

Portside Project & Lease Expectations
Prepared by AB 617 Portside Community Steering Committee
Subcommittee on CERP Implementation & Funding

Tentative Development & Review Timeline

- Feb→ Subcommittee reviews draft
- Mar→ Subcommittee provides feedback on draft and modifies it
- May→ Presentation to CSC by Subcommittee to receive feedback
- June → Revisions by Subcommittee
- June → In-person Community Workshop to receive feedback
- August→ Revise and finalize draft
- September → Propose Adoption by CSC

Background

We are members of the Portside Community Steering Committee committed to improving the air quality in the communities of Barrio Logan, Logan Heights, Sherman Heights, and West National City. The Portside neighborhoods are designated as some of California’s most pollution burdened neighborhoods. We are concerned that projects in the Portside communities and lease agreements at the Port of San Diego that may be approved could be inconsistent with Maritime Clean Air Strategy (MCAS) and Community Emission Reduction Program’s (CERP) goals and strategies; thus putting at risk achieving CERP and MCAS goals and strategies.

The purpose of this document is not to reduce opportunities for economic activity, but rather to ensure that waterfront activities do not worsen the impacts on already-burdened communities and contribute to the improvement of air quality and quality of life of residents and workers in the Portside Communities. This document is intended to outline clear expectations for all projects and port leases in the Portside area, as defined by AB 617, and can be used by the CSC to determine support for Port leases or projects in the Portside communities. Additionally, the expectations outlined can provide the Port of San Diego, the City of San Diego, and City of National City guidance as part of the discretionary process for project and lease review.

The following expectations are outlined in this document:

- A) Community outreach and engagement process;*
- B) Project and port lease standards;*
- C) Fair & Just Labor Practices; and*
- D) Community Benefits.*

A. Community Outreach & Engagement Process

Port Process

1. The Port and/or project applicant informs the community of project or lease proposals through presentations at the Portside CSC/BLCPG prior to the Preliminary Project Review Meeting at the Port.
 - The presentations to Portside CSC members must highlight project/lease features and what is known regarding air quality/ health risk impacts of the proposed project and or lease agreement. The presentation must also highlight, with best available information at the time, how the project/lease is consistent with the implementation of both CERP and MCAS goals and objectives.
 - During said meeting - Residents shall be allowed to voice concerns and possible amendments to said project.
2. Prior to the Port Board’s/City Council approval of projects or leases – agency parties must present project and lease details to the AB 617 Portside Community Steering Committee and local planning groups (BLCPG, National City Planning Group etc.).
 - At least 30 days before agency party vote to approve lease/or project – agency party must present again to AB 617 committee and local planning groups. This presentation must highlight modifications to project or lease language that will further the CERP and MCAS goals. If no changes are made the lead agency must explain justifications as to why resident recommendations were (or were not) implemented in the final design and or lease language.

City Process

B. Project & Port Lease Standards

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It is common practice for ports to articulate in their leases that tenants must comply with applicable environmental laws and regulations, but there are several Ports on the West Coast that have used additional “green lease” language with some of their marine terminal tenants. A “green lease” incorporates environmental and sustainability best practices into standard lease agreements. Green leasing goes beyond actions required by law to incorporate interventions or practices that reduce energy use, emissions, water, or waste.

Any project and elements in the lease agreements do not hinder, but contribute toward the successful implementation of CERP and MCAS goals and timeline for transitioning to cleaner equipment and technologies. The following are the emission reduction goals stated in the CERP and MCAS:

- **CERP**
 - GOAL 1. By 2031, reduce Diesel PM from 2018 levels by 80% in ambient air at all Portside Community locations.
 - GOAL 2. Medium-Duty and Heavy-Duty trucks servicing Portside Community to be 100% ZEV 5 years ahead of the California state requirements.
 - GOAL3. Establish ZEV HD/MD truck charging infrastructure in Portside, by specified dates in Action E1, with 4 sites operational by 2026.
 - GOAL 4. Reduce emissions from HD/MD trucks servicing indirect sources by 100% 5 years in advance of regulatory requirements.
 - GOAL 8. By 2026, reduce cancer risk below 10/million for each permitted stationary source, including portable equipment, in the Portside Environmental Justice Community.
- **MCAS**
 - Goal for Trucks: In advance of the State’s goals identified in EO No. N-79-20, attain 100% ZE truck trips by 2030 for all trucks that call to the Port’s two marine cargo terminals.
 - Goal for Cargo Handling Equipment: In advance of the State’s goals identified in EO No. N-79-20, transition diesel cargo handling equipment to 100% ZE by 2030.
 - Goal for Harbor Craft: Tugboat related Diesel Particulate Matter (DPM) emissions identified in the Port’s Emissions Inventory (2019) will be reduced by half by 2030 by transitioning to ZE/near-zero emission (NZE) technologies and/or other lower-emitting engines or alternative fuels.
 - Goal for Port Fleet: Transition Port-owned fleet of vehicles and equipment to ZE/NZE emission technologies in manner that meets operational needs and reduces emissions, as outlined below:
 - Transition light-, medium-, and heavy-duty vehicles beginning in 2022 to ZE.
 - Transition emergency vehicles to alternative fuels including hybrid, electric, and/or low carbon fuels.
 - Convert equipment, such as forklifts and lawn maintenance equipment, to ZE.
 - Seek opportunities to advance lower emitting solutions for marine vessels.
 - Goal for Ocean-going Vessels: Equip marine terminals with shore power and/or an alternative technology to reduce ocean-going vessel emissions for ships that call to the Port.

Many of these goals will be reiterated and have further details in the project and lease sections below.

Port Projects:

- Project construction proposals at the Port of San Diego, must minimize their air quality impacts.
 - Use ZE technology whenever available. If not readily available, parties should use at a minimum Tier 4 diesel engines on all engines 25 HP and higher.
- In construction contracts, include language that requires all off-road diesel-powered equipment used during construction to be equipped with ZE or Tier 4 or cleaner engines.
- Ensure the cleanest possible construction practices and equipment are used. This includes eliminating the idling of diesel-powered equipment and **providing the necessary infrastructure (e.g., electrical hookups) to support zero and near-zero equipment and tools.**
- Require all off-road equipment with a power rating below 19 kilowatts (e.g plate compactors, pressure washers) used during project construction be battery powered.
- Require all heavy-duty trucks entering the construction site during the grading and construction phases be ZEV or motor model year 2014 or later.

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Public Projects:

City governments like City of National City, City of San Diego and regional agencies like SANDAG and Caltrans should aspire for similar standards to be consistent with the CERP and MCAS goals and objectives for public capital improvement projects within the Portside.

Private development permits in the Portside:

All private development should aspire for similar standards to be consistent with the CERP and MCAS goals and objectives for public capital improvement projects within the Portside.

New Leases:

- New Port tenants must commit to the use of ZE HD trucks in their operation. Additionally, transportation services contracted by the tenant should also be zero-emission in a similar timeframe. The tenant may not directly own or operate any trucks, but they might hire other companies for shipping purposes.
 - Include contractual language that will require that transportation services contracted by the tenant also be zero-emission in accordance to MCAS ZE goals.
 - Portside community members suffer from some of the highest DPM pollution rates in the state of California.¹ The Community Emissions Reduction Plan (CERP) for the Portside AB 617 community specifically calls for an 80% reduction from 2018 levels of Diesel Particulate matter pollution by 2031.²
 - The port of San Diego's Maritime Clean Air Strategy (MCAS) calls for the 100% use of ZE cargo trucks at their maritime terminals by 2030, 40% by 2026.
 - Having a lease obligation to commit to the use of ZE heavy-duty trucks will not only help reduce health impacts on Portside neighborhoods, but also help the Port reach both MCAS and CERP implementation goals. Any potential tenant that will not commit to the use of ZE HD trucks should be denied outright.
- Include contractual language in tenant lease agreements that requires tenants to use the cleanest technologies available (forklifts, top handlers, stackers etc.), and to provide the necessary infrastructure to support zero-emission vehicles and equipment that will be operating on site.
- Include contractual language in tenant lease agreements that requires future tenants to exclusively use zero-emission light and medium-duty trucks.
- Include contractual language in tenant lease agreements that requires all service equipment used within a site to be zero-emission. This equipment is widely available and can be purchased using incentive funding from CARB's Clean Off-Road Equipment Voucher Incentive Project (CORE)³.
- Include contractual language in tenant lease agreements, requiring the installation of vegetative walls or other effective barriers that separate industrial operations and people living or working nearby.
- The Portside AB 617 community shall not be home to any more Air Toxic Hotspots
 - The Air Toxic Hotspots program is a program that regulates facilities in the county that expose residents and workers to elevated levels of cancer causing pollution. Currently, communities like Barrio Logan and West National City have a concentration of Air Toxic Hotspots – with 3 Hotspot facilities within 1.5 miles of one another. This is particularly concerning given that many of these facilities Cancer risk isopleths overlap with one another, resulting in compounding exposure to cancer-causing pollution for residents who live in certain pockets of the community.⁴ The Port of San Diego must reject any potential leasee whose operational Health Risk Assessment reveals a potential exposure >10 cancers/million.
- All new Port tenants must commit to community hire requirements.

C. Fair & Just Labor Practices

- Tenants of the portside communities will provide **good jobs, not just any jobs:**
 - An enforceable timeline that outlines benchmarks for the number of jobs upon completion.
 - Restrictions on the use of temporary and part-time employment by all employers.
 - Restriction of use of staffing agencies and contractors.

¹ <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

² <https://www.sdapcd.org/content/dam/sdapcd/documents/capp/cerp/Portside-Environmental-Justice-CERP-July-2021.pdf>

³ <https://californiafire.org/equipment-category/cargo-handling-equipment-che/>

⁴ <https://www.sdapcd.org/content/sdapcd/permits/toxics-emissions/hot-spots.html>

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- Tenants will not disrupt or interfere with communications between labor unions and workers.
- All jobs within the portside communities will pay workers a living wage and provide quality health care benefits.

- Construction work for the project or lease will be covered by **Community Workforce Agreements (CWA) that would require all contractors and awarded subcontractors to:**
 - Pay the state prevailing wage
 - Local hire with the majority of workers and apprentices residing in the city of San Diego or City of National City with a preference for residents of disadvantaged communities in the Portside area (West National City, Barrio Logan, Sherman Heights, Logan Heights).
 - Utilize apprentices enrolled in **state-approved craft apprenticeship programs** that provide a career ladder for the community that includes residents experiencing barriers to employment, including single parents, at-risk youth, economically disadvantaged, former foster youth, veterans, chronically unemployed, formerly incarcerated, or recipients of public benefits.
 - Use the **Helmets to Hardhats** program that provides career employment, training, and local hire to veterans.
 - A comprehensive and coordinated **safety program**.
 - Establish formal labor-management procedures.
 - Reduce emissions from shipyard employee transportation (CERP Action G6).

- The creation of a **Jobs Center** that will be the **first source for employment** for projects or leases.
 - A majority of workers hired to work at the projects or leases will reside in the city of San Diego or City of National City, with a preference for residents of disadvantaged communities in the Portside area (West National City, Barrio Logan, Sherman Heights, Logan Heights).
 - A significant share of workers hired for the projects or leases will be residents experiencing barriers to employment, including single parents, former foster youth, veterans, chronically unemployed, formerly incarcerated, or recipients of public benefits.
 - Job training funds for general portside jobs will be collected and invested in a jobs center and local public high schools and colleges to support paths to employment at the portside employment opportunities.
 - Job training funds for electrification jobs, including but not limited to cargo, medium duty/heavy duty infrastructure and equipment will be collected and invested in apprenticeship programs and certified technical education programs to support the electrification of the portside.
 - Tenants and operators on the site will not undertake background checks of employees unless required by law.

D. Community Benefits

The Port of San Diego, the Project developer, and the tenant will also **improve surrounding communities** by:

- Increasing tree canopy in the Portside Community (CERP GOAL 10).
- Increasing park/green space for the Portside Community (i.e., Directing significant funds in green and public spaces, including vegetative barriers along designated truck routes). (CERP GOAL 11).
- Increasing the number of truck parking and staging facilities with electric charging capabilities (CERP Action E4).
- Supporting public school exposure reduction efforts and technologies as defined in the CERP (i.e., electric school buses, air filtration systems, trees, etc.) (CERP Action F4).
- Supporting efforts to ensure neighborhood resiliency and housing stability as defined in the CERP (CERP Action F6).
- Supporting residential air filtration and air monitoring program (CERP Action B3).
- Working with local, minority, and women-owned businesses for opportunities in future retail/commercial space within the project or lease.
- Funds will be directed toward studying the air quality health effects of operations on surrounding communities.
- Directing significant funds toward the construction of a sizable indoor space for a youth center.
- Directing regular dedicated funds toward a neighborhood improvement fund (controlled by a regional monitoring board led by surrounding community residents).

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- Directing regular dedicated funds toward arts programs in local schools.
- Directing significant funds for improved infrastructure to deal with truck traffic.
- A framework for a community-led implementation of a regional noise ordinance for truck traffic.
- A framework for community-led assessment of traffic impact on surrounding neighborhoods, and implementation of community-recommended truck routes and other traffic mitigation solutions.
- Directing significant funds toward public transit improvements to connect residents to jobs and mitigate traffic congestion.
- Incentive funding available for CARB verified residential air filtration systems.