

H-30

December 6, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the public hearing, and adopt a Resolution amending the Master Fee and Charges Schedule for changes to the fuel flowage fees at Long Beach Airport. (Districts 4, 5)

DISCUSSION

City Council approval is requested to amend the Master Fee and Charges Schedule to modify the fuel flowage fee to exempt unleaded aviation gasoline (unleaded avgas) deliveries from fees in 2023, 2024 and 2025. The current fuel flowage fee of \$0.06 per gallon is paid by fuel suppliers and applies to fuel delivered to Long Beach Airport (Airport), including both leaded and unleaded fuel varieties. Approximately 380,000 gallons of leaded avgas are delivered to the Airport annually, generating less than \$25,000 in annual fuel flowage fee revenue. The exemption is intended to incentivize fuel providers and users at the Airport to commence the transitioning process for the sale of unleaded avgas for the general aviation community.

The Federal Aviation Administration (FAA) has identified the year 2030 for the elimination of leaded avgas for all piston-powered aircraft. In support of the transition, some airports have waived their fuel delivery fee on unleaded fuel to incentivize fuel providers and users to transition to unleaded avgas. The Airport proposes that unleaded avgas be exempted from the existing fuel flowage fee for a period of three years, in support of the transition to the use of unleaded fuel.

On October 18, 2022, the City Council directed the City Manager to work with the Long Beach Airport staff and stakeholders to establish a plan that reduces and mitigates lead pollution and implements potential programs and incentives to transition to the sale and use of commercially viable unleaded aviation fuels. This recommendation aligns with City Council's directive.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on October 27, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on November 9, 2022.

TIMING CONSIDERATIONS

City Council action to amend the Master Fee and Charges Schedule for changes to Airport Fuel Flowage Fees is requested on December 6, 2022, to implement an incentive for Airport users to transition to unleaded avgas starting in 2023.

FISCAL IMPACT

The decrease in revenues is anticipated to be minimal in the first year. The Airport's financial position will not be negatively impacted by the three-year exemption period. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CYNTHIA GUIDRY
DIRECTOR, LONG BEACH AIRPORT

ATTACHMENT - Resolution

APPROVED:



THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE MASTER FEE AND CHARGES SCHEDULE FOR CHANGES TO THE FUEL FLOWAGE FEES - FUEL SUPPLIER AT LONG BEACH AIRPORT FOR THE CITY OF LONG BEACH

WHEREAS, the City Council of the City of Long Beach ("City") seeks to amend the Master Fee and Charges Schedule to modify the fee titled Fuel Flowage Fees - Fuel Supplier to exempt unleaded aviation gasoline ("unleaded avgas") deliveries from fees in the years 2023, 2024 and 2025; and

WHEREAS, the City's current fee titled Fuel Flowage Fees - Fuel Supplier of \$0.06 per gallon is paid by fuel suppliers and applies to fuel delivered to Long Beach Airport (Airport), including both leaded and unleaded fuel varieties; and

WHEREAS, the City has conducted an extensive analysis of its services, the costs reasonably borne by the City in providing those services, the beneficiaries of those services, and the revenues produced by those paying service fees and charges for said services; and

WHEREAS, approximately 380,000 gallons of leaded avgas are delivered to the Airport annually, generating less than \$25,000 in annual fuel flowage fee revenue; and

WHEREAS, the exemption is intended to incentivize fuel providers and users at the Airport to commence the transitioning process for the sale of unleaded avgas for the general aviation community; and

WHEREAS, the City Council, directed the City Manager at its October 18, 2022 City Council meeting to establish a plan that reduces and mitigates lead pollution and implements potential programs and incentives to transition to the sale and use of commercially viable unleaded aviation fuels; and

1 NOW, THEREFORE, the City Council of the City of Long Beach hereby
2 resolves as follows:

3 Section 1. The facts set forth in the Recitals of this Resolution are true and
4 correct and are hereby incorporated by reference herein as though set forth in full.

5 Section 2. The City Council hereby adopts and approves the newly
6 adjusted fee titled Fuel Flowage Fees - Fuel Supplier as set forth and described in Exhibit
7 "A", attached hereto and incorporated herein by this reference, as though set forth in full,
8 word for word. The fees and charges set forth in Exhibit "A" shall thereafter be incorporated
9 into those fees and charges previously adopted and approved by the City Council by
10 Resolution and shall collectively be known as the Master Fee and Charges Schedule of
11 the City of Long Beach and may be made available to the public for its information and
12 review.

13 Section 3. In adopting the new adjusted fees and charges set forth in this
14 Resolution, the City Council of the City of Long Beach is exercising its powers under Article
15 XI, Section 7 of the California Constitution.

16 Section 4. All requirements of California Government Code Sections
17 66000, et seq., are hereby found to have been satisfied.

18 Section 5. The fees and charges adopted and all portions of this
19 Resolution are severable. Should any of the fees and charges or any portion of this
20 Resolution be adjudged to be invalid and unenforceable by a body of competent
21 jurisdiction, then the remaining fees and/or Resolution portions shall be, and continue to
22 be, in full force and effect, except as to those fees and/or Resolution portions that have
23 been adjudged invalid. The City Council of the City of Long Beach hereby declares that it
24 would have adopted each of the fees or charges and this Resolution and each section,
25 subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that
26 one or more of the service fees, charges or sections, subsections, clauses, sentences,
27 phrases or other portion of this Resolution may be held invalid or unconstitutional.

28 Section 6. All provisions of prior City Council ordinances and resolution

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

1 establishing a fee titled Fuel Flowage Fees - Fuel Supplier are hereby rescinded and
2 repealed in part or in whole to the extent of any conflict between said ordinances and
3 resolutions and the provisions established by this Resolution.

4 Section 7. This resolution shall take effect immediately upon its adoption
5 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

6 I hereby certify that the foregoing resolution was adopted by the City Council
7 of the City of Long Beach at its meeting of _____, 2022, by the
8 following vote:

9 Ayes: Councilmembers: _____

10 _____

11 _____

12 _____

13 Noes: Councilmembers: _____

14 _____

15 Absent: Councilmembers: _____

16 _____

17 Recusal(s): Councilmembers: _____

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19 _____

City Clerk

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EXHIBIT "A"

List of Proposed Fee Adjustments for 2023, 2024, 2025			
Department: Long Beach Airport			
MISCELLANEOUS FEES			
Fee Name	Description	Fee	Per
Fuel Flowage Fees – Fuel Supplier	Fuel flowage fees shall be paid to the City by the supplier of fuel to facilities at the Long Beach Airport for every gallon of fuel and lubricant, accepted for delivery into those facilities and used for any purpose whether on or off the airfield. Upon submittal of substantiating documentation, the fuel flowage fees may be waived only for the following activities - (1) Commercial aviation, where commercial aviation activity is defined as the carrying of persons or cargo for hire, compensation or reward and if such activity results in the payment of landing fees for that activity, (2) Any aircraft operated by or for public agencies which is engaged in documented official government business, or (3) Unleaded aviation gasoline (Avgas) delivered in 2023, 2024 or 2025 to the Long Beach Airport.	\$0.06	per gallon of fuel