

**AGENDA OF THE REGULAR MEETING OF THE  
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1  
THURSDAY, MAY 20, 2010 AT 8:30 A.M.  
PORT OF LOS ANGELES ADMINISTRATION BUILDING  
425 S. PALOS VERDES STREET  
SAN PEDRO, CA 90731**

**BOARD OF HARBOR COMMISSIONERS  
President Cindy Miscikowski  
Vice President Jerilyn López Mendoza  
Commissioner Kaylynn L. Kim  
Commissioner Douglas P. Krause  
Commissioner Joseph R. Radisich**

**A. OPENING STATEMENT – AN OPPORTUNITY FOR MEMBERS OF  
THE PUBLIC TO ADDRESS THIS BOARD**

**PERSONS IN THE AUDIENCE MAY ADDRESS THIS BOARD IN  
CONNECTION WITH ANY AGENDA ITEM OR DURING THE PUBLIC  
COMMENT PERIOD.**

**AS PROVIDED BY THE BROWN ACT, THE BOARD HAS LIMITED  
EACH INDIVIDUAL'S SPEAKING TIME TO THREE MINUTES.  
ANYONE DESIRING TO SPEAK DURING THE PUBLIC COMMENT  
PERIOD IS REQUESTED TO COMPLETE A SPEAKER CARD AND  
SUBMIT IT TO THE COMMISSION SECRETARY, VIA THE  
SERGEANT AT ARMS, PRIOR TO THE START OF THE MEETING.**

Commission actions, except actions which are subject to appeal or review by the Council pursuant to other provisions of the Charter, ordinance or other applicable law, are not final until the expiration of the next five meeting days of the City Council during which the Council has convened in regular session. If the Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Please note that this agenda is subject to revision in accordance with the Brown Act. In the event the agenda is revised prior to the meeting, Port staff will endeavor to post the revised agenda on the Port's web site ([://www.portoflosangeles.org](http://www.portoflosangeles.org)). Updated agendas also will be available in hard copy at the meeting. Live Board meetings can also be heard at: (213) 621-City (Metro), (818) 904-9450 (Valley), (310) 471-City (Westside) and (310) 547-City (Harbor).

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities.

Sign language interpreters, assistive listening devices, and translation services may be provided. To ensure availability, 72-hour advance notice is required. Contact the Commission office at (310) 732-3444.

Interpretes de señas, sistemas auditivos y servicios de traducciones están disponibles. Para asegurar disponibilidad, se requiere solicitarlos con 72 horas de anticipación. Para hacer la solicitud, llame a la oficina de la Comisión al (310) 732-3444.

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**B. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

**C. EXECUTIVE DIRECTOR REMARKS**

**D. REPORTS OF THE COMMISSIONERS**

**E. BOARD COMMITTEE REPORTS**

**F. APPROVAL OF MINUTES**

**Minutes of the Special Meetings of April 29, 2009 and August 12, 2009 and Regular Meeting March 4, 2010 for approval.**

**G. BOARD REPORTS OF THE EXECUTIVE DIRECTOR**

**CONSENT ITEMS (1 - 9)**

**Commission Office**

- 1. Re: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF TRAVEL FOR COMMISSIONER JOSEPH R. RADISICH TO THE DISTRICT OF COLUMBIA**

**Recommendation: Adopting of subject Resolution approving travel for Commissioner Joseph R. Radisich to the District of Columbia to meet with members of the National Retail Federation and federal legislators.**

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Engineering

2. Re: RESOLUTION NO. \_\_\_\_\_ - AWARD OF BID NO. F-681, FOR PURCHASE AND DELIVERY OF FLOATING MARINE FENDERS TO MARINE FENDERS INTERNATIONAL, INC., WILMINGTON, CALIFORNIA

**SUMMARY:** *Staff recommends award of Bid No. F-681, in the amount of \$889,675, to Marine Fenders International, Inc., Wilmington, California for furnishing transportation, labor, materials, and equipment to manufacture, test, and deliver twenty-nine (29) floating marine fenders for use at Berths 90-93B, Cruise Terminal.*

**Recommendation:** Board resolve to award Bid No. F-681 for the furnishing transportation, labor, materials, and equipment to manufacture, test, and deliver twenty-nine (29) floating marine fenders to Marine Fenders International, Inc., Wilmington, California, for a total amount of \$889,675 (including sales tax); (2) authorize the Executive Director to execute and the Board Secretary to attest to said Contract for and on behalf of the Board; (3) and adopt Resolution No. \_\_\_\_\_.

Environmental

3. Re: RESOLUTION NO. \_\_\_\_\_ - CHINA SHIPPING PORT COMMUNITY AESTHETIC MITIGATION PROJECT – AGREEMENT WITH THE CABRILLO BEACH BOOSTERS TO FUND THE RESTORATION OF THE LOS ANGELES HARBOR LIGHTHOUSE ALSO KNOWN AS THE ANGEL’S GATE LIGHTHOUSE

**SUMMARY:** *In July 2009, the Board of Harbor Commissioners (Board) approved and allocated China Shipping Community Aesthetic Mitigation funding for the Los Angeles Harbor Lighthouse also known as the Angel’s Gate Lighthouse Restoration Project (Project). It is now recommended that the Board approve the agreement between the City of Los Angeles Harbor Department (Harbor Department) and the Cabrillo Beach Boosters, Inc. (CBB) that is necessary to fund the Los Angeles Harbor Lighthouse Restoration Project in the not-to-exceed amount of \$1,800,000 for a term of three years.*

**Recommendation:** Board resolve to (1) approve the Agreement with the Cabrillo Beach Boosters, Inc. substantially as to the form attached hereto in the not-to-exceed amount of \$1,800,000 for a term of three years; (2) authorize the Executive Director and the Board Secretary to execute and attest to said Agreement, for and on behalf of the Board; and (3) adopt Resolution No. \_\_\_\_\_.

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Information Technology

4. Re: RESOLUTION NO. \_\_\_\_\_ - AGREEMENT WITH KLEIN SYSTEMS GROUP LTD. FOR BILLING SYSTEM IMPLEMENTATION SERVICES

**SUMMARY:** *The City of Los Angeles Harbor Department (Harbor Department) is requesting approval to enter into an agreement with Klein Systems Group Ltd. (KSG) to implement a new billing system. The recommendation to select KSG is based on a competitive Request for Proposals (RFP) process performed by the Harbor Department. KSG is based in British Columbia, Canada. KSG's subcontractor, Third Millennium Business Systems, Inc., is based in Los Angeles, California. The proposed agreement requires a 5% small business participation level. This low level of participation is because the services procured under this agreement are primarily for proprietary software and related services. The billing system will automate and integrate the Harbor Department's processes used to generate invoices. The term of the proposed agreement is three (3) years at a not-to-exceed amount of \$885,000.*

**Recommendation:** Board resolve to (1) find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for outside contractors to perform this work than City employees; (2) approve the agreement with KSG at an amount not-to-exceed \$885,000 for a three year term (Transmittal 1); (3) authorize the Executive Director to execute the agreement and authorize the Board Secretary to attest to said agreement; and (4) adopt Resolution No. \_\_\_\_\_.

Real Estate

5. Re: RESOLUTION NO. \_\_\_\_\_ - PROPOSED REVOCABLE PERMIT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SAN PEDRO FORKLIFT, INC.

**SUMMARY:** *San Pedro Forklift, Inc. (SP Forklift) occupies 84,975 square feet of City of Los Angeles Harbor Department (Harbor Department) property on Terminal Island at Cannery Street under a Space Assignment. The site is used to fumigate Chilean fruit, perishables, and other imported items. In order to continue its fumigation operation at the site on a regular basis, SP Forklift is required to make certain site improvements. Such site improvements are generally not allowed under a Space Assignment, as it is considered a temporary type of land entitlement. Therefore, SP Forklift requires a Revocable Permit in place of its existing Space Assignment.*

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5. (Continued)

*The proposed 30-day Revocable Permit has a monthly compensation rate of \$15,779, based on current land values and a ten percent rate of return. Compensation will be increased annually based on the Consumer Price Index (CPI).*

**Recommendation:** Board resolve to (1) approve the proposed Revocable Permit with SP Forklift; (2) authorize the Executive Director to execute and the Board Secretary to attest to the proposed Revocable Permit; and (3) adopt Resolution No. \_\_\_\_\_.

6. Re: RESOLUTION NO. \_\_\_\_\_ - PROPOSED DECLARATION OF SURPLUS REAL PROPERTY AND OFFER TO SELL SUCH CITY OF LOS ANGELES HARBOR DEPARTMENT SURPLUS PROPERTY LOCATED AT 223 AND 233 NORTH KING AVENUE IN WILMINGTON AND INTEREST IN ABUTTING ALLEY

*SUMMARY: The City of Los Angeles Harbor Department (Harbor Department) owns property located at 223 and 233 North King Avenue in Wilmington and interest in the abutting alley (Transmittal No. 1). The vacant properties, which total 18,140 square feet, are no longer needed to further the Tidelands Trust purpose of maritime commerce, navigation, and fishery. Therefore, it is recommended that the properties be declared surplus and offered for sale.*

**Recommendation:** Board resolve to (1) find and declare that the property located at 223 North King Avenue (Assessor Parcel Number 7417-008-908, Lots 24 and 25) and 233 North King Avenue (Assessor Parcel Number 7417-008-905, Lots 26 and 27) and the underlying fee ownership in the abutting alley as surplus and offer to sell said properties; (2) direct staff to comply with Los Angeles Administrative Code and California Government Code requirements for the sale of surplus property; and (3) adopt Resolution No. \_\_\_\_\_.

7. Re: RESOLUTION NO. \_\_\_\_\_ - SALE OF THREE CONTAINER CRANES – PASHA STEVEDORING & TERMINALS L.P.

*SUMMARY: Since 2006, the Los Angeles Harbor Department (Harbor Department) has been divesting itself of its container cranes, due to the cranes' age, and limitations of the cranes' designed speed, structural stability, integrity, and service utilization. As part of that on-going effort, three of the Harbor Department's eight remaining container cranes are proposed for direct sale to Pasha Stevedoring & Terminals L.P. (Pasha).*

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7. (Continued)

*The proposed Contract of Sale provides for the private sale of Harbor Department-owned Crane Nos. 209-09, 209-10, and 209-15 for a cost of \$450,000 and associated spare parts for an approximate cost of \$144,948 to Pasha. The total cost of approximately \$594,948, plus applicable taxes, would be payable over a period of not more than 18 months. The final price for spare parts will be determined at the time of delivery.*

**Recommendation:** Board resolve to (1) find and determine, pursuant to Section 7.71 of the Los Angeles Administrative Code and the Board's surplus property resolution, Container Cranes Nos. 209-09, 209-10, and 209-15, located at Berth 176, and associated spare parts, are no longer necessary or suitable for use by the Harbor Department; (2) find that the private sale of the surplus Container Cranes Nos. 209-09, 209-10, and 209-15, located at Berth 176, and associated spare parts to Pasha, the current tenant at the Berth 176 premises, and the associated 18-month payment schedule is in the best interest of the City of Los Angeles (City); (3) approve the Contract of Sale with Pasha for the surplus Container Cranes Nos. 209-09, 209-10, and 209-15, and associated spare parts; (4) authorize the Executive Director to execute, and the Board Secretary to attest to, the Contract of Sale on behalf of the Board; and (5) adopt Resolution No. \_\_\_\_\_.

8. Re: ORDER NO. \_\_\_\_\_ - PROPOSED COMPENSATION  
RESETTING UNDER LEASE NOS. 305-2 AND 305-3 WITH  
PORTS O' CALL RESTAURANT CORPORATION

***SUMMARY:*** Lease Nos. 305-2 and 305-3 grant Ports O' Call Restaurant Corporation (POCRC) use of City of Los Angeles Harbor Department (Harbor Department) property for a period of 40.5 years, commencing on July 1, 1974, and ending on December 31, 2014, for the operation of a mixed-use retail/restaurant complex, which encompasses the following establishments: Acapulco Restaurant, Fisherman's Seafood Restaurant, San Pedro Marina, Simon's Restaurant, the Asian Village, and Crusty Crab Fish Market and Restaurant.

*The proposed Order resetting compensation covers the five-year period of July 1, 2009 through June 30, 2014. Compensation is proposed to remain the same as the current compensation rate.*

**Recommendation:** Board resolve to (1) adopt the Order resetting compensation under Lease Nos. 305-2 and 305-3 with POCRC for the five-year period of July 1, 2009 through June 30, 2014; (2) authorize the Board Secretary to attest to the Order setting compensation pursuant to Lease Nos. 305-2 and 305-3; and (3) adopt Order No. \_\_\_\_\_.

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9. Re: ORDER NO. \_\_\_\_\_ - RESETTING COMPENSATION UNDER CONCESSION AGREEMENT NO. 796 WITH HOLIDAY HARBOR/FLEITZ BROTHERS, LLC

***SUMMARY: Concession Agreement No. 796 (CA 796) grants Holiday Harbor/Fleitz Brothers, LLC (Holiday Harbor) the use of City of Los Angeles Harbor Department (Harbor Department) property located within Phase I of the West Channel Development Area in San Pedro. CA 796 provides for the construction, operation, and maintenance of a facility for a recreational vessel marina and related uses, including dry storage of vessels and for incidental purposes.***

***This proposed Order resetting compensation covers the ten-year period of January 1, 2008 through December 31, 2017. The proposed Order establishes an updated methodology for calculating minimum annual rent. That methodology is largely based upon appraisals performed in 2008 for marinas in this area of the Port of Los Angeles.***

**Recommendation: Board resolve to (1) adopt the Order resetting compensation under CA 796 for the ten-year period beginning January 1, 2008 through December 31, 2017; (2) authorize the Board Secretary to attest to the Order resetting compensation to be paid by Holiday Harbor pursuant to Section 4(l) of CA 796; and (3) adopt Order No. \_\_\_\_\_.**

**REGULAR ITEMS (10 - 13)**

**Finance**

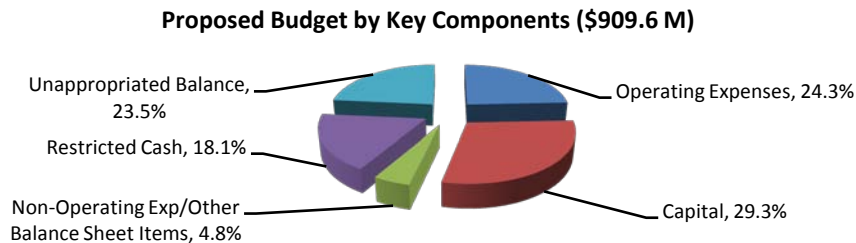
10. Re: RESOLUTION NO. \_\_\_\_\_ - FISCAL YEAR 2010/11 PROPOSED ANNUAL BUDGET

***SUMMARY: Transmitted herewith is the proposed Fiscal Year (FY) 2010/11 Annual Budget for revenues, expenses, and capital for the City of Los Angeles Harbor Department (Harbor Department) - see Transmittal No. 1. This proposed budget reflects the Harbor Department's effort to balance its planned priorities with the costs associated with implementing them, along with the anticipated amounts of revenues. The proposed budget is consistent with the preliminary information provided to the Board of Harbor Commissioners (Board) during the budget hearing held on March 16, 2010; significant changes subsequent to the hearing are delineated herein.***

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**10. (Continued)**

***The total proposed budget of \$909,585,784 for Fiscal Year 2010/11 represents a \$223.2 million or 19.7% decrease from the \$1,132,812,022 Fiscal Year 2009/10 Adopted Budget and a \$34.1 million or 3.6% decrease from the \$943,689,470 estimated expenditures for the current fiscal year. Of the total budget, the key components are (and as depicted in the following chart):***



- ***\$266.3 million or 29.3% for Capital;***
- ***\$221.3 million or 24.3% for Operating Expenses;***
- ***\$213.4 million or 23.5% as the Unappropriated Balance carried forward;***
- ***\$164.9 million or 18.1% as Restricted Cash (including future commitments); and***
- ***\$43.7 million or 4.8% as the Non-Operating Expenses and other balance sheet items (i.e., bond issuance costs).***

**Recommendation: Board resolve to (1) adopt the proposed Fiscal Year 2010/11 Annual Budget for the Harbor Department and appropriate funds in accordance therewith (see Transmittal No. 1); (2) authorize the Executive Director, or designee, to make any technical adjustments consistent with Board action(s) to the Fiscal Year 2010/11 budget documents, so as to provide for the implementation of this budget; and (3) adopt Resolution No. \_\_\_\_\_.**

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Engineering

11. Re: RESOLUTION NO. \_\_\_\_\_ - MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE LOS ANGELES DEPARTMENT OF WATER AND POWER FOR THE CONSTRUCTION OF RECYCLED WATER INFRASTRUCTURE TO SERVE THE HARBOR DISTRICT

**SUMMARY:** *The proposed Memorandum of Understanding (MOU) between the City of Los Angeles Harbor Department (Harbor Department) and Los Angeles Department of Water and Power (LADWP), regarding development of recycled water infrastructure in the Harbor District, establishes a partnership between the two agencies to develop a water main for the delivery of recycled water to the Wilmington and San Pedro Waterfront Project areas. Recycled water use is part of the Water Supply Assessments issued by LADWP for the Wilmington and San Pedro Waterfront Environmental Impact Reports. LADWP will be responsible for the development and construction of the recycled water mains currently estimated to exceed \$10 million, with the Harbor Department agreeing to provide a fixed amount of \$2.5 million in funding. The MOU further establishes coordination of Harbor Department and LADWP construction projects to minimize both overall costs of recycled water infrastructure construction and traffic impacts to the local community. The Harbor Department has included the construction of a segment of LADWP's recycled water main in the Harry Bridges Boulevard Voluntary Improvement (HBBVI) Project.*

**Recommendation:** Board resolve to (1) approve the MOU, between the Harbor Department and LADWP, substantially as to form (Transmittal No. 1) and authorize the Executive Director to finalize the MOU; (2) authorize the Executive Director to be the MOU authorized representative, under Section 101 of the MOU, including authorization to extend the term of the MOU for consecutive renewal periods up to an additional five years, for a total term of ten years; (3) authorize the Executive Director to execute and the Board Secretary to attest to the MOU covering the aforementioned transaction for and on behalf of the Board once finalized by both departments; and (4) adopt Resolution No \_\_\_\_\_.

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Clean Truck Program

12. Re: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF FIRST AMENDMENT TO AGREEMENT NO. 08-2720 AMONG CITIES OF LOS ANGELES AND LONG BEACH, PORTCHECK, LLC, AND MARINE TERMINAL OPERATORS FOR THE COLLECTION OF CLEAN TRUCK FEES

***SUMMARY: This request is to approve the proposed First Amendment to Agreement No. 08-2720 dated October 20, 2008 among the City of Los Angeles, Harbor Department (Harbor Department), City of Long Beach, Harbor Department (Port of Long Beach), PortCheck LLC, and 13 Marine Terminal Operators (MTOs). Agreement No. 08-2720 was entered into by these parties to establish PortCheck as Vendor on behalf of the MTOs to collect a Clean Truck Fee (CTF) in connection with Clean Truck Programs enacted under tariffs by the Harbor Department and Port of Long Beach (collectively, Ports). Agreement No. 08-2720 established an annual operating reimbursement budget in the amount not-to-exceed \$7,638,055, which funded the first year of services with the expectation that a reassessment of funding requirements would be made after year one. The proposed First Amendment would approve an operating budget to fund the second year of services in the amount of \$3,900,000, a reduction of \$3,738,055 from the first year funding. Based on actual PortCheck LLC billings from the past 12 months, the Harbor Department's share of the \$3,900,000 is expected to be about 58% of the total (based on a higher Port of Los Angeles cargo throughput compared to the Port of Long Beach) or approximately \$2.26 million.***

**Recommendation: Board resolve to (1) approve the proposed First Amendment to Agreement No. 08-2720 in substantial form between the Cities of Los Angeles and Long Beach, PortCheck, LLC., and 13 Marine Terminal Operators to amend the approved reimbursement budget to fund one additional year of services required to continue the collection of Clean Truck Fees at a not-to-exceed shared cost amount of \$3,900,000 (proportionally split between the cities of Los Angeles and Long Beach due to differences in cargo volume and actual PortCheck's billings over the past 12 months), and authorize the Executive Director to make any non-substantial changes necessary to finalize the document and secure signatures by all parties and make any filings with the Federal Maritime Commission (see Transmittal 1); (2) authorized the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 08-2720 for and on behalf of the Board; and (3) adopt Resolution No. \_\_\_\_\_.**

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Goods Movement

13. Re: RESOLUTION NO. \_\_\_\_\_ - ZERO EMISSIONS CONTAINER  
MOVER SYSTEM REQUEST FOR CONCEPTS & SOLUTIONS:  
COST SHARING AGREEMENT WITH PORT OF LONG BEACH

**SUMMARY:** *In the fall of 2008, American Maglev, Inc., Powder Springs, Georgia submitted an unsolicited proposal to the Port of Long Beach (POLB) to construct a zero emissions container mover system (ZECMS) between POLB's Pier A and the Union Pacific Railroad's Intermodal Container Transfer Facility (ICTF) in Carson at no cost to the POLB. The POLB subsequently released on June 3, 2009, a formal Request for Concepts/Solutions (RFCS; see Transmittal 3) to design, build, finance, and operate/maintain a ZECMS between the Ports of Long Beach/Los Angeles (Ports) and the ICTF, and at no cost to the Ports. The POLB developed the RFCS with assistance from the Port of Los Angeles (POLA) and the Alameda Corridor Transportation Authority (ACTA). Seven (7) responses were received by the POLB on October 23, 2009. The Ports/ACTA are presently reviewing the submissions, and interviews with all seven respondents are being held on May 24, 2010. The RFCS process should be completed by June 2010.*

*In the spirit of the "Clean Air Action Plan (CAAP) Master Cost Sharing Agreement" (see Transmittal 3) and the CAAP Technology Advancement Program (TAP), the former City of Los Angeles Board of Harbor Commissioners (Board) president attended several meetings with the former City of Long Beach Board of Harbor Commissioners (POLB BOHC) president in 2008 and 2009, to discuss cost sharing for the RFCS process. From these discussions, the Board presidents felt the two Ports should share equally to pay for half of the costs of several consultants retained by the POLB that were required for the RFCS effort, contingent upon the required subsequent approval of the full BOHC for each Port. It is thus recommended that the Board approve this cost sharing agreement with the POLB, in a maximum amount of \$455,995 (50% of the total RFCS – phase consultant cost of \$911,989) (Transmittal 1).*

*At this time, staff has not recommended participation in any effort beyond this initial RFCS phase.*

**Recommendation:** Board resolve to (1) approve this cost sharing agreement with the POLB, in a maximum amount of \$455,995 (half of the total cost of \$911,989 for the RFCS phase); authorize the Executive Director to execute and the Board Secretary to attest to the cost sharing agreement with the Port of Long Beach; and adopt Resolution No. \_\_\_\_\_.

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**H. CLOSED SESSION**

**1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Subdivision (b) of Government Code Section 54956.9)**

**Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 regarding subject matter of mediation with Gambol Industries, Inc.**

**2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Subdivision (a) of Government Code Section 54956.9)**

**American Trucking Associations, Inc. v. City of Los Angeles, et al., United States District Court Case No. 08-04920-CAS, and United States Court of Appeals for the Ninth Circuit Case No. 08-56503**