



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 16, 2016

FROM: EXECUTIVE OFFICES

SUBJECT: RESOLUTION NO. _____ - (1) APPROVAL OF FIRST AMENDMENT TO THE JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITY OF LONG BEACH AND THE CITY OF LOS ANGELES FOR THE INTERMODAL CONTAINER TRANSFER FACILITY (ICTF) JOINT POWERS AUTHORITY AND (2) APPOINTMENT OF ALTERNATE MEMBERS TO THE ICTF JOINT POWERS AUTHORITY GOVERNING BOARD

SUMMARY:

Staff recommends that the Board of Harbor Commissioners (Board) (1) approve a First Amendment (Amendment) to the Joint Exercise of Powers Agreement between the City of Long Beach and the City of Los Angeles for the Intermodal Container Transfer Facility (ICTF) Joint Powers Authority (JPA), and (2) appoint David Arian and Antonio Gioiello as alternate members to the ICTF JPA Governing Board. The ICTF JPA is a separate legal entity with its own Governing Board comprised of board members that are appointed by the Boards of Harbor Commissioners of Los Angeles and Long Beach. The proposed Amendment will improve the administration of ICTF JPA Governing Board meetings, by (i) providing for the Los Angeles and Long Beach Boards of Harbor Commissioners to appoint alternate members to the ICTF JPA Governing Board to serve in the event of absence of the ICTF JPA Governing Board's regular members, and (ii) changing the date of the annual ICTF JPA Governing Board meeting from July to September. There is no financial impact or cost associated with this proposed action to either the ICTF JPA or the Harbor Departments of Los Angeles or Long Beach.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to ICTF Joint Powers Authority Agreement between the City of Los Angeles and the City of Long Beach;

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3. Authorize the Executive Director and Board Secretary to execute and attest to the First Amendment to ICTF Joint Powers Authority Agreement;
4. Appoint David Arian as alternate member for regular member Patricia Castellanos, to serve on the ICTF JPA Governing Board concurrent with the regular member until February 5, 2019;
5. Appoint Antonio Gioiello as alternate member for regular member Eugene D. Seroka, to serve on the ICTF JPA Governing Board concurrent with the regular member until July 23, 2019; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – The ICTF is a near-dock railyard that handles intermodal marine cargo from the Ports of Los Angeles and Long Beach destined for rail transport by Union Pacific Railroad Company (Union Pacific) to destinations throughout the United States. Between 1982 and 1984, the City of Los Angeles Harbor Department (Harbor Department), its counterpart at the Port of Long Beach (POLB), and Southern Pacific Transportation Company (predecessor acquired by Union Pacific in 1986) jointly developed and bond-financed the ICTF through a public/private partnership. The ICTF JPA was created under the ICTF JPA Agreement between the City of Los Angeles and the City of Long Beach dated October 5, 1983, attached as Transmittal 1. The ICTF JPA Agreement generally provides for the formation of the joint powers authority and the plan for acquisition, financing, constructing, maintaining, operating and leasing the ICTF facility. The Harbor Department is the master landlord that leases property to the ICTF JPA as tenant, which then subleases the property to Union Pacific, which operates the rail operations at the ICTF Facility as subtenant.

The ICTF JPA Agreement provides, in Section 3.B., for an ICTF JPA Governing Board comprised of a total of five members: two members are appointed by the Los Angeles Board of Harbor Commissioners, two members are appointed by the Long Beach Board of Harbor Commissioners, and the four members appoint a fifth member that must be approved by both Boards of Harbor Commissioners of Los Angeles and Long Beach. The fifth member seat has been vacant. Over the past several years, it has been challenging to find ICTF JPA Governing Board meeting dates with the busy schedules of Governing Board members, and due to the small size of this Governing Board, planned board meetings had to be canceled due to lack of quorum. To remedy this situation, staff recommends that alternate Governing Board members be appointed by each appointing port's Board to serve in the absence of a Governing Board member.

The ICTF JPA Agreement provides, in Section 3.C., for regular and special meetings of the ICTF JPA Governing Board, with at least one annual meeting held on or about July 1. Over the past several years, the ICTF JPA Governing Board has found the annual

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meeting date in July inconvenient for various reasons, including the date being too early for the completion and review of the ICTF JPA's annual audited financial statements which are desired to be reviewed at the annual meeting, as well as, unavailability of board members at that time of year. To address this concern, staff recommends that the annual meeting date be changed to a date that better met the needs of the ICTF JPA.

The purpose of this proposed Amendment is therefore to address these administrative concerns to allow the ICTF JPA Governing Board to function more effectively.

Proposed Amendment – The proposed First Amendment addresses the two administrative issues that have arisen for the ICTF JPA Governing Board mentioned above:

1. Establishes Alternate Members to the ICTF JPA Governing Board. ICTF JPA Agreement Section 3.B. is amended to provide that the Board of Harbor Commissioners of each port shall appoint one alternate Governing Board member for each of the two appointed regular Governing Board member (a total of two alternates per port), to serve in event of absence of the regular Governing Board member.
2. Changes Date of Annual Governing Board Meeting to September. ICTF JPA Agreement Section 3.C. is amended to provide to change the date of the annual ICTF JPA Governing Board meeting from July 1 to the second Wednesday in September.

The ICTF JPA Governing Board has adopted amendments to its Bylaws to reflect these above changes and requested that the Los Angeles and Long Beach Boards of Harbor Commissioners adopt amendments to the ICTF JPA Agreement consistent with these Bylaw changes. As a comparison, the Alameda Corridor Transportation Authority (ACTA) is another joint powers authority of Los Angeles and Long Beach, with a governing board that has always had alternate board members to serve in event of absence of regular board members. Staff recommends approval of this Amendment.

Proposed Appointment of Alternate Members – If the Board agrees to approve the Amendment allowing the appointment of alternate members, then staff recommends Board approval of the following two candidates for such positions:

- Alternate Member #1 – David Arian, to serve as alternate for ICTF JPA Governing Board Member Patricia Castellanos concurrent with Ms. Castellanos' term to February 5, 2019;
- Alternate Member #2 – Antonio Gioiello, to serve as alternate for ICTF JPA Governing Board Member Eugene D. Seroka concurrent with Mr. Seroka's term to July 23, 2019.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Amendment of the ICTF Joint Powers Authority Agreement to allow the Boards of Harbor Commissioners to appoint alternate members to the ICTF JPA Governing Board and to change the date of the annual meeting, and approval to appoint alternate members to the Governing Board, which are administrative activities. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed action will have no financial impact to the Harbor Department.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed First Amendment to the Agreement as to form and legality.

TRANSMITTALS:

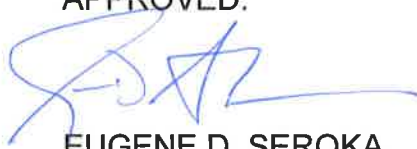
1. ICTF Joint Powers Authority Agreement dated October 5, 1983
2. Proposed First Amendment to Agreement



MARLA BLEAVINS
Deputy Executive Director and
Chief Financial Officer

FIS Approval: MB (initials)
CA Approval: [Signature] (initials)

APPROVED:



EUGENE D. SEROKA
Executive Director

MB/jc
Author: J. Crose
Board Meeting: March 3, 2016