delay or failure to perform its obligations under this Agreement if such delay or failure results from acts of God, riot, war, civil unrest, flood, earthquake, or other cause beyond such Party's reasonable control.

30. Counterparts. This Agreement may be executed in one or more counterpart copies. Each counterpart copy when so executed shall be deemed to be an original and all of the counterpart copies together shall constitute one fully executed agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date to the left of their signatures.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

By: _____
William Burke, Governing Board Chair

Date: _____

APPROVED AS TO FORM:
Kurt Wiese, General Counsel

By: _____

Date: _____

CITY OF LOS ANGELES
a municipal corporation, acting by and through
its Board of Harbor Commissioners

By: _____
Geraldine Knatz, Ph.D., Executive Director

Date: _____

Attest: _____
Board Secretary

Date: _____

APPROVED AS TO FORM:
CARMEN A. TRUTANICH,
Los Angeles City Attorney

By: _____
Thomas A. Russell, General Counsel

Date: _____

APPELLANTS:

By: _____
David Pettit
Natural Resources Defense Council

Date: _____

By: _____
Colleen Callahan
Manager of Air Quality Policy and Advocacy
American Lung Association of California

Date: _____

By: _____ Date: _____
Greg Tarpinian, Executive Director
Change to Win

By: _____ Date: _____
Jesse Marquez, Executive Director
Coalition for a Safe Environment

By: _____ Date: _____
Martin Schlageter
Campaign and Advocacy Director
Coalition for Clean Air

By: _____ Date: _____
Shana Lazerow, Attorney
Communities for a Better Environment

By: _____ Date: _____
Rupal Patel, Director
Communities for Clean Ports

By: _____ Date: _____
Jim Stewart
Earth Day LA

By: _____ Date: _____
Lillian Light, President
Environmental Priorities Network

By: _____ Date: _____
Frank O'Brien, Executive Director
Harbor Watts Economic Development Corporation

By: _____ Date: _____
Chuck Mack
International Vice President and Port Division Director
International Brotherhood of Teamsters

By: _____ Date: _____
Katherine Attar
Health and Environment Program Coordinator
Physicians for Social Responsibility

By: _____ Date: _____
Andy Mardesich, President
San Pedro and Peninsula Homeowners Coalition

By: _____ Date: _____
Tom Politeo, Co-Chair
Sierra Club Harbor Vision Task Force

By: _____ Date: _____
Kathleen Woodfield

By: _____ Date: _____
Chuck Hart

Exhibit A

List of Appellants that are party to this MOA

Natural Resources Defense Council
American Lung Association of California
Change to Win
Coalition for a Safe Environment
Coalition for Clean Air
Communities for a Better Environment
Communities for Clean Ports
Earth Day LA
Environmental Priorities Network
Harbor Watts Economic Development Corporation
International Brotherhood of Teamsters
Physicians for Social Responsibility
San Pedro and Peninsula Homeowners Coalition
Sierra Club Harbor Vision Task Force
Kathleen Woodfield
Chuck Hart

Harbor Department
Agreement 09-2764
City of Los Angeles

MEMORANDUM OF UNDERSTANDING

I. DEFINITIONS

1. The term "CEQA" shall mean the California Environmental Quality Act (Public Resources Code § 21000 *et seq.*) and the State CEQA Guidelines and applicable case law.
2. The term "City" shall mean the City of Los Angeles.
3. The term "Clean Air Action Plan" shall mean the San Pedro Bay Ports Clean Air Action Plan adopted by the Los Angeles Board of Harbor Commissioners and Long Beach Board of Harbor Commissioners on November 20, 2006.
4. The term "Port" shall mean the Port of Los Angeles Board of Harbor Commissioners.
5. The term "NEPA" shall mean the National Environmental Policy Act (42 U.S.C. § 4321 *et seq.*).
6. The term "Nonprofit" shall mean the entity created by this agreement in section V to execute the Port Community Mitigation Trust Fund.
7. The term "Parties" shall mean the City, Port and Appellants.
8. The terms "Port Community Mitigation Fund" shall mean the fund created under this Agreement between the Parties, and shall be used by the Nonprofit solely to fund mitigation projects.
9. The terms "RFP" shall mean Request For Proposals.
10. The term "TraPac EIR" shall mean the environmental impact report prepared by the Port under CEQA for the container terminal project at Berths 136-147 of the Port.
11. The term "TraPac Project" shall mean the project described in the TraPac EIR.
12. The term "Appellants" shall mean the Natural Resources Defense Council, American Lung Association of California, Change to Win, Coalition for a Safe Environment, Coalition for Clean Air, Communities for a Better Environment, Communities for Clean Ports, Earth Day LA, Environmental Priorities Network, Harbor Watts Economic Development Corporation, International Brotherhood of Teamster, Los Angeles Alliance for a New Economy, Physicians for Social Responsibility—LA, San Pedro and Peninsula Homeowner's Coalition, Sierra Club Harbor Vision Task Force, Kathleen Woodfield, and Chuck Hart, who appealed the Port's approval of the TraPac EIR to the City Council.

II. BACKGROUND

WHEREAS, the Parties desire to resolve the disputes between them arising from the Port's approval of environmental impact reports (EIRs);

WHEREAS, the surrounding communities of Wilmington and San Pedro, however, receive a disproportionate share of negative environmental impact due to port operations;

WHEREAS, the Parties agree to support collaborative efforts to grow and green the port in a manner that provides a concrete way to reduce cumulative environmental impacts on the community while creating jobs and economic prosperity to the surrounding region;

WHEREAS, the Parties agree that there are off-port impacts in the communities of San Pedro and Wilmington; and

WHEREAS, the Parties agree that this agreement does not address all the impacts stemming from port operations.

NOW THEREFORE, the Parties agree as follows:

III. DECLARATION OF GOALS AND PURPOSES

The Parties enter this agreement to address the Port and the City's desire to provide for operation of the TraPac Project without litigation or appeals to the Los Angeles City Council from Appellants. The Parties want to address the outstanding impacts from port operations and growth. The Parties agree that this agreement provides a mechanism for moving forward in cooperation to determine how best to address impacts from current and future port operations. All Parties agree that the mitigation contained within this agreement has a nexus with port operations. The Parties' decision to enter this agreement does not constitute any representation regarding the adequacy of the TraPac EIR.

IV. FUTURE COOPERATION BETWEEN THE PORT, CITY, AND APPELLANTS

The Parties or their designated representative shall cooperate to implement this agreement. In addition, the Parties or their designated representative shall agree to cooperatively address and respond to future port-related environmental issues at the Port and in San Pedro and Wilmington. Upon the Port's request, Appellants engaged in the EIR process for specific projects, agree to individually or as a collective group meet and confer in good faith with the Port on such future EIRs on Exhibit B and will make efforts to avoid litigation or appeals to the City Council. The Port will take reasonable efforts to disclose all pertinent information to the Appellants to the extent feasible prior to release of the DEIR to help inform discussion and feedback. To the extent the ports make the information available, Appellants may give Port staff written or oral comments.

Upon the Ports' request, Appellants individually or as a collective group will meet and confer in good faith with the Port after submitting a formal comment letter on a DEIR. After the Port has certified an EIR, Appellants will contact the Port or Port staff prior to filing an appeal or a lawsuit challenging the project within the time constraints imposed by law.

V. PORT COMMUNITY MITIGATION TRUST FUND

The Port shall establish a Port Community Mitigation Trust Fund to be operated by a Nonprofit established for the purpose of overseeing grants from the Port Community Mitigation Trust Fund. A Nonprofit will be set up to provide off port mitigation projects for the communities of Wilmington and San Pedro related to impacts from port operations. The Nonprofit may also fund community adjacent wetlands, supporting habitat zones and appropriate public access and viewing sites to same projects that may occur on-port lands. The Nonprofit may get funding from other sources to execute its mission, and it may also make recommendations to the Board of Harbor Commissioners on mitigation projects.

A. PURPOSE OF THE NONPROFIT

A Nonprofit will be established to address off-port impacts created by existing and future Port operations in the communities of Wilmington and San Pedro, including but not limited to off-Port impacts from the TraPac Project in Wilmington and San Pedro.

Specifically, the Nonprofit's mission shall be to allocate money for projects that will protect, improve and assess public health by offsetting past, present, and future off-port impacts from Port operations, including the CEQA categories of noise, land use, blight/aesthetics, recreation, natural resources, light/glare, safety, air quality, community resources, cultural resources, geology and soils, population and housing, public services, water quality, and future categories of impacts identified under CEQA. Such projects shall be geared towards addressing the cumulative off-port impacts created by Port operations. The Nonprofit shall not allocate money for goods movement infrastructure projects. The Port and City agree that monies provided by the Port to the Nonprofit for such projects shall be allocated in a manner consistent with Section VB of this Agreement.

Funds allocated to the Nonprofit shall not be used to fund CEQA/NEPA mitigation for future projects and/or mitigation already designated within the TraPac EIR/EIS or other future CEQA/NEPA documents. It is assumed that projects subject to CEQA/NEPA will include all mitigation that is legally required and that the Port and/or project applicant will be responsible for the costs associated with that mitigation. In other words, the establishment of the Port Community Mitigation Trust Fund does not eliminate or reduce the Port's obligations to mitigate the adverse impacts of its projects consistent with CEQA, NEPA, and CAAP, whether inside or outside of the Port. In the first year, the Nonprofit shall ensure that the projects described in "Exhibit A" are prioritized for

funding before other projects are approved for funding. Specifically within "Exhibit A," categories A, B, and C shall have greatest priority for initial funding. In addition, the Nonprofit shall develop project criteria to ensure that all other projects approved and funded through the Port Community Mitigation Trust Fund are consistent with this section of this Agreement. The funding provided by the Port to the Port Community Mitigation Trust Fund shall be determined according to the calculus laid out in section VB.

B. FUNDING

- i. \$500,000 up front for organizational costs.
- ii. \$11,240,000 for the TraPac project contribution for the Exhibit A Projects— This \$11.24 million comes from the following two contributions:
 - a. Approximately \$6 million for air filtration systems in schools;
 - b. \$5.24 million for other projects identified in Exhibit A from the projected increase in TEUs from the TraPac project ($\$3.50 \times 1,497,142$ TEUs).
- iii. \$300,000 for off port impact study articulated in section VI A.

Total Year 1 contribution: \$12.04 million

From year 2 forward, the sum of:

- iv. \$2.00 per TEU for the increase in TEUs over the prior calendar year from facilities existing in 2007, and continued for the incremental increase in the four remaining years of this agreement.
- v. If Port expansion projects from Exhibit B proceed, the Port will make a one-time additional contribution at a rate of \$3.50 per TEU (or \$1.50 for px and 0.15 per ton) per project for growth associated from such expansion projects. The funds will be transferred into the Port Community Mitigation Trust Fund on approval by the Port of each individual project. This provision is not to be interpreted that all of the projects from "Exhibit B" must proceed before transferring individual project contributions into the Port Community Mitigation Trust Fund.

"Exhibit C" provides a sample of how potential contributions to the Port Community Mitigation Trust Fund could work in 2008.

C. REQUIREMENTS FOR NONPROFIT

The requirements for compliance for the Nonprofit entity with respect to delegation of authority and compliance with tidelands trust requirements will be determined in connection with the establishment of the Nonprofit. The Nonprofit's bylaws and the Port's agreement with the Nonprofit shall provide for adequate oversight of the

Nonprofit. Prior to the release of any funds, the City Attorney's office shall prepare the necessary documents to ensure compliance with all laws, including the City of Los Angeles Charter and Administrative Code and the Tidelands trust. The Port Community Mitigation Trust Fund will at all times be subject to the applicable local and state laws pertaining to certain legal matters.

D. PHASE IN PERIOD

Within 60 days of entering into this agreement, the Parties will agree to an interim entity that will be responsible for assisting in the creation of the Port Community Mitigation Trust Fund and the Nonprofit to administer the fund. The interim entity will facilitate and coordinate the development of bylaws, organizational structure, and a multi-year strategic plan by working and soliciting input from the Parties. The interim entity may have the responsibility for funding a small subset of Exhibit A projects with Year 1 funds and the studies articulated in section VI upon the direction of the Appellants and the Representative for Council District 15. The allocation within section VB_i could go towards consultants and/or experts to assist in development of bylaws, organizational structure, and a multi-year strategic plan.

VI. OFF-PORT IMPACT STUDIES

A. The Port will fund an initial study of off-Port impacts, with a maximum price of \$300,000. If the cost of the study exceeds this amount, then money shall be augmented from section VB funds. The study will consist of an analysis of off-port impacts on health and land use in Wilmington and San Pedro. The land-use analysis will take into consideration the applicability of the California Air Resources Board's April 2005 study "Air Quality and Land Use Handbook: A Community Health Perspective" and the health impacts analysis will take into consideration the applicability of the biannual survey by the UCLA Center for Health Policy Research called the California Health Interview Survey, which already does a more concentrated interview process in LA County. A third party entity selected through an RFP process shall carry out the study. It is envisioned that this initial study will take six months. The Port will not be involved in the execution of this study, but rather, this initial study shall be commissioned by the interim entity identified within section VC. A report on the scope of the study as articulated within the RFP shall be made to the Trade, Commerce and Tourism Committee of the Los Angeles City Council before being issued. In addition, periodic updates on the study progress shall be made to the Trade, Commerce and Tourism Committee of the Los Angeles City Council.

B. Once the Nonprofit has been established, it will fund from section VB_{ii} funds a second, more expansive study of off-Port impacts examining aesthetics, light and glare, traffic, public safety and effects of vibration, recreation, and cultural resources related to port impacts on harbor area communities, including Ranchos Palos Verdes, with a maximum price of \$300,000. The Port will not be involved in the selection of the third party entity or execution of this study. If the cost of the study exceeds this amount, then additional funds from section VB_{ii} shall be used to complete the study. A third

party entity selected through an RFP process shall carry out the study. The results of the study will be presented to the Trade, Commerce and Tourism Committee of the Los Angeles City Council.

VII. BUFFER ZONE

The Board of Harbor Commissioners will take necessary actions to place a deed restriction on the Wilmington buffer to ensure the property remains as public open space in perpetuity.

VIII. RELEASE OF CLAIMS

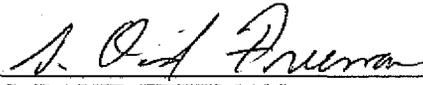
The Appellants hereby release all claims relating to the Port's approval of the TraPac EIR/EIS, including CEQA challenges. Further, this release does not release any of the rights and obligations under this agreement, and shall not extend to any action to enforce or interpret the provisions of this agreement.

IX. RENEWAL OF AGREEMENT

After a period of 5 years, the agreement may be renewed for a successive 5 year period by mutual agreement of the Port and a majority of the Appellants.

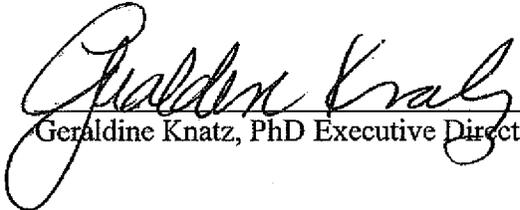
SIGNATURES OF PARTIES:

DATED: 7-15-09
The Los Angeles Board of Harbor Commissioners

By: 
S. DAVID FREEMAN
President

[Signatures Continued On Next Page]

DATED: _____
The City of Los Angeles Harbor Department
And the City of Los Angeles by its Board of
Harbor Commissioners

By: 
Geraldine Knatz, PhD Executive Director

DATED: 4/2/2008
Appellants

By: /s/ David Pettit
David Pettit
Natural Resources Defense Council

By: /s/ Colleen Callahan
Colleen Callahan
Manager of Air Quality Policy and Advocacy
American Lung Association of California

By: /s/ Greg Tarpinian
Greg Tarpinian
Executive Director
Change to Win

By: /s/ Jesse Marquez
Jesse Marquez
Executive Director
Coalition for a Safe Environment

By: /s/ Martin Schlageter
Campaign and Advocacy Director
Coalition for Clean Air

By: /s/ Shana Lazerow
Shana Lazerow
Attorney
Communities for a Better Environment

[Signatures Continued On Next Page]

By: /s/ Rupal Patel
Director
Communities for Clean Ports

By: /s/ Jim Stewart
Earth Day LA

By: /s/ Lillian Light
Lillian Light
President
Environmental Priorities Network

By: /s/ Frank O'Brien
Executive Director
Harbor Watts Economic Development Corporation

By: /s/ Chuck Mack
International Vice President and Port Division Director
International Brotherhood of Teamsters

By: /s/ Patricia Castellanos
Co-Director, Ports Campaign
Los Angeles Alliance for a New Economy

By: /s/ Katherine Attar
Health and Environment Program Coordinator
Physicians for Social Responsibility

By: /s/ Andy Mardesich
Andy Mardesich
President
San Pedro and Peninsula Homeowners Coalition

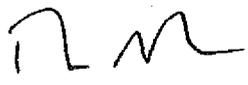
By: /s/ Tom Politeo
Tom Politeo
Co-Chair
Sierra Club Harbor Vision Task Force

By: /s/ Kathleen Woodfield
Kathleen Woodfield

By: /s/ Chuck Hart
Chuck Hart

APPROVED AS TO FORM:

Dated: as of April 3, 2008
ROCKARD J. DELGADILLO, City Attorney

By: 
Thomas A. Russell
General Counsel
Port of Los Angeles

EXHIBITS

EXHIBIT A

Projects identified in A, B, and C will occur in Wilmington only.

- A. Installation of sound dampening double paned windows in schools and residences in the zone of greatest impact from TraPac
- B. Installation and maintenance of air filtration systems/HVAC air purifiers in schools impacted from TraPac operations
- C. Provide funds to local clinics, other health service providers, and other organizations aimed at addressing health impacts from air pollution stemming from port operations;
- D. Qualified job training/hiring program associated with the Wilmington off-port mitigation measures identified in A, B, and C above, consistent with the Port and City's workforce development efforts.
- E. An analysis of the impacts of port operations on wetlands and recreational access in Wilmington and San Pedro. Specifically, the study will serve to assess the potential places for wetlands restoration and creation in San Pedro and Wilmington. The recommendations shall be provided to the Port for action.

EXHIBIT B

List of Projects Relating to Section V of this Agreement

1. San Pedro Waterfront Project
2. Channel Deepening Project
3. B226-236: Evergreen Container Terminal Improvements Project
4. Plains All American Oil Marine (Pacific Energy), Pier 400 Project
5. B97-109: China Shipping Development Project
6. B171-181: Pasha Marine Terminal Improvements Project
7. 302-305: APL Container Terminal Improvements Project
8. Wilmington Waterfront Master Plan, (Avalon Blvd. Corridor Project)
9. Port Transportation Master Plan, Port of Los Angeles
10. B206-224: YTI Container Terminal Improvements Project
11. B121-131: Yang Ming Container Terminal Improvements Project
12. Ultramar Lease Renewal Project
13. Terminal Island On-Dock Rail Project

EXHIBIT C

The following chart outlines how potential contributions to the Port Community Mitigation Trust Fund could work in 2008.

	Growth	Contribution
Natural growth	365,000 TEUs (@ \$2)	\$730,000
San Pedro Waterfront Project	1,106,787 PX (@ \$1.5)	\$1,661,805
B97-109: China Shipping Development Project	1,147,800 TEUs (@ \$3.50)	\$4,017,300
Plains All American Oil Marine (Pacific Energy), Pier 400 Project	34,845,841 tons (@.15)	\$5,226,876
Total		\$11,635,981

- Assumptions: (1) Natural growth in TEUs at 5%;
(2) Waterfront Development adds 1,106,787 passengers;
(3) China Shipping Project assumes an additional 1,147,800 TEUs;
(4) Pacific Energy Partners add 34,845,841 tons; and
(5) The projects within this table proceed.

Exhibit C

Filtration Systems Performance Specifications

High performance air filtration

Contractors must demonstrate and provide evidence that their air purification devices provide a significant improvement in air quality conditions with respect to Baseline Conditions. In addition, all proposed air purification solutions should meet a Minimum Average Removal Efficiencies for Ultrafine Particles (UFP), Black Carbon (BC), and Fine Particulate Matter (PM_{2.5}) of 50%, and should have demonstrated Potential Average Removal Efficiencies for the same species of at least 90%.

Ultrafine Particles (UFP): particles roughly defined by an aerodynamic diameter less than 0.1 µm, estimated by measuring the total number concentration of all airborne particles down to at least 10 nm in diameter)

Fine Particulate Matter (PM_{2.5}): particles with an aerodynamic diameter less than 2.5 µm, estimated with an established continuous or filter-based PM measurement method

Black Carbon (BC): component of PM indicative of diesel emissions measured with established light absorption methods. Elemental Carbon (EC) measurements using established methods could substitute for BC measurements.

Baseline Conditions: percentage reduction in the indoor concentration of a particular air pollutant relative to its concurrent outdoor level before installation of any air filtration device.

Minimum Average Removal Performance: minimum percentage reduction in the indoor concentration of a particular pollutant relative to its concurrent outdoor level after installation of one or more air filtration devices, averaged over all time periods and installations.

Potential Average Removal Performance: potential percentage reduction in the indoor concentration of a particular pollutant relative to its concurrent outdoor level after installation of one or more air filtration devices, demonstrated for several indicative time periods and installations.

Demonstrated effectiveness inside schools/classrooms or in equivalent environments

In the Los Angeles area, most schools (especially those located near the Los Angeles – Long Beach port complex) are in close proximity to important sources of air pollution such as refineries and heavily trafficked roadways. Previous experience with installation of particulate filtration devices in classrooms located in close proximity to major sources of PM (e.g. major roadways with high percentages of diesel truck traffic) or in similar heavily polluted areas is required.

Ability to provide multiple air filtration solutions

Contractors will be required to provide evidence of in-use testing (via indoor/outdoor measurements of the pollutants listed above) of multiple high performance air filtration solutions for different classroom conditions. Solutions must include installation of high-performance panel filters inside classrooms and common areas equipped with a Heating, Ventilating, and Air Conditioning (HVAC) system. A stand-alone instrument (a self-contained air cleaning device that operates independently of a HVAC system) is required in the absence of a forced-air ventilation system.

Minimal impact on air flow

Contractors should demonstrate that, while lowering the indoor concentrations of the above mentioned air pollutants, their air filtration devices do not significantly reduce the existing airflow rates through the HVAC system and/or do not require higher power consumption to achieve similar flow rates.

Low noise

Many school districts have set a 45 db(A) noise threshold for any new in-classroom equipment. Contractor will have to demonstrate that their air purification devices/solutions meet this requirement.

Filter lifetime

To minimize labor costs associated with filter replacement, the demonstrated lifetime of the installed high-performance filters should be at least three months.

**GEOSPATIAL ANALYSIS FOR PORT OF LOS ANGELES
COMMUNITY MITIGATION TRUST FUND (CMTF)
SUPPORT**

Prepared for
Appellant Group
Port of Los Angeles
Community Mitigation Trust Fund

Prepared by
ENVIRON International Corporation
773 San Marin Drive, Suite 2115
Novato, CA 94998

February 3rd, 2009

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INTRODUCTION AND BACKGROUND

This report provides a geospatial and air quality analysis in support of the Community Mitigation Trust Fund (CMTF) established by the Port and a number of community groups representing the residents of Wilmington, San Pedro and other Los Angeles neighborhoods near to the Port. The establishment of the CMTF was the result of a memorandum of understanding (MOU) between the Port and these groups (appellants) which had appealed the environmental analysis and findings of the Final Environmental Impact Report (FEIR) for the Berths 136-147 Expansion Project (TraPac) (Trapac FEIR, 2007). The CMTF established as part of the TraPac MOU authorized the Port to establish a fund to provide mitigation of air quality and other impacts of Port operations on the nearby Los Angeles communities.

This report identifies sensitive receptors in the neighborhoods around the Port which may be considered as recipients of CMTF funding. Two potential projects for which CMTF funding would be used are: (1) providing asthma medical kits and additional asthma resources to local public health clinics in the vicinity of the Port; and (2) sound-proofing and HVAC filtration improvement with HEPA filters for schools and other children's educational facilities in the vicinity of the Port. Diesel particulate matter (DPM) emissions from Port related activities are a surrogate for tracking potential recipients of asthma kits and related funding, and truck traffic along major Port truck traffic corridors are a surrogate for tracking potential recipients of soundproofing project funding. This study also considers identification of schools and clinics as sensitive receptors among disadvantaged communities in the vicinity of the Port.

This analysis therefore is comprised of identifying an initial ("point of departure") geographical domain for some potential sensitive receptors to be tracked, identifying these sensitive receptors, and finally ranking these sensitive receptors based on the impacts of Port activities in the areas of DPM health risk and truck traffic activity on these sensitive receptors. This analysis makes use of geospatial and database tools that ENVIRON uses to identify geographical domains and overlay these with data on locations of sensitive receptors and results of air quality and traffic analyses. The methodologies used in this analysis and the results of the analysis are presented below.

This document is intended as an accurate assessment of some off-port impacts in the vicinity of the Port of Los Angeles in the communities of San Pedro and Wilmington. Nothing included herein precludes consideration of results of future off-port impact assessments identified in the Community Trust MOU.

OBJECTIVES

The specific objectives of this analysis, per the request of the Port, are:

1. Identify an initial geographical domain that provides an outside boundary for this analysis, for purposes of consideration of schools and clinics sensitive receptors within this geographical domain. This initial domain is used only to generally outline and capture an area of interest for examination purposes. It should not be viewed as a "hard" boundary, as benefits would certainly be derived from remedial actions taken beyond that boundary. Tabular data is presented (as described below) specific to areas within the initial geographic area of interest, HOWEVER, additional information for the area

beyond the initial boundary is also available in this report and shown in many of the graphics. Again, this is to allow the user to focus on the information in the initial domain, but examine data for the areas beyond that as well. The initial boundary is carried through this report for this purpose, and figures (graphics but not tables) are included at the end of the report that have that boundary removed but retain the geospatial data within and outside of that boundary.

2. Within the Port vicinity initial geographical domain identified, determine residential areas that could be classified as disadvantaged communities, from the perspective of median household income and minority population, and use these communities as the geographical domain subset within which to identify potential sensitive receptors.
3. Within the disadvantaged community geographic domain, identify sensitive receptors including public health clinics, hospitals, schools, and day care facilities for children.
4. Analyze available geospatial data on DPM health risk to identify regions of the disadvantaged community geographic domain which are impacted by Port activity that results in high DPM health risk.
5. Analyze available geospatial data on Port truck traffic volumes along roadway segments within the disadvantaged community geographic domain to identify schools and day care facilities which might be impacted by Port activities that result in high levels of noise along these roadways.
6. Summarize these findings and provide recommendations to the Port and the participating CMTF community and environmental groups of which specific sensitive receptors might be considered for CMTF funding, within but not exclusive to the geographical domains examined. In other words, this examination gives us insight from which to make decisions that may consider other criteria than those examined here, and thus lead to CMTF funding outside of the initially examined geographical domain.

These objectives, the methodologies used in this analysis, and the results and recommendations of specific sensitive receptors are described in more detail below. The document provides a description of the analysis used for each of the objectives (1) – (6) listed above.

ANALYSIS METHODOLOGY AND RESULTS

The basic geospatial analysis conducted in support of this CMTF analysis relied on the ArcGIS Geographical Information System (GIS) software, which was used to perform both the geospatial analysis and elements of the database analysis. ArcGIS is a powerful database and geospatial analysis tool capable of: creating high-resolution images of spatially-resolved features; plotting location-specific information on buildings, facilities and other geographic features; tracing regions and highlighting boundaries of geographic domains specified as inputs to the software. The spatial information developed as part of the ArcGIS analysis is always output as – and presented graphically as – GIS shapefile layers. These shapefile layers are images containing geographic information that illustrates particular features of the analysis. The shapefile layers can be overlapped to determine points that might fall within geographic regions or domains or subsets, and this type of process was used ultimately to determine the inclusion of specific sensitive receptors within a domain of interest defined as part of the analysis. All of these layers use as a background a high-resolution satellite image of the Port of Los Angeles and its surrounding geographic regions which are obtained from ArcGIS's Terraserver database. This regional map is presented below as Figure 1.



Figure 1. A regional map of the POLA geographic region using high-resolution satellite imagery from ArcGIS's Terraserver database. (A full-size version of this figure is presented in Appendix A as Figure A-1.)

The sensitive receptors that were considered in this analysis are public health clinics, hospitals, schools, and day care centers. Based on the discussions between the Port and the CMTF community and environmental groups, the suggested overall geographic domain for this analysis was determined to be the region which includes the Port property boundaries and all areas within a band of 1.5 miles from the Port property boundaries as shown in Figure 2. This geographic region was chosen to allow sensitive receptors to be considered as comprehensively as possible in this study, while not considering receptors located far from the Port property such that the impact of Port activities at these distant receptors would be insignificant.



Figure 2. The geographic domain considered as the initial outside boundary for examining potential sensitive receptors in the vicinity of the Port, using (generally) a 1.5 mile band around the outside boundaries of the property of the Port. (A full-size version of this figure is presented in Appendix A as Figure A-2.)

The general methodology used in this analysis was to develop layers of geospatial information which would be overlaid using ArcGIS to make determinations of specific receptors considered based on the intersections of these layers. The geospatial analysis first considered the demographics in the suggested domain. The demographics that are of interest to this analysis are the median household income and minority population. To identify the sensitive receptors around the Port that may be impacted by the Port activities and to be included in the CMTF, the analysis considered a range of factors which contribute to health and environmental risks of the neighborhood, which include traffic density as surrogates for noise during both mid-day peak and daily periods, residential DPM cancer risk as determined from the analysis of the TraPac FEIR, and port-wide residential DPM cancer risk as determined from the Multiple Air Toxics Exposure Study (MATES) III analysis. The development of a geospatial database of sensitive receptors and the geospatial analysis of health risk factors and demographics are presented below for each layer considered.

Demographics

The geospatial analysis began by examining the demographics within the domain grouped by census tract. Geospatial boundary definitions of the census tracts in the Port vicinity are available through ArcGIS's internal database of spatial data. The demographics that are considered in this analysis are the median household income and minority population by census tract.

Median Household Income

The median household income of the population by census tract was generated from the Federal Financial Institutions Examination Council (FFIEC) based on the U. S. Census Bureau's 2000 census data (FFIEC, 2008). According to the FFIEC the Census Reports are annually updated to reflect changes to MSA/MD boundaries announced by the Office of Management and Budget (OMB), income estimates developed by the United States Department of Housing and Urban Development (HUD), and include CRA distressed/underserved tracts as announced by the federal banking regulatory agencies. This data was compared with the Neighborhood Knowledge Los Angeles (NKLA) database developed and maintained by the University of California, Los Angeles (UCLA) Advanced Policy Institute (NKLA, 2008) and was found to be consistent with the data used in this analysis. The median annual household income was distributed into four major bands: \$0 - \$29,753, \$29,754 - \$41,577, \$41,578 - \$56,250, and \$56,251 or greater, consistent with the Neighborhood Knowledge California study conducted by UCLA. The results are shown in Figure 3.

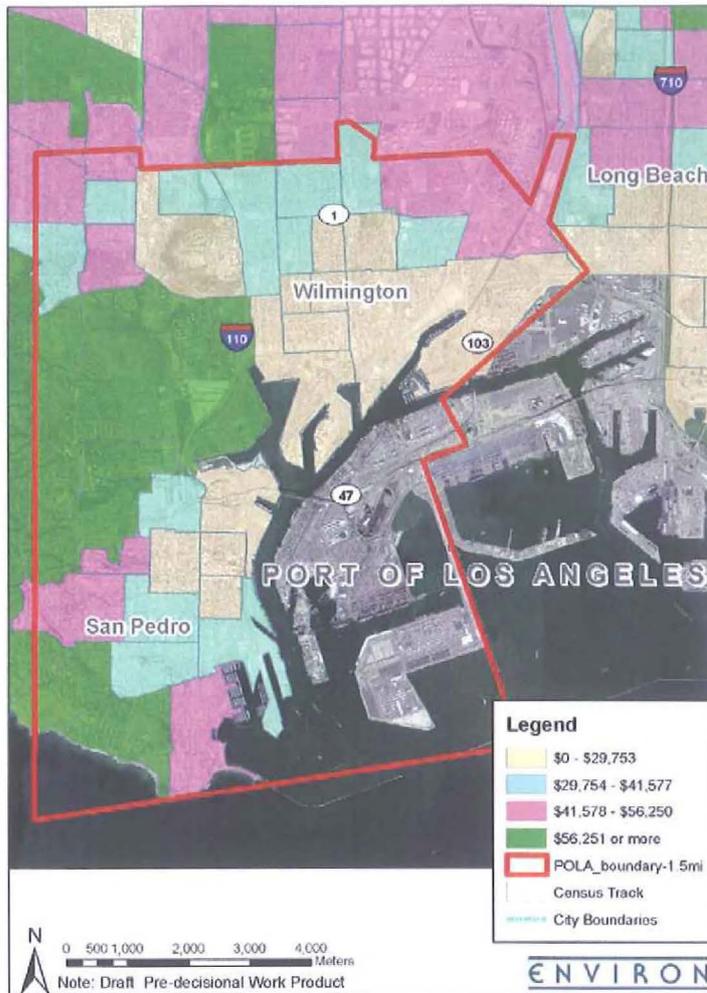


Figure 3. Median household income by census tract in tracts within the vicinity of the Port, overlaid on the background map of the Port region. (A full-size version of this figure is presented in Appendix A as Figure A-3.)

Minority Population

The minority population by census tract was generated from the Federal Financial Institutions Examination Council (FFIEC) based on the U. S. Census Bureau’s 2000 census data (FFIEC, 2008). In this case, the minority population was defined as all non-Caucasian minority populations. The data was then compared with the ArcGIS 9.3 database (ArcGIS, 2008), and the two data sets were determined to be consistent. The total minority population percentage by census tract is shown in Figure 4.

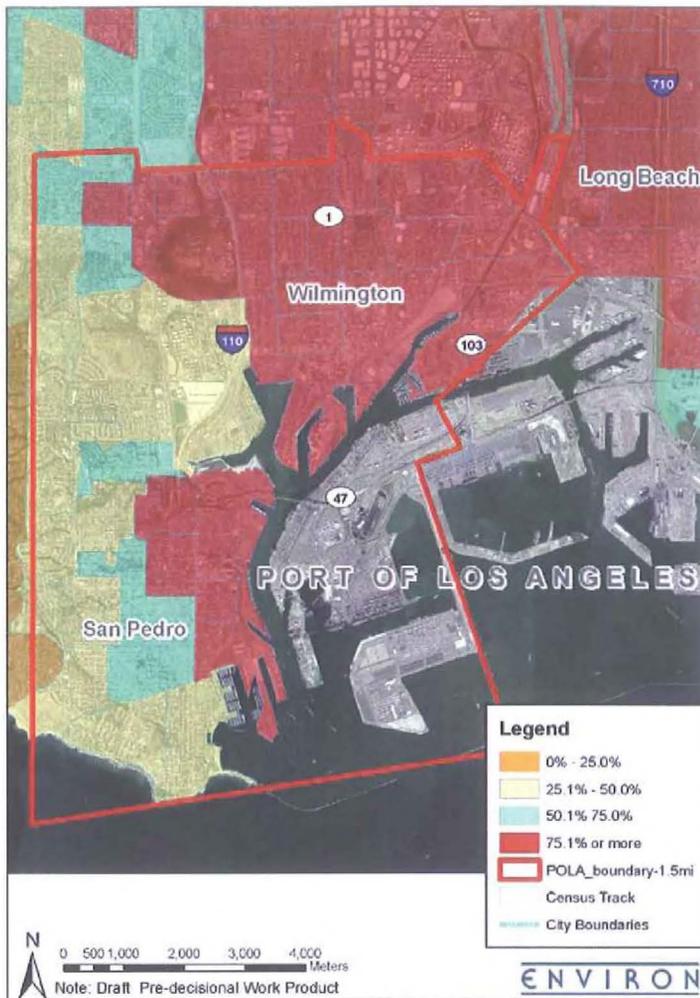


Figure 4. Minority population (as a percentage of total population) by census tract in tracts within the vicinity of the Port, overlaid on the background map of the Port region. (A full-size version of this figure is presented in Appendix A as Figure A-4.)

To identify the areas within the suggested domain that have a high minority population percentage of total population, and with low median household income, the ArcGIS tool was used along with the spatial information obtained from the FFIEC database to overlap the high minority population percentage band (75.1% or more) with the low median income band (\$0 - \$29,753). In addition to this, the moderate minority population band (50.1% -75%) was overlapped with the moderate income band (\$29,754 - \$41,577). Figure 5 illustrates the overlapping of the minority and median household income bands with the suggested domain of analysis.



Figure 5. Low and moderate median household income overlaid with high and moderate minority population percentages within the vicinity of the Port, overlaid on the background map of the Port region. (A full-size version of this figure is presented in Appendix A as Figure A-5.)

Sensitive Receptors

This analysis made reference to the “SCAQMD Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning (SCAQMD, 2005),” in which a sensitive receptor is defined as a person in the population who is particularly susceptible to health effects due to exposure to an air contaminant. The land uses (sensitive sites) where sensitive receptors are typically located are: schools, playgrounds and childcare centers, long-term health care facilities, rehabilitation centers, convalescent centers, hospitals, and retirement homes. For the purpose of this analysis, emphasis was placed on locating and spatial identifying only public health clinics, hospitals, schools, and day care centers. Other sensitive receptors such as long-term health care facilities, rehabilitation centers, convalescent centers, and retirement homes were not included in this analysis, although they may be of interest in future examinations.

Hospitals and Clinics

Tables 1 and 2 summarize the hospitals and clinics that were identified and that fall within the domain of analysis, respectively. The coordinate information, address, and category of each receptor location were determined from the California Air Resources Board Office of Statewide Health Planning and Development data (OSHPD, 2007). The clinics include public health clinics, long-term care facilities, and home health care facilities. More detailed information on each of the clinics was also collected, such as the type of services offered by the clinic, clients, and funding sources. This information was collected by directly contacting the clinics. The additional information is also summarized in Table 2. To ensure the accuracy of the data, the hospitals and clinics data was compared with the ArcGIS database (ArcGIS, 2008), which is based on U.S. Census 2000 data. The hospital and clinic locations were also compared with those sensitive receptors evaluated in the TraPac FEIR health risk analysis (HRA) (Trapac FEIR, 2007), which has a domain that falls within the suggested domain of this analysis. The identified hospitals and clinics that fall within the domain of analysis were plotted using the ArcGIS tool, and the overlapping of hospitals and clinics with the minority and median household income bands within the suggested domain of analysis are illustrated in Figure 6.



Figure 6. Public health clinics and hospitals within the vicinity of the Port, overlaid on the background map of the Port region, including median income and minority population bands. (A full-size version of this figure is presented in Appendix A as Figure A-6.)

Table 1. Summary of hospitals within the domain of analysis.

Name of Hospital	Address	City	Category	Longitude	Latitude
Bay Harbor Hospital	1437 W Lomita Blvd	Harbor City	General Acute Care Hospital	-118.30292	33.79874
Kaiser Permanente Foundation Hospital	25825 Vermont Ave	Harbor City	General Acute Care Hospital	-118.29415	33.78900
San Pedro Peninsula Hospital	1300 W Seventh St	San Pedro	General Acute Care Hospital	-118.30557	33.73798
Memorial Hospital of Gardena	1703 N Avalon Blvd	Wilmington	General Acute Care Hospital	-118.264147	33.797689
United Li	N/A	N/A	N/A	-118.31285	33.760542

Table 2. Summary of public health clinics within the domain of analysis.

Name of Clinic	Address	Category	Services	Clients	Funding Sources	Longitude	Latitude
Harbor Community Clinic	593 W. 6th St., San Pedro	Community Clinic	Therapy, counseling, pediatric (at Harbor Free Clinic Pediatric Center), medicine, non-emergency, basic (general medicine), diabetic, hypertension, asthma, cholesterol control, FTD, cold, etc...	9 out of 10 patients report asthma cases; since this clinic is known for asthma treatment, there are asthma patients from other areas as well, but in general many who come are people with no insurance	Non-profit group; believes that funding comes from both public and private sources	-118.28994	33.73872
Harbor Free Clinic Pediatric Center	731 S Beacon St, San Pedro	Free Clinic	Therapy, counseling, pediatric (at Harbor Free Clinic Pediatric Center), medicine, non-emergency, basic (general medicine), diabetic, hypertension, asthma, cholesterol control, FTD, cold, etc...	9 out of 10 patients report asthma cases; since this clinic is known for asthma treatment, there are asthma patients from other areas as well, but in general many who come are people with no insurance	Non-profit group; believes that funding comes from both public and private sources	-118.28055	33.73753
Northeast Community Clinic - Wilmington	714 N. Avalon Blvd, Wilmington	Community Clinic	General medicine, women and pediatric care, basic, non-emergency	Usually serves low-income patients, HMO; (no specific information about clients demography since the manager does not frequent the site)	Non-profit group; publicly funded	-118.26229	33.77876
Wilmington Community Clinic	1009 N Avalon Blvd	Community Clinic	Pediatric, general medicine, asthma, pre-natal care, gynecology	Low-income; only takes patients in LA county, (there is another smaller clinic office in LA); about 25% patients of all ages report asthma cases	Non-profit; receives grants from the state	-118.26279	33.78305

Schools

Table 3 summarizes the schools that fall within the domain of analysis. The coordinate information is generated from the ArcGIS database (ArcGIS, 2008). The detailed information for each sensitive receptor location, such as the school type, population by racial group, total enrollment, and total number of graduates, was obtained from the California State Department of Education schools database (CDE, 2008), and is presented in a larger table located in Appendix B. The school locations were compared with the schools evaluated in the TraPac FEIR HRA (Trapac FEIR, 2007) to ensure consistency for the schools identified. The overlapping of the identified schools, hospitals and clinics, and minority and median household income bands that fall within the domain of analysis are plotted using the ArcGIS tool as illustrated in Figure 7.



Figure 7. Schools within the vicinity of the Port, overlaid on the background map of the Port region, including median income and minority population bands, and public health clinics and hospitals. (A full-size version of this figure is presented in Appendix A as Figure A-7.)

Table 3. Summary of schools within the domain of analysis.

Name of School	Type of School	Address	City
Harbor City Elementary School	Elementary	1508 West 254th St.	Harbor City
Lorenz Hillside School	Private	1516 West Anaheim Street	Harbor City
Normont Elementary School	Elementary	1001 West 253rd St.	Harbor City
Pines Christian	Private	25200 South Western Avenue	Harbor City
Alexander Fleming Middle School	Junior High	25425 Walnut St.	Lomita
Eshelman Avenue Elementary School	Elementary	25902 Eshelman Ave.	Lomita
Harbor Church School	Private	1716 West 254th Street	Lomita
St. Margaret Mary School	Private	25515 Eshelman Avenue	Lomita
Christ Lutheran Church and School	Private	28850 South Western Avenue	Rancho Palos Verdes
Crestwood Street Elementary	Elementary	1946 West Crestwood St.	Rancho Palos Verdes
Rudecinda Sepulveda Dodson Middle	Junior High	28014 Montereyina Dr.	Rancho Palos Verdes
Barton Hill Elementary	Elementary	423 North Pacific Ave.	San Pedro
Cabrillo Avenue Elementary	Elementary	732 South Cabrillo Ave.	San Pedro
Cooper (James Fenimore) Opportunity High School	High	2210 Taper Ave.	San Pedro
Dahlquist Preschool	Private	1420 W. 7th Street	San Pedro
Fifteen Street Elementary	Elementary	1527 South Mesa St.	San Pedro
James Fenimore Cooper Community College	Community College	2210 Taper Ave.	San Pedro
Leland Street Elementary	Elementary	2120 South Leland St.	San Pedro
Mary Star of the Sea High School	Private	810 West Eighth Street	San Pedro
Park Western Place Elementary	Elementary	1214 Park Western Pl.	San Pedro
Point Fermin Elementary	Elementary	3333 Kerckhoff Ave.	San Pedro
Richard Henry Dana Middle School	Junior High	1501 South Cabrillo Ave.	San Pedro
San Pedro Senior High School	High	1001 West 15th St.	San Pedro
Seventh Street Elementary	Elementary	1570 West Seventh St.	San Pedro
St. Peters Episocopal School	Private	1648 West 9th St.	San Pedro
Taper Avenue Elementary School	Elementary	1824 Taper Ave.	San Pedro
Trinity Lutheran School	Private	1450 West Seventh Street	San Pedro
White Point Elementary School	Elementary	1410 Silvius Ave.	San Pedro
Meyler Street Elementary School	Elementary	1123 West 223rd St.	Torrance
Avalon High School	High	1425 North Avalon Blvd.	Wilmington
Broad Avenue Elementary School	Elementary	24815 Broad Ave.	Wilmington
Fries Avenue Elementary School	Elementary	1301 Fries Ave.	Wilmington
Gulf Avenue Elementary School	Elementary	828 West L St.	Wilmington
Happy Harbor Preschool (part of Pacific Harbor)	Private	1530 Wilmington Boulevard	Wilmington
Hawaiian Avenue Elementary School	Elementary	540 Hawaiian Ave.	Wilmington
Holy Family School	Private	1122 East Robidoux Street	Wilmington
Los Angeles Harbor College	Community College	1111 Figueroa Pl	Wilmington
Pacific Harbor Christian	Private	1530 Wilmington Boulevard	Wilmington
Phineas Banning Senior High School	High	1527 Lakme Ave.	Wilmington
Saint Peter and Saint Paul Roman Catholic School	Private	706 Bay View Avenue	Wilmington
Wilmington Christian School	Private	24910 South Avalon Boulevard	Wilmington
Wilmington Middle School	Junior High	1700 Gulf Ave.	Wilmington
Wilmington Park Elementary School	Elementary	1140 Mahar Ave.	Wilmington
Harbor City Christian School	N/A	N/A	N/A
Lasuen High School	Private	N/A	N/A
San Pedro Science Center School	N/A	N/A	N/A
Wilson College	N/A	N/A	N/A

A recent study conducted by USA Today and the University of Massachusetts at Amherst examined the exposure of a large number of schools across the U.S. to toxic air contaminants using data and modeling available from the EPA as part of the EPA's development of the Toxic Release Inventory (TRI) (USA Today, 2008). The USA Today-University of Massachusetts team used EPA's Risk-Screening Environmental Indicators (RSEI) model to predict concentrations and risk associated with sources identified in the TRI at nearby schools. Although the RSEI is somewhat limited in its ability to accurately model the dispersion of pollutants (relative to more advanced models such as ISC or AERMOD), this analysis was able to identify risk-screening level exposure at the schools studied.

The USA Today-University of Massachusetts team ran RSEI for all schools in the US as extracted from the National Center for Education Statistics database. All TRI data was for calendar year 2005. The results of this study are able to identify schools based on their percentile ranking of exposure to toxics (relative to all schools in the study) as well as to identify the specific toxic air contaminants which make up the total toxics exposure at each school and the percentage contribution of these toxic air contaminants. For the specific schools considered in the CMTF analysis, a condensed version of the results of the USA Today-University of Massachusetts study are presented for reference purposes in Table 4. The full suite of toxics data obtained from this analysis for all schools in the domain of analysis are presented in Appendix B.

Table 4. Toxicity information for schools within the domain of analysis

Name of School	USA Today Toxic Study Percentile	Chemicals Most Responsible for Toxicity outside this School	Percentage of Overall Toxicity
Harbor City Elementary School	47	Sulfuric Acid	28
Lorenz Hillside School	45	Ammonia	21
Normont Elementary School	39	Sulfuric Acid	22
Pines Christian	47	Sulfuric Acid	28
Alexander Fleming Middle School	49	Sulfuric Acid	29
Eshelman Avenue Elementary School	49	Sulfuric Acid	22
Harbor Church School	47	Sulfuric Acid	28
St. Margaret Mary School	49	Sulfuric Acid	29
Christ Lutheran Church and School	63	Sulfuric Acid	22
Crestwood Street Elementary	67	Sulfuric Acid	22
Rudecinda Sepulveda Dodson Middle	59	Sulfuric Acid	21
Barton Hill Elementary	65	Sulfuric Acid	21
Cabrillo Avenue Elementary	64	Sulfuric Acid	18
Cooper (James Fenimore) Opportunity High School	N/A	N/A	N/A
Dahlquist Preschool	N/A	N/A	N/A
Fifteen Street Elementary	61	Glycol Ethers	18
James Fenimore Cooper Community College	49	Ammonia	23
Leland Street Elementary	70	Ammonia	10
Mary Star of the Sea High School	64	Sulfuric Acid	18
Park Western Place Elementary	63	Sulfuric Acid	22
Point Fermin Elementary	73	Sulfuric Acid	11
Richard Henry Dana Middle School	66	Sulfuric Acid	13
San Pedro Senior High School	70	Sulfuric Acid	20
Seventh Street Elementary	70	Sulfuric Acid	22
St. Peters Episocopal School	70	Sulfuric Acid	22

Name of School	USA Today Toxic Study Percentile	Chemicals Most Responsible for Toxicity outside this School	Percentage of Overall Toxicity
Taper Avenue Elementary School	49	Ammonia	23
Trinity Lutheran School	69	Sulfuric Acid	21
White Point Elementary School	74	Sulfuric Acid	17
Meyler Street Elementary School	37	Sulfuric Acid	36
Avalon High School	35	Sulfuric Acid	27
Broad Avenue Elementary School	26	Sulfuric Acid	38
Fries Avenue Elementary School	36	Sulfuric Acid	22
Gulf Avenue Elementary School	33	Ammonia	26
Happy Harbor Preschool (part of Pacific Harbor)	36	Sulfuric Acid	22
Hawaiian Avenue Elementary School	9	Ammonia	34
Holy Family School	27	Sulfuric Acid	23
Los Angeles Harbor College	N/A	N/A	N/A
Pacific Harbor Christian	36	Sulfuric Acid	22
Phineas Banning Senior High School	35	Sulfuric Acid	27
Saint Peter and Saint Paul Roman Catholic School	13	Ammonia	43
Wilmington Christian School	26	Sulfuric Acid	38
Wilmington Middle School	35	Sulfuric Acid	33
Wilmington Park Elementary School	8	Nickel & Nickel compounds	21
Harbor City Christian School	N/A	N/A	N/A
Lasuen High School	N/A	N/A	N/A
San Pedro Science Center School	N/A	N/A	N/A
Wilson College	N/A	N/A	N/A

Day Care Centers

Table 5 summarizes the day care centers that fall within the domain of analysis. The day care center locations were determined from the ArcGIS database (ArcGIS, 2008), and the data was compared with the day care centers evaluated in the TraPac FEIR HRA (Trapac FEIR, 2007) to ensure the accuracy of the data. The day care centers plotted on the map likely do not represent a comprehensive list of day care facilities in this region, due to the various definitions that can be used for locating and categorizing such facilities. Nevertheless, those facilities that were identified as day care centers are included here, and further examination of this list may be warranted to determine its completeness. The overlapping of the identified day care centers, schools, hospitals and clinics, and minority and median household income bands that fall within the domain of analysis are plotted using the ArcGIS tool as illustrated in Figure 8.



Figure 8. Day care facilities within the vicinity of the Port, overlaid on the background map of the Port region, including median income and minority population bands, public health clinics and hospitals, and schools. (A full-size version of this figure is presented in Appendix A as Figure A-8.)

Table 5. Summary of day care centers within the domain of analysis.

Name of Day Care Centers	Street Address	City
Armstrong Academy	1682 Anaheim St	Harbor City
Coastline Head Start	1121 Lomita Blvd	Harbor City
Der Kinder Garden School	1518 Pacific Coast Highway	Harbor City
Gateway Christian School	25420 Vermont Ave	Harbor City
Lilly's Babies	1647 248th St	Harbor City
Normont Terrace Children's Center	25028 Petroleum Ave	Harbor City
Volunteers of America- Parent Child Center	1135 257th St.	Harbor City
Brighter Days Montessori	1903 Summerland	Rancho Palos Verdes
Cabrillo Ave Children's Center	741 W. 8th Street	San Pedro
Carmen's Cry Baby Care	1509 S Palos Verdes St	San Pedro
Comprehensive Child Development	769 W 3rd St	San Pedro
Day-Star Early Learning Center	631 W 6th St	San Pedro
Federation / Port of San Pedro	202 S Beacon	San Pedro

Name of Day Care Centers	Street Address	City
Federation / Toberman House	131 N. Grand	San Pedro
First United Methodist Church	580 West 6th St	San Pedro
Merry Go-round Nursery School	446 W 8th St	San Pedro
Miss Shannon's Child Care	325 W 31st St.	San Pedro
Park Western Place Children's	1220 Park Wester Place	San Pedro
Robin's Nest Daycare	645 W 14th St	San Pedro
San Pedro /Wilmington Children's Center	920 W 36th St	San Pedro
San Pedro Children's Center		San Pedro
Schahnin's Int Day Care		San Pedro
Wee Tot Nursery School	1128 W 7th St	San Pedro
World Tots LA	100 W 5th St	San Pedro
YMCA of Metro LA	301 S. Bandini St	San Pedro
YWCA	437 W 9th St	San Pedro
YWCA Venture Park Preschool	1921 N Gaffey Street.	San Pedro
Happy Harbor Preschool	1530 N Wilmington Blvd	Wilmington
Munchkin Center	1348 N Marine Ave	Wilmington
New Harbor Vista Child Development Center	909 W D St	Wilmington
Sanchez Family Child Care	1443 Deepwater Ave	Wilmington
Small World Learning Center	1749 N Avalon Blvd	Wilmington
Wilmington Park Children's Center	1419 E Young St	Wilmington
Yvette's Daycare	815 W Opp St	Wilmington

Factors Contributing to Health and Environmental Risks

Mid-day Peak Period Traffic Density Analysis

The Port truck traffic density along regional roadway segments is used in the context of this analysis as a surrogate for noise levels at schools within the domain of analysis. ENVIRON contracted Iteris, Inc., a traffic management company, to produce regional data indicating the POLA-generated truck trips as a share of total trips on major streets in the Port area during the mid-day peak period. Iteris utilized data output from the Port Travel Demand Model to determine the share of the Port generated trips versus all other regional trips on the roadway network. The Port Travel Demand Model network includes freeways, major arterials, and all secondary arterials in the POLA area.

Based on the CEQA baseline (year 2005) scenario of the TraPac FEIR (Trapac FEIR, 2007), Iteris used the ArcGIS tool to demonstrate the amount of traffic generated by the Port and the amount of total traffic utilizing each link in the model network. These trips were segregated by the following trips for purposes of the Port traffic model:

- Total Autos (port-related and non-port related trips)
- Total Trucks (port-related and non-port related trips)
- POLA-Generated Autos
- POLA-Generated Trucks

Passenger Car Equivalent (PCE) factors for intersection operations had been assumed for trucks trips using previously applied factors used in Port studies: 2.0 for container trucks, 2.0 for chassis and 1.1 for bobtails. These PCE factors account for the greater roadway capacity used by trucks

due to their size and slower acceleration rates. Thus, container trucks were counted as the equivalent of two automobiles in the analysis, and bobtails as the equivalent of 1.1 autos. The PCE factored truck trips and auto trips were segregated by POLA-generated trips and all other types of trips by performing four model runs for mid-day peak period to select the zones of all POLA traffic zones and identify the POLA-generated trips. The traffic generated from the Port activities were then calculated and presented graphically as GIS shapefiles layers. Figure 9 shows the traffic density from the Port activities overlapped with the identified day care centers, schools, hospitals and clinics, and minority and median household income bands that fall within the domain of analysis.



Figure 9. Port-derived traffic density on roadway segments in the Port vicinity, overlaid on the background map of the Port region and including all sensitive receptors identified in this analysis. (A full-size version of this figure is presented in Appendix A as Figure A-9.)

Average Daily Period Traffic Density Analysis

Similar to the mid-day peak period traffic density analysis, Iteris also produced regional data indicating the POLA-generated trip as a share of total trips on major streets in the Port area for an average daily period.

This analysis was used to determine whether schools located within the domain of analysis were within 500 feet of a freeway or urban roadway with a traffic density of 100,000 vehicles per day or greater. This distance is set by the California EPA/Air Resources Board Air Quality and Land Use Guidelines (EPA/ARB, 2005). ArcGIS tools were used to map roadway links in the model network that have greater than 50,000 vehicles per day. As shown in Figure 10, none of the urban roadways within the domain of analysis has a traffic density of 100,000 or more vehicles per day. Thus, it was concluded that no schools fall within the 500-foot distance limit of a roadway with 100,000 or more vehicles per day.



Figure 10. Regional traffic density greater than 50,000 vehicles per day on roadway segments in the Port vicinity, overlaid on the background map of the Port region and including schools. (A full-size version of this figure is presented in Appendix A as Figure A-10.)

TraPac EIR Residential DPM Cancer Risk Analysis

As part of the CEQA air quality analysis for the TraPac FEIR HRA (Trapac FEIR, 2007), residential DPM cancer risk was determined for the modeling domain considered in the TraPac FEIR. The HRA identified the cancer risks due to the difference in DPM emissions from average daily emissions associated with the project (2008-2038) and those associated with the baseline operations of TraPac (2003). The HRA estimated health impacts to a range of

receptors: residential, occupational, sensitive, student, and recreational. The major contributors to DPM emissions in the TraPac FEIR were container ships, terminal equipment, and on-road trucks. This analysis extended to a geographic domain around the vicinity of the TraPac container terminal. The boundaries of the geographic domain in the TraPac CEQA analysis were set as the distance beyond which DPM cancer risk associated with off-site truck emissions from the TraPac terminal facility could no longer be distinguished from risk associated with regional traffic and emissions sources. This boundary and the risk iso-contours within this boundary are displayed below in Figure 11, which also shows the mid-day peak traffic density, the identified day care centers, schools, hospitals and clinics, and minority and median household income bands that fall within the domain of analysis.

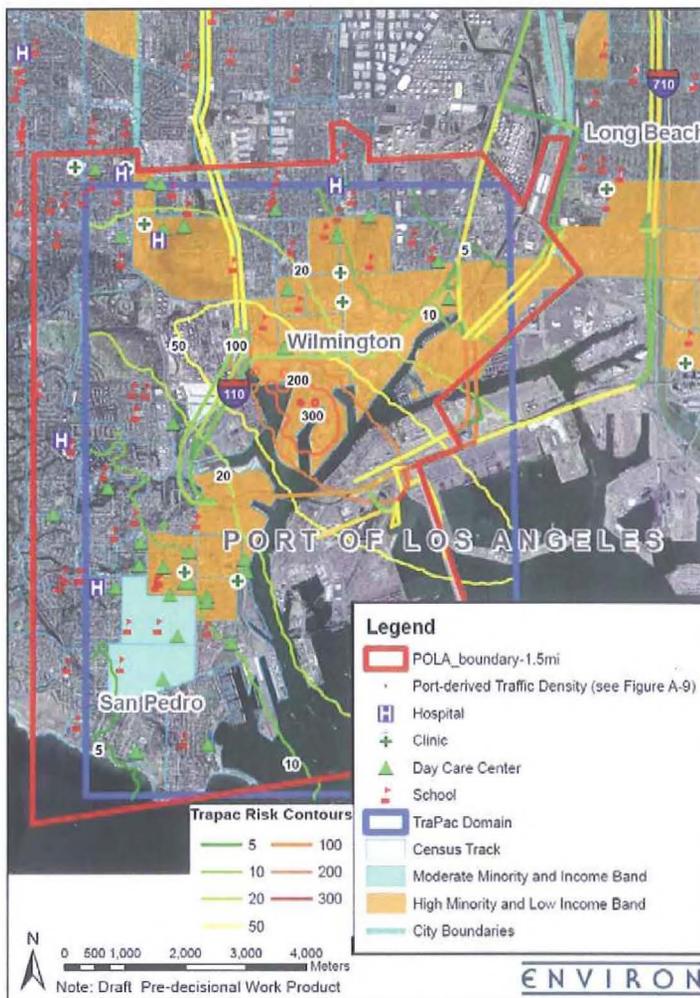


Figure 11. DPM residential cancer risk from the difference between the TraPac project and its 2003 baseline, in the region considered by the TraPac risk modeling, overlaid on the background map of the Port region and including all sensitive receptors identified in this analysis. (A full-size version of this figure is presented in Appendix A as Figure A-11.)

MATES III Port-wide Residential DPM Cancer Risk Analysis

The TraPac FEIR (Trapac FEIR, 2007) health risk analysis considers only DPM emissions sources associated with the baseline and project operation of the TraPac facility. Therefore, an additional health risk analysis was conducted to examine the DPM health risk contribution from general Port activities in the region around the Port. The emissions and air dispersion modeling for this Port-wide analysis was based on modeling performed for the Multiple Air Toxics Exposure Study (MATES) III in the South Coast Air Basin. This analysis used the existing MATES III study, modified to consider only Port activity and only emissions of DPM.

The analysis uses the Comprehensive Air Quality Model with Extensions (CAMx) enhanced with a reactive tracer modeling capability (RTAC) without chemistry. Meteorological and emission data for 2005 were used for a calendar year 2005 simulation. Grid based, hourly meteorological fields were generated from the MM5 mesoscale meteorological model using four dimensional data assimilation. The emission estimate used an updated air toxics emissions inventory, and an improved geographical allocation of diesel emissions was employed. The geographic allocation was modified from the full, regional South Coast Air District modeling to attempt to isolate only those modeling grid cells which contribute DPM emissions from Port-related activity. There are two emission categories considered in this modified MATES III analysis, low-level and point-source emissions, tracked in CAMx modeling. For this modified MATES III analysis, it was assumed that point sources are not major DPM emitters, thus for completeness all point source emissions were included in the simulation. Only those low-level DPM emissions from shipping vessels and activities in grid cells on or around the Port itself were included in the simulation.

As shown in Figure 12, the modeling domain for this analysis encompasses a broad region around the Port as well as the coastal shipping lanes in the San Pedro Bay leading to the Port. The grid resolution is two square kilometers, 120 by 75 grid cells, starting from (280000 m, 3690000 m) in UTM zone 11. To estimate the HRA from DPM emissions from shipping and other Port activities, the low level DPM emissions outside the Port area were set to zero.



Figure 12. DPM residential cancer risk from the 2005 modified MATES III simulation, overlaid on the background map of the Port region and including all sensitive receptors identified in this analysis. (A full-size version of this figure is presented in Appendix A as Figure A-12.)

Summary of Figures Showing Extended Region Characteristics

As noted early in this discussion, and based on the discussions between the Port and the CMTF community and environmental groups, the suggested initial overall geographic domain for this analysis was determined to be the region which includes the Port property boundaries and all areas within a band of 1.5 miles from the Port property boundaries as shown in Figure 2. This geographic region was chosen to allow sensitive receptors to be considered as comprehensively as possible in this study, while not considering receptors located far from the Port property such that the impact of Port activities at these distant receptors would be insignificant. However, it is recognized that factors others than those considered here may enter into the funding decisions, and result in assistance appropriately being provided to schools or health clinics that are relatively close to, but outside of this initial geographical domain. Thus, in Appendix B of the report we repeat the presentation of many of the previous graphics that show the various evaluative criteria, but now without the initial boundary.

CONCLUSIONS

An analysis has been presented which provides geospatial data to determine the locations of sensitive receptors – schools, clinics, hospitals and day care facilities – around the Port of Los Angeles within a region bounded by consideration of Port-related emissions and noise associated with truck traffic. The identified receptors represent a selected list of facilities that should be considered further by the CMTF and the Port in discussions of funding of various asthma-related health and noise abatement mitigation measures as part of the CMTF's funded activities.

This geospatial analysis relies on specific assumptions which have been documented in this report, but it should be noted that modifications to these assumptions could lead to different conclusions about which specific sensitive receptors would be included within the boundaries of the domain of analysis, or those outside of the study domain that should be logically included. However it is anticipated that the Port and the CMTF community and environmental groups can make use of this analysis as a starting point for further discussions on the CMTF's activities.

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Exhibit E
Scope of Work

Upon execution of this Agreement, SCAQMD agrees to perform the following tasks:

- a. SCAQMD's Governing Board will release a Request For Proposals ("RFP") to select a contractor for the installation and maintenance of air filtration systems in selected schools. SCAQMD shall prepare a draft RFP (attached hereto and incorporated herein as Exhibit "F") for the review and comments of Appellants and the City.
- b. In accordance with its procurement policies and procedures, SCAQMD's Governing Board will select the most qualified contractor for the work based on a technical and cost evaluation of proposals submitted in response to the RFP. The selection process will be based on a review of technical criteria, cost-effectiveness, and other criteria outlined in Exhibit F.
- c. SCAQMD shall enter into a contract with the selected contractor(s), in a form reviewed and approved by the City, and shall include City and Appellants as beneficiaries of the Insurance and Indemnification provisions.
- d. SCAQMD, in consultation with the parties as set forth in Section 6, shall select the schools to receive the air filtration systems.
- e. SCAQMD will periodically convene meetings as set forth in Section 6, to seek input, advice and, in consultation with the selected contractor, make recommendations on which schools should receive feasibility and cost assessments and air filtration systems based on technical feasibility and cost effectiveness. Data used to support these recommendations will be made available to the Parties at the meetings for their review.
- f. SCAQMD will be responsible for daily program management of the contractor's work in the implementation and maintenance of air filtration systems, review invoices, and organize the meetings convened pursuant to Section 6.
- g. SCAQMD will provide technical guidance and expertise as required by the Filtration Systems Program.
- h. SCAQMD will conduct PM monitoring and analysis post-installation to verify satisfactory performance of air filtration systems.
- i. SCAQMD shall report on the status of the Filtration Systems Program on a quarterly basis or as needed to City and Appellants and provide an annual written report and a final written report to City and Appellants.

Exhibit F

Draft Request for Proposals (RFP)

The draft Request for Proposals will be provided upon completion of draft.

Exhibit G

Schedule of Events/Milestones

The following shall occur at or after MOA execution by the SCAQMD Governing Board:

	From Date of <u>MOA Execution</u>
Release RFP for air filtration installation and maintenance	Execution
Proposals due for RFP	2 months
Select contractor	3 months
Approval of contractor by Governing Board	4 months
Contract execution with contractor	6 months
School selection process for initial assessments	7-9 months
Gain access to schools	7-9 months
Contractor conducts initial round of school assessments (up to 10)	9-12 months
AQMD selects schools to receive filtration	12 months
Contractor installs filtration based on list of selected schools (up to 8)	13-24 months
Contractor works on training of school maintenance staff (3 months post installation at each school)	16-27 months
AQMD conducts post implementation PM monitoring (3, 6, 9, 12 months post installation at each school)	16-36 months

Schools are selected to receive feasibility assessments, and based on assessment results, schools will be selected to receive air filtration systems. Contractor trains school maintenance staff on ongoing maintenance. AQMD conducts PM monitoring. This cycle is repeated as necessary: new schools will receive feasibility assessments and air filtration systems until funds are spent. The Schedule assumes three rounds of assessment and implementation, but can be repeated as necessary.

AQMD reviews post implementation reports and data,

School selection process for assessments	22-24 months
Contractor conducts school assessments (up to 10)	24-26 months
AQMD selects schools to receive filtration	26 months
Contractor installs filtration based on list of selected schools (up to 8)	27-36 months
Contractor works on training of school maintenance staff (3 months post installation at each school)	30-39 months
AQMD conducts post implementation PM monitoring (3, 6, 9, 12 months post installation at each school)	30-48 months

AQMD reviews post implementation reports and data

School selection process for assessments	34-36 months
Contractor conducts school assessments (up to 10)	36-38 months
AQMD selects schools to receive filtration	38 months
Contractor installs filtration based on list of selected schools (up to 8)	39-48 months
Contractor works on training of school maintenance staff (3 months post installation at each school)	42-51 months
AQMD conducts post implementation PM monitoring (3, 6, 9, 12 months post installation at each school)	42-60 months

Reporting Schedule:

Updates, oral or written, to Parties

Quarterly, as needed

Written reports

Annually

Final report

Project com

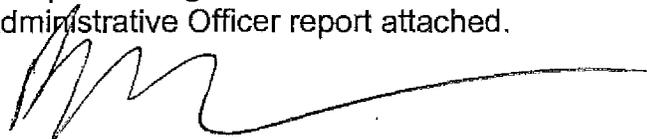
0150-09153-0000

TRANSMITTAL

TO Geraldine Knatz, Ph.D., Executive Director Harbor Department	DATE FEB 18 2010	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 15	

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

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



Brett Messing for
MAYOR

MAS:ABN:10100118t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 8, 2010

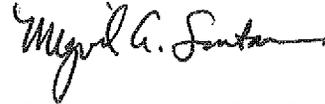
CAO File No. 0150-09153-0000

Council File No.

Council District: 15

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Harbor Department dated December 18, 2009; referred by the Mayor for report on December 29, 2009

Subject: **PROPOSED RESOLUTION NO. 09-6860 TO APPROVE A MEMORANDUM OF AGREEMENT WITH THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT AND TRAPAC APPELLANTS TO INSTALL AIR FILTRATION SYSTEMS IN LOCAL SCHOOLS**

SUMMARY

The Harbor Department (Port) requests approval of Resolution No. 09-6860 authorizing Memorandum of Agreement (MOA) No. 09-2818 among the Port, South Coast Air Quality Management District (SCAQMD) and other environmental and community stakeholders (Appellants) under the Trans Pacific Containers Service Corporation (TraPac) Memorandum of Understanding (MOU) to install air filtration systems in local schools in Wilmington and San Pedro. The MOA with the SCAQMD and Appellants will be for a term of five years and will provide approximately \$6 million to install and maintain the air filtration systems and/or HVAC (heating, ventilation, and air conditioning) systems in those schools, which are impacted by operations in TraPac's container terminal facility at Port Berths 136-147. The proposed MOA requires Council approval under Charter Section 373, because the cumulative contract period exceeds three years.

BACKGROUND

In December 2007, the Board of Harbor Commissioners (Board) certified the TraPac Environmental Impact Report (TraPac EIR) prepared by the Port under the requirements of the California Environmental Quality Act (CEQA) for the container terminal project at Berths 136-147. In October 2009, the Mayor and Council approved a new 30-year lease agreement with TraPac that allowed them to expand and modernize Port-owned land and waterside area to redevelop container cargo terminals and wharf and backland facilities at Berths 136-147 (C.F. 09-2165). Subsequent to the Board's approval of the TraPac EIR, the Appellants appealed it to the City Council, which led to the establishment of the MOU. Under the MOU, the Port and Appellants settled the dispute by negotiating several clean air initiatives and environmental mitigation measures which would lessen the environmental impacts of the terminal operations. The Port and Appellants established the Community Mitigation Trust Fund (Trust Fund) and proposed to select a non-profit entity to administer the funds to support collaborative efforts to develop and implement projects to reduce adverse environmental impacts within the community, particularly Wilmington and San Pedro, and

create jobs and economic development in the community and surrounding region. The MOU included a process to avoid appeals and lawsuits for EIRs in the future.

MOA FOR THE PORT, APPELLANTS AND SCAQMD

The MOA includes the Port, Appellants and SCAQMD as participants in a plan to obtain an air filtration system to reduce air particulates in the school facilities in Wilmington and San Pedro. The Port and Appellants have requested the selection of SCAQMD to administer the plan because a non-profit entity has not been selected to administer the Trust Fund under the TraPac MOU. The MOA with the SCAQMD and Appellants will cost up a maximum of \$6 million over the 5-year contract term. According to the Port, SCAQMD has implemented a project for a similar air filtration system in City of Long Beach schools. The MOA with SCAQMD includes the following provisions: limit administrative costs to ten percent of the funding spent on contractors to implement the program; issue a competitive-bid process to select schools in association with the Appellants and the Port; install the filtration systems; and procure necessary equipment and services. The Port states that approving this MOA will fulfill the legal responsibilities for the Port under the TraPac MOU.

The City Attorney has approved the proposed Agreement and Resolution No. 09-6860 as to form. The SCAQMD has agreed to comply with all applicable City requirements and ordinances. According to Charter Section 1022, it has been determined that the services can be performed more feasibly and economically by an independent contractor than City employees. The Port Director of Environmental Management has determined that the proposed MOA is an administrative activity to transfer funding into the Trust Fund to install air filtration systems in schools. Therefore, the Port Director states that the MOA is exempt from the requirements of the CEQA under Article II, Section 2(f), and Article III Class 1(6) of the Los Angeles CEQA Guidelines.

RECOMMENDATION

That the Mayor approve proposed Resolution No. 09-6860 authorizing Memorandum of Agreement No. 09-2818 among the Harbor Department (Port), South Coast Air Quality Management District (SCAQMD) and other environmental and community stakeholders (Appellants) under the Trans Pacific Containers Service Corporation (TraPac) Memorandum of Understanding to install and maintain air filtration systems and/or HVAC (heating, ventilation, and air conditioning) systems in local schools in Wilmington and San Pedro and return the document to the Port for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of Harbor Department (Port)'s proposed Memorandum of Agreement No. 09-2818 with the South Coast Air Quality Management District (SCAQMD) and other environmental and community stakeholders (Appellants) 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 Memorandum of Understanding. There is no impact on the City General Fund.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," the proposed Memorandum of Agreement (MOA) must be approved by the Council before it can become effective. Unless the Council takes action disapproving this MOA that is longer than three years within 60 days after submission to Council, the contract will be deemed approved.

MAS:ABN:10100118