



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: AUGUST 23, 2025

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE AGREEMENT WITH
MONUMENT ROW TO PROVIDE REAL ESTATE MANAGEMENT
SERVICES FOR JOINTLY OWNED RAILROAD RIGHT-OF-WAY
PROPERTIES**

SUMMARY:

Staff requests approval of the proposed Agreement among Monument ROW (Monument), the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB) (collectively, Ports), for an amount not to exceed \$1,421,628, in aggregate and a three-year term for the management, administration and maintenance of the Ports' jointly owned railroad right-of-way properties (Agreement). The proposed Agreement is the result of a competitive selection process conducted by the Ports.

Under the proposed Agreement, Monument will assist the Ports in overseeing and managing approximately 800 property agreements that span across approximately 49 miles of railroad property. Expenses and revenue arising from this portfolio are split evenly between the Ports. As such, while the total contract authority is \$1,421,628, POLA's share of the costs totals \$710,814 in aggregate for the three-year term.

POLB staff intends to present the proposed Agreement to the POLB Board of Harbor Commissioners for consideration in October 2025.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively 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. Find that in accordance with the Los Angeles City Charter Section 1022, the City does not employ sufficient personnel to perform the required services, nor is it feasible to do so on a temporary or occasional basis;

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3. Approve the Agreement with Monument ROW for assisting in the management and administration of the Ports' jointly-owned railroad properties with a three-year term and not-to-exceed compensation amount of \$1,421,628, to be paid evenly between the Ports;
4. Authorize the Executive Director to execute, and the Board Secretary to attest to, the Agreement; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background

Jointly owned property portfolio – From 1992 to 1995, the Ports jointly purchased railroad properties located between downtown Los Angeles and the San Pedro Bay from various railroad companies including Southern Pacific Railroad, Union Pacific Railroad, Atchison, Topeka & Santa Fe Railway, and Burlington Northern Santa Fe Railway, for the development of the Alameda Corridor (Properties) (Transmittal 1). The Ports acquired the Properties as tenants-in-common, whereby revenue and expenses derived from such properties are split equally between the Harbor Department and POLB, as co-owners. The portfolio, comprised of over 800 agreements, generates approximately \$2.25 million in rent annually, and expenses approximately total \$503,000 annually, shared equally by the Ports.

Property Management of Jointly Owned Portfolio – The Ports historically retained a neutral third party to oversee the jointly owned property portfolio. The contract with the current property manager, Cal Pacific Land Services, Inc. took effect in 2014, and expires in 2029, subject to earlier termination by either party for convenience. The Ports proactively undertook a competitive solicitation process in 2024 to provide ample time for transition to a new property management firm, given the size and complexity of the duties associated with managing the portfolio.

Solicitation and Selection Process – On March 11, 2024, the Ports released a Request for Proposals for Real Property Management Services for Jointly Owned Railroad Properties (RFP) to solicit proposals from qualified real estate property management firms to assist staff in managing the Ports' railroad right-of-way properties.

The RFP set forth in detail the property management scope of work and jurisdiction for the management of the Ports' railroad properties. Two proposals were received by the due date, but only one proposal met the RFP requirements to proceed with the evaluation process, while the other proposal was declared non-responsive.

Advertisement of Solicitation – Staff published the RFP on the City of Los Angeles' solicitation platform, Regional Alliance Marketplace for Procurement (RAMP), at www.rampla.org and the Harbor Department's website, <https://www.portoflosangeles.org>.

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While the RFP yielded 39 views and 25 downloads, only two firms ultimately submitted proposals. Staff followed up with the firms that downloaded the opportunity, but opted not to submit a proposal; the firms that responded indicated they did not have extensive specialized experience in the management of all aspects of railroad properties. The field of railroad property management is a specialized area within the real estate services industry and requires specialized knowledge, experience and a skill set unique to this real estate asset class. Such a niche field reduces the number of qualified real estate property management firms available to bid on the services being sought by the Ports.

Award Timeline – Internal administrative requirements and coordination efforts between the Ports’s staff and counsel led to the solicitation, selection and contracting process necessitating approximately a year to complete.

Recommended Award – The qualified proposal submitted by Monument in response to the RFP was evaluated based on the 1) firm qualifications, experience, and references; 2) project organization, personnel, and staffing; 3) project approach, work plan, and management; and 4) rates, fees, and budget control. The four-member panel reviewing the proposal consisted of the following class of employees representing the Ports (Evaluation Panel):

- Real Estate Officer, Harbor Department, Cargo & Industrial Real Estate
- Director of Planning & Strategy, Harbor Department, Planning & Strategy Division
- Assistant Director of Real Estate, POLB, Real Estate Division
- Leasing Officer, POLB, Real Estate Division

Monument met all requirements of the RFP, and the Evaluation Panel awarded the firm a high number of points in the review process (Transmittal 2). Staff recommends that the Board approve the proposed Agreement with Monument to serve as a neutral third-party to manage the Ports’ jointly-owned railroad property portfolio (Transmittal 3).

Transition Plan - The transition from Cal Pacific to Monument involves the transfer 800+ agreements, rent collection processes, and all records are property transferred. As such, due to the complexity of the transition, the Ports’ staff planned to phase out the current contract over time, but will minimize the contract overlap to 12-18 months. The increase in projected expenses arising from the temporary overlap is minimal as further explained in the Financial Impact Statement.

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Proposed Agreement - Below are the material terms of the proposed Agreement:

Provision	Description
Term	Effective upon date of last signature by the Ports' Executive Directors, upon authorization of the Ports' Boards for a period of three (3) years.
Termination	Subject to termination upon mutual agreement of the Ports upon 10 days' notice to the contractor.
Compensation	Monument will charge set hourly rates and be reimbursed at cost for miscellaneous fees such as mileage, copying, postage and subcontractor services up to a total not-to-exceed compensation amount of \$1,421,628, with up to half of this amount (\$710,814), payable by the Harbor Department.
Scope of Work	<ul style="list-style-type: none"> ▪ Contract Administration, Negotiation and Management ▪ Bookkeeping and Accounting, Custodian of Records, Accounts and Reports ▪ Property Management and Maintenance Services ▪ Liaison and Representation for the Ports
Insurance	Insurance provisions include all standard insurance requirements and have been reviewed as acceptable by the Risk Management Division.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement between Monument and the Ports for the management, administration and maintenance of Ports railroad right-of-way properties, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Agreement will authorize the Harbor Department to expend up to \$710,814 over the three-year term for the management, administration and maintenance of the Ports' jointly owned railroad right-of-way properties.

Spending under the proposed Agreement is anticipated as follows:

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Expense			
Period	POLA Portion	POLB Portion	Total
¹ FY 2025/2026	\$ 102,881	\$ 102,881	\$ 205,762 ²
FY 2026/2027	\$ 246,229	\$ 246,229	\$ 492,458 ²
FY 2027/2028	\$ 288,939	\$ 288,939	\$ 577,878
¹ FY 2028/2029	\$ 72,765	\$ 72,765	\$ 145,530
Total (for 3 years)	\$ 710,814	\$ 710,814	\$ 1,421,628

¹ First and last fiscal year expenses reflective of partial year periods

²During the first and second fiscal year periods for the property management services including overlapping services with Cal Pacific, total expenses are expected to be \$582,930 and \$618,181 per year respectively (net increase of approximately up to \$150,000 per year for those two years only), to be split equally between the Ports.

FY 2025-2026 funding in the amount of \$102,881 is available within Account 544160 (Miscellaneous Professional Services), Division 40110 (Cargo/Industrial Real Estate). Funding for future years will be requested as part of the annual budget process upon Board approval.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If funds are not appropriated by the Board for the work required by the Agreement in subsequent years, then the Agreement shall be terminated. However, such termination would not relieve the parties of liability for any obligations previously incurred.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Railroad Right-of-Way Map
2. Proposal Evaluation Details
3. Agreement

FIS Approval: JS
CA Approval: SO

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