

**AGENDA OF THE REGULAR MEETING OF THE  
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1  
THURSDAY, MAY 3, 2007, 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 S. David Freeman**  
**Vice President Jerilyn López Mendoza**  
**Commissioner Kaylynn L. Kim**  
**Commissioner Douglas P. Krause**  
**Commissioner Joseph R. Radisich**

**(ROLL CALL)**

**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 MUST 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 (<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**

**C. REPORT OF THE EXECUTIVE DIRECTOR**

**D. REPORTS OF COMMISSIONERS**

**E. BOARD COMMITTEE REPORTS**

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F. REPORTS OF THE EXECUTIVE DIRECTOR

**Consent Items (1-12)**

**Planning & Research**

1. Re: LEVEL I COASTAL DEVELOPMENT PERMIT FOR THE DEMOLITION OF THE INDIES BUILDING AND CANOPY AT THE YUSEN TERMINAL, BERTH 219

*SUMMARY: The Port of Los Angeles is proposing to demolish the existing Indies building and canopy at the Yusen Terminal, Berth 219. A Level I Coastal Development Permit is required.*

**Recommendation:** Board resolve that the issuance of a Level I Coastal Development Permit (CDP No. 07-03) to the Port of Los Angeles for the demolition of the existing Indies building and canopy at the Yusen Terminal, Berth 219 be approved and granted, subject to the standard conditions set forth in the permit, and the Director of Planning and Research be directed to issue said permit.

2. Re: LEVEL I COASTAL DEVELOPMENT PERMIT FOR THE DEMOLITION OF STORAGE DOMES AND SHED STRUCTURE AT THE FORMER LAXT FACILITY ON TERMINAL ISLAND

*SUMMARY: The Port of Los Angeles is proposing to demolish the storage domes and shed structure at the former LAXT facility on Terminal Island. A Level I Coastal Development Permit is required.*

**Recommendation:** Board resolve that the issuance of a Level I Coastal Development Permit (CDP No. 07-02) for the demolition of the storage domes and shed structure at the former LAXT facility on Terminal Island be approved and granted, subject to the standard conditions set forth in the permit, and the Director of Planning and Research be directed to issue said permit.

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Marketing

3. Re: TEMPORARY ORDER AMENDING THE PORT OF LOS ANGELES TARIFF NO. 4 BY REMOVING THE REDUCTION OF FREE TIME ALLOWED EFFECTIVE JULY 1, 2007

*SUMMARY: Free time is the specified number of days during which merchandise may occupy space on a terminal facility without being assessed wharf demurrage. Presently, for containerized cargo, Tariff No. 4 allows four (4) days free time for inbound cargo and six (6) days free time for outbound cargo as amended through June 30, 2007. Effective July 1, 2007, the free time is scheduled to be reduced to three (3) days free time for inbound cargo and five (5) days free time for outbound cargo. The proposed amendment to Tariff No. 4 would maintain the current free time with no further reduction on July 1, 2007. This temporary Board Order is being presented concurrently with a permanent Board Order and Ordinance to ensure Tariff No. 4 amendments are effective July 1, 2007, as the permanent tariff change takes approximately six months for City Council approval and publication. Consequently, a ninety (90) day temporary order is needed to ensure the tariff item is in place by July 1, 2007.*

**Recommendation:** Board resolve that (1) Port of Los Angeles Tariff No. 4, Item 720 be amended, by removing the implementation date of July 1, 2007 that states the reduction of free time allowed to three days (3) on inbound containerized cargo and five (5) days on outbound containerized cargo for intercoastal, foreign and offshore trade; (2) the current free time of four (4) days free time for inbound cargo and six (6) days free time for outbound cargo be maintained and forego the planned reduction scheduled for July 1, 2007; and (3) the Board Secretary be authorized to execute the temporary Board Order and transmit same to the Chief Wharfinger for implementation.

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4. Re: PERMANENT ORDER AMENDING THE PORT OF LOS ANGELES TARIFF NO. 4 BY REMOVING THE REDUCTION OF FREE TIME ALLOWED EFFECTIVE JULY 1, 2007

*SUMMARY: Free time is the specified number of days during which merchandise may occupy space on a terminal facility without being assessed wharf demurrage. Presently, for containerized cargo, Tariff No. 4 allows four (4) days free time for inbound cargo and six (6) days free time for outbound cargo as amended, through June 30, 2007. Effective July 1, 2007, the free time is scheduled to be reduced to three (3) days free time for inbound cargo and five (5) days free time for outbound cargo. The proposed amendment of Tariff No. 4 would maintain the current free time with no further reduction on July 1, 2007.*

**Recommendation:** Board resolve that (1) Port of Los Angeles Tariff No. 4, Item 720 be amended, by removing the implementation date of July 1, 2007 that states the reduction of free time allowed to three (3) days on inbound containerized cargo and five (5) days on outbound containerized cargo for intercoastal, foreign, and offshore trade; (2) the current free time of four (4) days free time for inbound cargo and six (6) days free time for outbound cargo be maintained and forego the planned reduction scheduled for July 1, 2007; and (3) the Board Secretary be authorized to execute the proposed permanent Board Order and Ordinance amending Tariff No. 4, and upon its publication, transmit the Order and Ordinance to the Chief Wharfinger for implementation of the tariff amendments and posting the amended Tariff No. 4 to the Port's website as regulated by the Federal Maritime Commission.

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Real Estate

5. RE: PROPOSED FIRST AMENDMENT TO EXECUTIVE DIRECTOR AGREEMENT NO. E-6310 WITH GAMBOL INDUSTRIES, INC. (GAMBOL) FOR MARINE CARETAKER/PROPERTY MANAGEMENT SERVICES AT THE FORMER SOUTHWEST MARINE (SWM) FACILITY

*SUMMARY: At the meeting of April 19, 2007, staff recommended to the Board an amendment to Executive Director Agreement No. E-6310 with Gambol to extend the term, amend the termination provisions, and revise language regarding lay berthing of vessels at the facility.*

*As a result of discussions at the Board Meeting, the item was continued in order for the amendment to recognize and address the interests of both the Port and the filming industry by Gambol at SWM.*

*Therefore, this revised action requests Board approval of an amendment which will: grant a month-to-month extension of the agreement; change the termination provision requiring 60 days' written notice; prohibit Gambol to charge additional fees for berthing assignments granted by the Port; and require that a film industry representative be named to coordinate all filming activities at this site.*

*As this is an agreement, and not a lease of Port property, this is not an opportunity to implement measures referenced in the Clean Air Action Plan.*

**Recommendation:** Adoption of the Order approving the First Amendment to Executive Director Agreement No. E-6310, effective April 18, 2007. The First Amendment provides for a month-to-month extension of the term not to exceed 24 months, changes the termination provision for a 60-day written notification requirement, adds the provision that Gambol may not charge fees to vessels that have been granted berthing assignments at the SWM facility, and requires Gambol to appoint a film industry representative to serve as the point of contact for all filming requests at SWM.

(Board report dated April 13, 2007 be withdrawn.)

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6. Re: **PROPOSED ORDER RESETTING COMPENSATION TO PERMIT 529 GRANTED TO INTERMODAL CONTAINER TRANSFER FACILITY JOINT POWERS AUTHORITY (ICTF JPA)**

*SUMMARY: Permit 529 grants the Intermodal Container Transfer Facility Joint Powers Authority (ICTF JPA), and by sublease to Union Pacific Railroad (UPRR), the use of 147.4 acres of Harbor Department property for the operation of the Intermodal Container Terminal Facility (ICTF) for a term of 50 years. The lease became effective September 14, 1984, with compensation and box rates effective December 1, 1986. After the initial ten-year period, the minimum annual compensation (MAG) is reset every five years. It is now necessary to reset the MAG for the five-year period of December 1, 2006 through November 30, 2011.*

*This action only allows for the resetting of compensation, as provided in the permit, and is not an opportunity to implement measures referenced in the Clean Air Action Plan. Staff is cognizant of the current application submitted by UPRR to redevelop the subject property; however, the review of the application to redevelop will be considered by the applicable agency separate from this action. This action will not allow any redevelopment or expansion of the current operation.*

**Recommendation:** Adoption of the Order resetting the MAG for the five-year period beginning December 1, 2006, and ending November 30, 2011, pursuant to Permit 529 based on the following: Minimum Annual Guarantee - \$ 7,500,000, Container Charge - \$ 11.82.

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7.    Re:    **UNDERGROUND EASEMENT DEED FOR COUNTY  
SANITATION DISTRICT NO. 2 OF LOS ANGELES  
COUNTY - LAHD No. 70015 - J.O. "H" UNIT 1B  
REPLACEMENT TRUNK SEWER SECTION 4**

***SUMMARY:*** The Port of Los Angeles owns certain railroad right-of-way properties jointly with the Port of Long Beach as Tenants In Common, each with an undivided 50% interest. The County of Los Angeles has constructed a sewer project that passes under a portion of the railroad right-of-way as depicted on the attached map. The proposed easement grants permanent underground rights without the right of surface entry to the Los Angeles County Sanitation District No. 2 for the sewer crossing the property. As consideration for this grant, the Los Angeles County Sanitation District No. 2 will pay the ports \$5,454.45.

**Recommendation:** Board resolve that (1) the Order and Ordinance approving and authorizing the Executive Director to execute the proposed Underground Easement Deed between the Ports of Los Angeles and Long Beach as Tenants In Common and the Los Angeles County Sanitation District No. 2 be adopted; (2) the Board Secretary be authorized and directed to transmit the Order and Ordinance to the City Council for its approval pursuant to Section 385 of the City Charter; and (3) the Executive Director and Board Secretary be authorized to execute the proposed Easement Deed upon approval by the City Council.

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8. Re: PROPOSED ORDER SETTING COMPENSATION  
UNDER PERMIT NOS. 712 AND 713 WITH SHORE  
TERMINAL, LLC.

*SUMMARY: Under the terms of Permit Nos. 712 (marine oil terminal and associated pipelines) and 713 (marine oil terminal with no associated pipelines) Shore Terminals, LLC (Shore) is granted the authority to use various surface and subsurface parcels located at Berths 163-164 in Wilmington (see attached aerial photos) for the purposes of constructing maintaining, and operating two adjacent marine oil terminals.*

*It is necessary to set compensation under Permit No. 712 for the third five-year period commencing June 25, 2004 at \$111,206 per quarter, plus all fees pursuant to Port of Los Angeles Tariff No. 4.*

*It is necessary to set compensation under Permit No. 713 for the third five-year period commencing June 25, 2004 at \$60,914 per quarter, plus all fees pursuant to Port of Los Angeles (Port) Tariff No. 4.*

*These pipelines will be the subject of compliance procedures being developed as requested by the Board of Harbor Commissioners at the April 5, 2007 Board Meeting. Staff will be reporting back to the Board on these issues prior to July 4, 2007. This action only allows for resetting of compensation, as provided in the permit, and is not an opportunity to implement measures referenced in the Clean Air Action Plan.*

**Recommendation:** Board resolve that (1) the Order setting compensation under Permit No. 712 with Shore Terminals, LLC. at \$111,206 per quarter for the third five-year period commencing June 25, 2004 and ending June 24, 2009, which represents a quarterly increase in rent of \$2,338 over Shore's current quarterly compensation of \$108,868 be adopted; and (2) the Order setting compensation under Permit No. 713 with Shore Terminals, LLC. at \$60,914 per quarter for the third five-year period commencing June 25, 2004 and ending June 24, 2009, which represents a quarterly increase in rent of \$4,072 over Shore's current quarterly compensation of \$56,842 be adopted.

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**Environmental**

9. Re: APPROVAL OF CONTRACT BETWEEN THE PORTS OF LOS ANGELES AND LONG BEACH, SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT, AND FOSS MARITIME TO FUND THE DEVELOPMENT AND DEMONSTRATION OF A HYBRID TUGBOAT UNDER THE CLEAN AIR ACTION PLAN TECHNOLOGY ADVANCEMENT PROGRAM

*SUMMARY: This Board item requests that the Board of Harbor Commissioners approve the allocation and expenditure, from funds previously disbursed by the Port of Los Angeles (POLA) and administered by the South Coast Air Quality Management District (AQMD) under an existing Memorandum of Agreement with POLA, for the development and demonstration of a hybrid tug boat. The Board is also requested to authorize the Executive Director to execute a four-party Agreement between POLA, the Port of Long Beach (POLB), AQMD and Foss Maritime for the funding, development, and demonstration of a hybrid tug boat under the Clean Air Action Plan (CAAP) Technology Advancement Program (TAP).*

**Recommendation:** Board resolve that (1) the Executive Director be authorized to execute Amendment to Memorandum of Agreement extending the term of an existing Memorandum of Agreement with the AQMD (the MOA) to June 30, 2009; (2) the allocation and expenditure of \$889,920 previously funded by POLA under the MOA to fund POLA's share of cost of the development and demonstration of a Foss Maritime Hybrid Tug project under the CAAP TAP be approved; and (3) the Executive Director be authorized to negotiate a four-party Contract (including acceptable intellectual property rights language) between POLA, POLB, AQMD, and Foss Maritime (Contract) for the funding, development, and demonstration of a hybrid tug boat under the CAAP TAP; and the Executive Director and Board Secretary be authorized to execute and attest to such four-party Contract.

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**10. Re: PAYMENT TO THE CHINA SHIPPING MITIGATION  
FUND FOR CONTAINER THROUGHPUT**

*SUMMARY: The settlement agreement between the City of Los Angeles and the Natural Resources Defense Council established a throughput restriction at the China Shipping Terminal of 328,000 twenty-foot equivalent units (TEUs) per calendar year. If container throughput exceeds this capacity limit, an additional \$30 per TEU is payable to the mitigation fund. Throughput at the China Shipping Terminal exceeded the capacity limit by 192,248 TEUs in calendar year 2006, requiring a deposit to the mitigation fund of \$5,767,440.*

**Recommendation:** Board resolve that (1) the expenditure of \$5,767,440 from Account 86010 Litigation, Claims and Settlement Expense, Center 6000 Non-operating Income and Expense be approved; and (2) the Resolution authorizing the transfer of these funds from the Harbor Revenue Fund (Account 11010, Center 7000) to the China Shipping Mitigation Fund, with a distribution of \$1,153,488 to the Gateway Cities Program Account (Account 11954, Center 7000), \$2,306,976 to the Air Quality Mitigation Account (Account 11954, Center 7000), and \$2,306,976 to the Community Aesthetic Mitigation Account (Account 11957, Center 7000) be adopted.

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**Engineering**

11. Re: **AUTHORIZE THE EXECUTIVE DIRECTOR TO APPROVE A MASTER COST SHARING AGREEMENT BETWEEN THE PORT OF LOS ANGELES AND PORT OF LONG BEACH FOR THE CLEAN AIR ACTION PLAN AND AUTHORIZE FUNDS FOR THE ZERO EMISSIONS ("GREEN") CONTAINER MOVER SYSTEM EVALUATION**

*SUMMARY: The Zero-Emissions ("Green") Container Mover System Evaluation Study will assess ten alternative technologies for moving containers from the San Pedro Bay Ports to the Port of Los Angeles' near-dock rail facility at the Union Pacific (UP) Intermodal Container Transfer Facility (ICTF) and the proposed Southern California International Gateway (SCIG). After an initial screening of the ten technologies, the Study will compare and contrast those technologies deemed viable to conventional truck drayage, cleaner truck engines, electric trucks, and liquid natural gas (LNG) trucks. The criteria for evaluation includes air quality and emissions, terminal operations, economic and cost efficiency, and expandability and operational efficiency. Based on the findings of the Study, a draft Request for Proposal (RFP) for the design and construction of the recommended prototype system may be prepared. The total cost of the Study is \$1,000,000 plus a 25% contingency of \$250,000 for additional expenses that shall be shared equally between the Port of Los Angeles and Port of Long Beach. The Port of Long Beach will oversee payment and administer the contract.*

**Recommendation: Board resolve that (1) the Executive Director and the Board Secretary be authorized to execute and attest to an agreement covering the aforementioned transaction for and on behalf of the Board, which includes a master cost sharing agreement for the Clean Air Action Plan and a specific agreement for the Zero Emissions Container Mover System Evaluation in substantial conformance with the attachments; and (2) the reimbursement of one half of the cost of this study (\$500,000) and one half of the 25% contingency (\$125,000) for the a total cost allocation of \$625,000 to the Port of Long Beach pursuant to the Port of Los Angeles and Port of Long Beach Cost Sharing Agreement be approved.**

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**City Attorney**

12. Re: RESOLUTION REMOVING KAYLYNN L. KIM AND APPOINTING S. DAVID FREEMAN TO THE GOVERNING BOARD OF THE ICTF JOINT POWERS AUTHORITY

**Recommendation:** Adoption of the subject resolution.

**G. CLOSED SESSION**

1. Discussion of whether to initiate litigation, pursuant to subdivision (c) of Section 54956.9 of the California Government Code [one (1) potential case].
2. Instructions to negotiators relating to lease negotiations with Evergreen Marine Corporation concerning Permit No. 888, pursuant to Section 54956.8 of the California Government Code. Instructions to negotiators will concern price and terms of payment. The negotiator for Evergreen Marine Corporation will be Wesley Brunson. The negotiator for the Port of Los Angeles will be Michael Galvin.

**H. ADJOURNMENT IN MEMORY**

Adjournment in memory of Congresswoman Juanita Millender McDonald and Fran Bartlett, wife of former Harbor Commissioner Father Art Bartlett.