



AGENDA REPORT

Department: Engineering and Public Works
Prepared by: Luca Zappiello, Associate Engineer - Civil
Meeting Date: Tuesday, June 20, 2023
Approved by: Armando Vergara, Interim City Manager

SUBJECT:

Memorandum of Understanding (MOU) Between the San Diego Unified Port District and the City of National City to Contribute Funds for the Free Ride Around National City (FRANC) Program.

RECOMMENDATION:

Adopt a Resolution Entitled, "Resolution of the City Council of the City of National City 1) Authorizing the Mayor to Execute a Memorandum Of Understanding Between the San Diego Unified Port District and the City of National City to Contribute Funds from the Maritime Industrial Impact Fund for the Funding of the Free Ride Around National City (FRANC) Program; and 2) Authorizing the Establishment of \$400,000 in Appropriations and a Corresponding Revenue Budget."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

In 2010, the District's Board of Port Commissioners (BPC) adopted BPC Policy No. 773 to establish a Maritime Industrial Impact Fund (MIIF), based on the recognition that certain communities adjacent to industrialized areas near San Diego Bay may be subject to adverse impacts. The MIIF is used to fund projects to mitigate Off-Tidelands impacts from the Port District's marine terminals and the maritime industry operating at the terminals.

The City of National City desires to provide a clean and safe travel option around National City, including on Tidelands, through a zero-emission shuttle program that provides a clean and safe travel option around National City and improves quality of life by expanding affordable travel options and access to National City's waterfront while reducing pollution.

The District and City desire to work together to reduce air pollution, improve air quality and public health, and increase access to National City's waterfront for those residing in National City.

The City, in partnership with Circuit Transit, Inc., created the Free Ride Around National City (FRANC) Program (FRANC Program), which is proposed to be a Neighborhood Electric Vehicle (NEV) shuttle system that ties together destinations in downtown National City, Old Town National City, and West Side National City with the 8th and 24th Street Transit Centers, and with waterfront employers along the waterfront (e.g., Naval Base San Diego, National City Marine Terminal, shipyards), by providing first and last-mile connections.

The FRANC Program service area is proposed to include District Tidelands in National City, including Pepper Park. When operational, the FRANC will serve as a connector that provides the City's residents with access to the National City waterfront.

The City applied for and was awarded a “Mobility Project Voucher” from the Clean Mobility Options Voucher Pilot Program (CMO), which is administered by CALSTART, a national non-profit which works to advance clean transportation initiatives, as designated by the California Air Resources Board (CARB). The CMO program aims to increase access to clean mobility options in disadvantaged communities, reduce greenhouse gas emissions and criteria pollutants, increase the uptake of zero-emission vehicles, and improve air quality and public health in the State’s most vulnerable communities.

The City proposes to use the Mobility Project Voucher to fund the FRANC Program.

The Mobility Project Voucher for the FRANC Program is a maximum of \$1,500,000 for a 5-year term, consisting of one year of planning, three years of operation funded by the Mobility Project Voucher, and one additional year of mandatory operation not funded by the Mobility Project Voucher.

The District has offered to contribute Four Hundred Thousand Dollars (\$400,000) in MIIF funds to support the FRANC Program. The total \$400,000 is to be used for the purposes supporting the FRANC Program and for no other purposes whatsoever. The MOU limits the amount that can be spent on capital-related expenses in an effort to focus funds on operations.

The attached Memorandum of Understanding outlines the terms of use of MIIF funds for the project. Staff recommends that City Council adopt a resolution 1) authorizing the Mayor to execute a Memorandum Of Understanding between the San Diego Unified Port District and the City of National City to contribute funds from the maritime industrial impact fund for the funding of the Free Ride Around National City Program; and 2) authorize the establishment of \$400,000 in appropriations and a corresponding revenue budget.

FINANCIAL STATEMENT:

Revenue Account No. 296-06589-3470: \$400,000

Expenditure Account No. 296-409-500-598-6589: \$400,000

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Health, Environment, and Sustainability

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Memorandum of Understanding

Exhibit B - Resolution