

January 23, 2024

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Recommendation to authorize the City Manager, or designee, to execute any and all documents necessary with authorized fuel providers at the Long Beach Airport to implement an unleaded aviation fuel subsidy program at the Long Beach Airport to facilitate the transition from leaded to unleaded aviation fuel, in an aggregate amount not to exceed \$200,000 through December 31, 2025; and,

Increase appropriations in the Airport Fund Group in the Airport Department by \$200,000 offset by Airport funds available. (Districts 4, 5)

DISCUSSION

City Council approval is requested to implement an Unleaded Aviation Fuel Subsidy Program (Program) to minimize the costs to consumers associated with the transition to unleaded avgas at the Long Beach Airport (Airport). On August 7, 2023, Signature Aviation, a fuel provider at the Airport, commenced the sale of an unleaded 94-grade fuel (UL94) product produced by Swift Fuels (Swift) of Indiana. The sale price of UL94 for consumers can be \$2 to \$4 more per gallon than leaded 100-grade fuel (100LL) varieties (Leaded Avgas). The Program will allow fuel providers to sell Unleaded Aviation Gasoline (Unleaded Avgas) at the same “out-the-door” price as 100LL, subject to reimbursement from the Airport for the cost differential. The Program will run through December 31, 2025. Initial Program reimbursements are budgeted at \$200,000.

The Federal Aviation Administration has identified the year 2030 for the elimination of leaded aviation fuel for all piston-powered aircraft. In support of an earlier transition, a few airports have implemented similar programs to lower the cost of any currently available Unleaded Avgas. Staff recommends implementing a similar program intended to encourage an earlier transition to Unleaded Avgas by eliminating the cost differential to consumers between Leaded Avgas and Unleaded Avgas.

On October 18, 2022, the City Council directed the City Manager to work with 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 Avgas. This recommendation aligns with City Council directives.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony and by Budget Analysis Officer Greg Sorensen on January 5, 2024.

TIMING CONSIDERATIONS

City Council action is requested on January 23, 2024, to allow for an unleaded aviation fuel subsidy program to be implemented as soon as possible.

FISCAL IMPACT

The program will allow the Airport to provide reimbursements through December 31, 2025, for a total not to exceed \$200,000. An increase in appropriations is requested in the Airport Fund Group in the Airport Department by \$200,000 for the cost to the Airport for the reimbursements and is offset by Airport funds available. 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

APPROVED:



THOMAS B. MODICA
CITY MANAGER