

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

**BOARD OF HARBOR COMMISSIONERS
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 (<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.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 2
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

B. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

C. REPORT OF THE EXECUTIVE DIRECTOR

D. REPORTS OF COMMISSIONERS

E. BOARD COMMITTEE REPORTS

F. PRESENTATION

**Public Sector Funding Advocacy Update by Isaac Kos-Read, Director
Government Affairs.**

AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 3
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731

G. REPORTS OF THE EXECUTIVE DIRECTOR

Consent Items (1- 7)

Real Estate Division

1. Re: RESOLUTION NO. _____ - PROPOSED EIGHTH AMENDMENT TO PERMIT NO. 692 WITH YUSEN TERMINALS, INC.
SUMMARY: In December of 2008, container terminal tenants raised concerns regarding the economic downturn and its impact on their operations. It is proposed that the Los Angeles Harbor Department (Harbor Department) provide Yusen Terminals, Inc. (Yusen) reduced rates for a one-year period for its 4.04-acre parcel at Site 6A, which is not contiguous to its main permit premises. In 1998, the premises under Permit No. 673 (former facility of Stevedoring Services of America - SSA) were added to Permit No. 692 with Yusen through a Fifth Amendment. The compensation reflected a five-acre discount that was attributable to terminal inefficiencies due to the consolidation of two terminals. The discount did not include a termination date. In 2007, Board Order No. 6903 for reset of compensation provided a termination date following the demolition of SSA's administration building. Subsequent to that project completion, another construction project created continued operational inefficiencies, and therefore, it is proposed that the five-acre discount be extended until the end of the current construction project, but in no event later than December 31, 2009.
Recommendation: Board resolve to (1) approve the proposed Eighth Amendment to Permit No. 692; (2) direct the Board Secretary to transmit the Eighth Amendment to Permit No. 692 and Order to the City Council for approval pursuant to Section 606 of the City Charter; (3) authorize the Executive Director to execute and the Board Secretary to attest to the Eighth Amendment upon approval by City Council; and (4) adopt Resolution No. _____.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 4
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

Planning & Research

2. Re: RESOLUTION NO. _____ FOR THE APPROVAL OF CHANGES TO THE MEMBERSHIP OF THE PORT OF LOS ANGELES COMMUNITY ADVISORY COMMITTEE

SUMMARY: *As required by the Port of Los Angeles Community Advisory Committee (PCAC) By-laws, the Board of Harbor Commissioners (Board) is being asked to approve changes in the PCAC membership for the San Pedro and Peninsula Homeowner's Coalition.*

Recommendation: Board resolve to (1) approve Frank Anderson as the San Pedro and Peninsula Homeowner's Coalition alternate member; and (2) adopt Resolution No. _____.

Marketing Division

3. Re: RESOLUTION NO. _____ APPROVAL OF FIRST AMENDMENT TO FOREIGN-TRADE ZONE GENERAL PURPOSE OPERATING AGREEMENT NO. 2340 BETWEEN THE CITY OF LOS ANGELES AND CUSTOMS AIR WAREHOUSE INC., FTZ 202 SITE 2A

SUMMARY: *The Los Angeles Harbor Department (Harbor Department), as the Foreign-Trade Zone (FTZ) grantee, establishes General Purpose Operating Agreements (FTZ Operating Agreements) with FTZ operators to enable the Harbor Department to oversee their FTZ operations. The Harbor Department currently has FTZ Operating Agreement No. 2340 in place with Customs Air Warehouse, Inc. (Customs Air) for FTZ 202 Site 2A. The FTZ Operating Agreement became effective on June 23, 2004, and is set to expire on June 22, 2009, with three, five-year renewal options. The Harbor Department received a request from Customs Air to exercise their first renewal option to extend their FTZ Operating Agreement and change their warehouse location to 5330 West 102nd Street, Los Angeles, California, 90045. The new site includes approximately 37,000 square feet of warehouse and office space on 1.5 acres within Site 2A (parcel 2). Customs Air will be operating their warehouses under FTZ operation rules. The proposed amendment is for a five-year term with two, five-year renewal options.*

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 5
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

3. (Continued)

Recommendation: Board resolve to (1) approve the subject First Amendment for FTZ Operating Agreement No. 2340 between the City of Los Angeles and Customs Air for FTZ 202 Site 2A; (2) authorize and direct the Board Secretary to transmit the proposed First Amendment to the City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles; (3) upon approval by City Council, authorize the Executive Director to execute and the Board Secretary to attest to the proposed First Amendment; and (4) Adopt Resolution No. _____.

4. Re: RESOLUTION NO. _____ APPROVAL OF FIRST AMENDMENT FOR FOREIGN-TRADE ZONE GENERAL PURPOSE OPERATING AGREEMENT NO. 08-2699 BETWEEN THE CITY OF LOS ANGELES AND CALIFORNIA CARTAGE COMPANY, LLC., FTZ 202 SITE 1A

SUMMARY: *The Los Angeles Harbor Department (Harbor Department), as the Foreign-Trade Zone (FTZ) grantee, establishes General Purpose Operating Agreements (Operating Agreements) with FTZ operators in order to oversee their FTZ operations. The Harbor Department currently has FTZ Operating Agreement No. 08-2699 in place with California Cartage Company, LLC. (California Cartage) at FTZ 202 Site 1A located in Wilmington, California. The FTZ Operating Agreement became effective on May 1, 2008 to April 30, 2009, with a one-time, one-year extension. The Harbor Department received a request from California Cartage to exercise their renewal option to extend their FTZ Operating Agreement. This site includes approximately 600,000 square feet of warehouse and office space on an 84-acre parcel. California Cartage will be operating their warehouses under FTZ operation rules and the FTZ Operating Agreement will provide a term of one-year with a one-year renewal option.*

Recommendation: Board resolve to (1) approve the subject First Amendment for FTZ Operating Agreement No. 08-2699 between the City of Los Angeles and California Cartage; (2) authorize and direct the Board Secretary to transmit the proposed First Amendment to the City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles; (3) upon approval by the City Council, authorize the Executive Director to execute and the Board Secretary to attest to the proposed First Amendment; and (4) adopt Resolution No. _____.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 6
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

5. Re: **SECOND TEMPORARY ORDER NO. _____
ESTABLISHING PORT OF LOS ANGELES TARIFF NO. 4,
SECTION TWENTY-THREE "INTERMODAL CONTAINERS -
GENERAL RULES AND REGULATIONS"**

SUMMARY: At the February 19, 2009 Los Angeles Board of Harbor Commissioners (Board) meeting, the Board approved a Temporary and Permanent Order amending Tariff No. 4 to establish the "Intermodal Container Discount Program" or "IPI Program". The IPI Program discounts by 10 percent the sums eligible Container Terminal Tenants (Terminal Tenants) that possess existing contracts with the Los Angeles Harbor Department (Harbor Department) would be required to pay between January 1, 2009 and December 31, 2009, on intermodal cargo. This action resulted from instruction provided by the Audit Committee of the Board to develop a program that would respond to the worldwide decline in cargo container traffic and the significant economic distress such decline has inflicted on tenants of the Harbor Department. Participants in the IPI Program include APM Terminals Inc., Eagle Marine Services, Evergreen, Yusen Terminals, China Shipping, Yang Ming and TraPac.

The IPI Program creates an incentive for eligible Terminal Tenants in maintaining intermodal container traffic at the Port of Los Angeles (Port), rather than diverting such traffic away from the Port to other transportation gateways. Staff estimates that the maximum cost benefit to IPI Program participants, and, hence, the extent of the Harbor Department's financial exposure in the IPI Program, to be approximately \$13 million. However, the IPI Program is designed to retain container traffic and jobs.

Council has not calendared and approved the permanent order and ordinance. Therefore, a Second Temporary Order is proposed to allow additional time for the Permanent Order to pass through the City Council approval process. This Second Temporary Order, if approved, will expire in 90 days after the day it is published or upon execution of the Permanent Order by the City Council, whichever occurs first.

Recommendation: Board resolve to (1) adopt Second Temporary Order No. _____ establishing Port Tariff No. 4, Section Twenty-Three, entitled "Intermodal Containers – General Rules and Regulations"; and (2) authorize the Board Secretary to certify to the adoption of the Second Temporary Order by the Board and cause the same to be published once in a newspaper printed and published in the City of Los Angeles, to take effect prior to adoption by Ordinance for a period not-to-exceed 90 days pursuant to Charter Section 653(b).

AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 7
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731

Environmental Management Division

6. Re: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE HARBOR DEPARTMENT AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES TO ESTABLISH FUNDING FOR THE ALAMEDA STREET/HARRY BRIDGES BOULEVARD LANDSCAPING PROJECT

SUMMARY: The Port's Community Aesthetic Mitigation Program was established in 2003 to implement aesthetic mitigation projects in the communities of San Pedro and Wilmington. The program funding process and requirements were established in the China Shipping Settlement Agreement, the Amended Stipulated Judgment (ASJ), between the City of Los Angeles and the Natural Resources Defense Council. The Port solicited projects for the Wilmington Community in January 2007, and in accordance with the ASJ, projects were received and evaluated. This resulted in the Port Community Advisory Committee (PCAC) recommending the Alameda Street/Harry Bridges Boulevard Landscape Project in December 2007. In February 2009, the Board of Harbor Commissioners (Board) allocated \$1,814,041 from the China Shipping Community Aesthetic Mitigation fund for the Alameda Street/Harry Bridges Boulevard Landscape Buffer and approved an agreement between the City of Los Angeles Harbor Department (Harbor Department) and the Community Redevelopment Agency of the City of Los Angeles (CRA) to establish a funding mechanism for the project. The CRA will oversee the project implementation and construction. Subsequent to Board approval, contract termination and indemnification language was revised in the agreement. It is recommended that the Board approve the agreement between the Harbor Department and the CRA in its current form.

Recommendation: Board resolve to (1) approve the agreement between the Harbor Department and the CRA to administer funds for the CRA to implement the Alameda Street/Harry Bridges Boulevard Landscape Buffer project for a term of two years in an amount not to exceed \$1,814,041; (2) authorize the Executive Director and Board Secretary to execute and attest to said Agreement, for and on behalf of the Board; (3) instruct the Board Secretary to transmit the Board Letter and Agreement to the CRA Board to forward to City Council for action; and (4) approve Resolution No. _____ approving the funding agreement between the Harbor Department and CRA to fund the Alameda Street/Harry Bridges Boulevard Landscape Buffer project in an amount not to exceed \$1,814,041.

AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 8
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731

7. Re: RESOLUTION NO. _____ - CONTRACT WITH THE STATE OF CALIFORNIA, DEPARTMENT OF TOXIC SUBSTANCES CONTROL FOR OVERSIGHT OF THE KINDER MORGAN (FORMERLY GATX) ANNEX FACILITY

SUMMARY: The Kinder Morgan (formerly GATX) Annex Tank Farm Site (Site) is located at 208 East 22nd Street in San Pedro, near the northeastern corner of the intersections of Miner and 22nd Streets. The Annex facility was operated as a storage & transfer facility for bulk liquid chemicals from 1968 to 1983. GATX decommissioned the facility in 1983 and remediated the soil and groundwater between 1983 and 1993 under a Consent Order (March 1987) from the Department of Toxic Substances Control (DTSC). In 1999, Kinder Morgan purchased all GATX's assets within the Port, including GATX's liabilities under the Consent Decree. While the original remedial activities were fairly successful, residual chemicals remained at the Site and DTSC imposed a "use restriction" on the Site which restricts the Port from redeveloping the site and imposes strict requirements to maintain site security (including fencing and warning signage) and soil cover (weed abatement and soil cover inspections). Any other use or development of the Site is not permitted under its current status as a hazardous waste site. However, DTSC has indicated that changes to the use restrictions could be considered through additional remedial investigations and activities. To implement this process, the Port is seeking a 5-year contract with DTSC for oversight of the Site. This oversight by DTSC is necessary to determine what additional actions are required in order for DTSC to modify or remove the use restrictions and allow the site to be developed. The Port is responsible for reimbursing DTSC for any costs associated with their oversight which is estimated at \$120,792 over a five-year period.

Recommendation: Board resolve to (1) approve the 5-year contract with the Department of Toxic Substances Control substantially as to form in the amount of \$120,792; (2) authorize the Executive Director and the Board Secretary to execute and attest to said contract for and on behalf of the Board; and (3) adopt Resolution/Order No. _____.

AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 9
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731

Regular Items (8-13)

Environmental Management Division

8. Re: RESOLUTION NO. _____ - STAFF RESPONSE TO PORT OF LOS ANGELES COMMUNITY ADVISORY COMMITTEE RECOMMENDATION NO. 99 – AESTHETIC MITIGATION FUNDS

SUMMARY: The Port Community Advisory Committee (PCAC) Recommendation No. 99 requests the City of Los Angeles Harbor Department (Harbor Department) extend the term of the allocation of China Shipping Aesthetic Mitigation Funds from June 14, 2009, until December 31, 2009. Staff recommends denial of PCAC Recommendation No. 99; since as part of this action, staff proposes the remaining \$12,117,983 in aesthetic mitigation funds be committed to the list of aesthetic mitigation projects recommended by the PCAC EIR Subcommittee and presented to the full PCAC on May 19, 2009.

Recommendation: Board resolve to (1) consider and deny PCAC Recommendation No. 99; (2) adopt Resolution No. _____ confirming staff's findings and recommendations, as set forth in the following discussion; (3) direct the commitment of \$12,117,983 towards the China Shipping Aesthetic Mitigation projects attached hereto, subject to and in accordance with approval by PCAC of such commitment (Transmittal 3); and (4) following receipt of PCAC final recommendations, return to the Board with a final list of staff recommended projects and specific funding and implementation details.

Construction Division

9. Re: RESOLUTION NO. _____ - AWARD OF CONSTRUCTION CONTRACT – CONTRACTOR: STANDARD INDUSTRIES – BERTH 301 DEMOLITION, SPECIFICATION NO. 2707

SUMMARY: This contract will demolish various buildings and structures at the former LAXT facility to provide useable space for future developments, including tank farms, for the proposed Berths 408-409 Crude Oil Marine Terminal. The lowest responsive bidder is Standard Industries, located in Ventura, California. The contract amount, including a 5% contingency, is \$8,247,037 and the contract duration is 240 calendar days.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 10
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

9. (Continued)

Recommendation: Board resolve to: (1) acknowledge staff's receipt of 21 bids submitted in connection with Specification No. 2707, and the bid protest submitted by Phillips & Jordan, Inc. ("Phillips & Jordan"); (2) reject the bid protest of Phillips & Jordan based on the analysis and investigation of staff; (3) deem Standard Industries, headquartered in Ventura, California, the lowest responsive and responsible bidder; (4) adopt Resolution No. _____ to award the referenced contract for Item Nos. 1 through 15 of the proposal schedule to Standard Industries in the amount of \$7,854,321; that a 5% contingency not included in the original contract amount be applied for a total authorized amount of \$8,247,037; and that payment is authorized from the Construction Account. The contract time for performance of the work will be 240 calendar days from the Notice to Proceed; (5) authorize the Executive Director to execute and the Board Secretary to attest to this contract for and on behalf of the Board; and (6) in accordance with City Charter 655 (g), delegate and authorize the Executive Director to adjust final bid quantities and accept the construction contract upon its completion.

Debt and Treasury Division

10. Re: ISSUING \$200 MILLION OF THE CITY OF LOS ANGELES
HARBOR DEPARTMENT REVENUE BONDS

SUMMARY: At its meeting on May 7, 2009, the Los Angeles Board of Harbor Commissioners approved Resolution No. 09-6724, which authorizes issuing City of Los Angeles Harbor Department Revenue Bonds in an amount not to exceed \$300 million. The Harbor Commissioners requested that staff report back on the final amount of the bond issue. Subsequent to the Harbor Commission meeting and further analysis of the transaction the bond issue amount may reach \$225 million, depending on the savings from refunding some of the bonds that are currently outstanding.

Recommendation: Board resolve to receive and file this information as reference for Resolution No. 09-6724. No action is required.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 11
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

**11. Re: RESOLUTION NO. _____ TO RE-ESTABLISH THE
COMMERCIAL PAPER PROGRAM**

SUMMARY: This request is to re-establish the Commercial Paper (CP) Program at the \$100,000,000 level to help finance projects in the City of Los Angeles Harbor Department (Harbor Department) Capital Improvement Program and other capital needs.

Recommendation: Board resolve to (1) adopt, pursuant to the Los Angeles City Charter (LACC) Section 609 and the Bond Procedural Ordinance of the City of Los Angeles Administrative Code (LAAC) Sections 11.28.1 through 11.28.9, the attached Resolution (Transmittal 1) approving the following four principal documents related to the Harbor Department's Commercial Paper Program: Dealer Agreements with two underwriters (Transmittal 2); Issuing and Paying Agent Agreement (Transmittal 3); Credit Agreement with one bank (Transmittal 4); and Offering Memorandum (Transmittal 5); (2) direct the Executive Director or her designees to jointly and severally do any and all actions necessary consistent with the Resolution to establish and implement the issuance and remarketing of the Commercial Paper Program, subject to the right of the City Council to review such documents pursuant to the requirements of LAAC Section 11.28.2; (3) direct the Board Secretary, pursuant to LACC Section 609 and the Bond Procedural Ordinance of the LAAC Sections 11.28.1 through 11.28.9, to certify that the Board has adopted the Resolution and, on behalf of the Harbor Commissioners, immediately transmit for further processing certified copies of the Resolution, Board report, and all related documents to the Mayor, Office of the City Administrative Officer, and City Council; and (4) adopt Resolution No. _____.

Financial Management Division

**12. Re: RESOLUTION NO. _____ - FISCAL YEAR 2009/10
PROPOSED ANNUAL BUDGET**

SUMMARY: Transmitted herewith is the proposed Fiscal Year 2009/10 Annual Budget for revenues, expenses, and capital expenditures for the Harbor Department of the City of Los Angeles ("Department" or "Port") (see Transmittal No. 1). This proposed budget reflects the Department's effort to balance its planned priorities with the costs associated with implementing them along with the anticipated amounts of revenue. It further reflects the input and guidance received from the Board of Harbor Commissioners ("Board") during a series of budget hearings held on March 16-17, 2009 and April 28, 2009.

AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 12
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731

12. (Continued)

The total proposed budget of \$1,132,812,022 for Fiscal Year 2009/10 represents a \$20.1M or 1.8% decrease from the \$1,153,679,714 adopted Fiscal Year 2008/09 budget and a \$34.5M or 3% increase from the \$1,098,301,579 estimated expenditures for Fiscal Year 2008/09. Of the total budget, the key components are \$260M or 23% for Operating Expenses, \$377M or 33.3% for Capital purposes, \$212M or 18.7% as Restricted Cash (including future commitments), \$214M or 18.8% as the Unappropriated Balance carried forward, and the remaining \$69M or 6.1% for Non-Operating Expenses and other balance sheet items.

Recommendation: Board resolve to (1) adopt the proposed Fiscal Year 2009/10 Annual Budget for the Harbor Department and appropriate funds in accordance therewith (see Transmittal No. 1); and (2) authorize the Executive Director, or designee, to make any technical adjustments consistent with Board action(s) to the Fiscal Year 2009/10 budget documents, so as to provide for the implementation of this budget.

Port Police Division

13. Re: RESOLUTION NO. _____ - PROPOSED
MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF
LOS ANGELES HARBOR DEPARTMENT AND THE LOS
ANGELES COUNTY SHERIFF'S DEPARTMENT FOR
DEVELOPMENT OF A MARITIME OFFICERS TRAINING

SUMMARY: The Los Angeles Port Police (Port Police) has taken the initiative to develop a State-certified Maritime Officers Training Program to train Port Police Officers and ensure consistency of maritime training throughout the State. This course is being supported by the Federal government, State Department of Homeland Security, California Commission on Peace Officer Standards and Training (POST), and Los Angeles County Sheriff's Department (LASD).

The proposed Memorandum of Agreement (MOA) between the City of Los Angeles, Harbor Department and LASD outlines a contract for the development of a specialized Maritime Officers Training Course to be provided to all Los Angeles Port Police Officers. A significant portion of their responsibilities involve several aspects of maritime law enforcement. Other than the standardized Basic Police Academy curriculum, currently Port Police Officers receive almost no maritime enforcement course exposure or formal classroom training. A specialized Maritime Training Course will enable all Port Police sworn personnel to better respond to incidents in a thorough, consistent manner.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 13
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

13. (Continued)

The Maritime Officers Training Course is designed for 120-220 hours of classroom instruction and field exercise. With assistance from the Los Angeles Port Police and Long Beach Police Departments, LASD will develop and implement a three-module course curriculum, obtain POST certification, select instructors, develop class lesson plans, and offer a specialized course to all Port Police Officers. This is the same program reviewed in concept by the Board of Harbor Commissioners (Board) in Summer 2008. To date, staff has made considerable progress, in excess of 400 hours, in the development of the Maritime Officers Training Program and the design of this unique MOA.

The amount of this MOA is \$500,000, which will be dispersed in installments upon completion of project deliverables. This program is one of four specific projects which were approved for funding by the California Governor's Office of Homeland Security as part of Proposition 1B grant funds and has no matching requirement. Proposition 1B grant funds have been released by the State and are available for use. This MOA will serve to document the transfer of funds. Board approval of this MOA is necessary.

Recommendation: Board resolve to (1) find that in accordance with the City Charter Section 1022, work under the subject Agreement can be performed more feasibly by independent consultants rather than by City employees; (2) pursuant to the award from the State Grant Proposition 1B funds, approve the proposed MOA for a term of one year and a total amount not-to-exceed \$500,000 between City and LASD; (3) authorize the Executive Director to execute and Board Secretary to attest to said MOA, for and on behalf of the Board; and (4) adopt Resolution No. _____ authorizing and approving the proposed MOA with LASD.

H. CLOSED SESSION

1. Discussion of pending litigation entitled: City of Riverside v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS119161, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.
2. Discussion of pending litigation entitled: Jesse Marquez v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS120716, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 14
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

CLOSED SESSION (Continued)

3. Discussion of pending litigation entitled: The United States of America ex rel. State of California ex rel. Stanley D. Mosler v. City of Los Angeles, et al., United States District Court Case No. 02-02278-SJO, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.
4. Discussion of pending litigation entitled: 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, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.
5. Discussion of pending litigation entitled: Federal Maritime Commission v. City of Los Angeles, et al., Order of Investigation and Hearing, Docket No. 08-05, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.
6. Discussion of pending litigation entitled: Federal Maritime Commission v. City of Los Angeles, et al., United States District Court Case No. 1:08-CV-01895-RJL, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.
7. Discussion with legal counsel concerning significant exposure to litigation [three (3) potential cases], pursuant to subdivision (b)(1) of Section 54956.9 of the California Government Code.
8. Discussion of whether to initiate litigation [one (1) potential case], pursuant to subdivision (c) of Section 54956.9 of the California Government Code.
9. Instructions to negotiators relating to lease negotiations with Trapac, Inc. concerning a terminal permit for Berths 136-147, pursuant to Section 54956.8 of the California Government Code. Instructions to negotiators will concern price and terms of payment. The negotiator for Trapac, Inc. will be Frank Pisano. The negotiators for the Port of Los Angeles will be Kathryn McDermott and Michael Galvin.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 15
THURSDAY, JUNE 4, 2009 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

CLOSED SESSION (Continued)

- 10. Instructions to negotiators relating to lease negotiations with China Shipping concerning a terminal permit for Berths 100-108, pursuant to Section 54956.8 of the California Government Code. Instructions to negotiators will concern price and terms of payment. The negotiator for China Shipping will be Zhang Bing. The negotiators for the Port of Los Angeles will be Kathryn McDermott and Michael Galvin.**

- 11. Instructions to negotiators relating to lease negotiations with Pacific L.A. Marine Terminal, LLC concerning a terminal permit for Berth 408, pursuant to Section 54956.8 of the California Government Code. Instructions to negotiators will concern price and terms of payment. The negotiator for Pacific L.A. Marine Terminal, LLC will be David Wright. The negotiators for the Port of Los Angeles will be Kathryn McDermott and Michael Galvin.**