



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JANUARY 24, 2024

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF EXECUTIVE DIRECTOR LEVEL JOINT REVOCABLE PERMIT AND MASTER JOINT REVOCABLE PERMIT TEMPLATES AND APPROVAL TO MODIFY THE DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR TO EXECUTE CERTAIN JOINT REVOCABLE PERMITS AND MASTER JOINT REVOCABLE PERMITS FOR JOINTLY OWNED RAIL PROPERTIES WITH THE PORT OF LONG BEACH

SUMMARY:

Staff requests approval of the updated Executive Director-level Joint Revocable Permits (JRPs) and Master Joint Revocable Permits (MJRPs) templates and approval of an increase to the annual compensation amount for authority delegated to the Executive Director to execute such JRPs and MJRPs from \$50,000 to \$150,000. JRPs and MJRPs are month-to-month real estate entitlements granted by the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB), as joint owners of rail properties located along the former Southern Pacific Railroad and Union Pacific Railroad right-of-way in Los Angeles County. Currently, the Executive Director can execute JRPs and MJRPs for jointly owned property using the Board approved templates, with compensation amounts up to \$50,000 per year. The recommended action would increase the delegated authority to the Executive Director to \$150,000, which is consistent with the Executive Director's approval authority under the Los Angeles City Charter and Administrative Code.

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. Approve the delegation of authority to the Executive Director to execute Joint Revocable Permits and Master Joint Revocable Permits where a permit fee is charged, up to \$150,000 per year, and the permits do not materially deviate from the approved templates unless the deviations provide for more stringent or restrictive tenant obligations than those provided in the templates; and
3. Adopt Resolution No. _____ approving the Joint Revocable Permit and Master Joint Revocable Permit templates.

SUBJECT: APPROVAL OF EXECUTIVE DIRECTOR LEVEL JRP AND MJRP TEMPLATES AND AN INCREASE IN DELEGATED AUTHORITY

DISCUSSION:

Background – On December 22, 1994, the Harbor Department and POLB jointly purchased properties as part of the Alameda Corridor construction project. The properties are located along the former Southern Pacific Railroad and Union Pacific Railroad right-of-way in the County of Los Angeles. The railroad properties were purchased and held by the Harbor Department and POLB as tenants in common, with each holding an undivided 50 percent interest. See Transmittal No. 1 for a map of the property boundaries.

The Harbor Department and POLB jointly grant JRPs and MJRPs on a month-to-month basis for a variety of uses, such as storage, parking, and utility crossings. The difference between a JRP and an MJRP is that an MJRP covers multiple locations/premises. Also, MJRPs allow for the addition/deletion of premises utilizing an instrument known as a supplement, while the JRP does not.

On November 19, 2020, under Board Resolution No. 20-9728, the Board delegated the authority to the Executive Director to issue JRPs and MJRPs for jointly owned rail properties using Board-approved JRP and MJRP templates, with the condition that annual rent would not exceed \$50,000. Staff proposes that a modified delegation now be granted to the Executive Director for the execution of JRPs and MJRPs by increasing the annual rent amount from \$50,000 to \$150,000 for which the Executive Director may execute such instruments.

This action will harmonize the policy for delegated authority to the Executive Director for executing permits on joint-port property with the policy already granted to the Executive Director for executing revocable permits on property exclusively owned by the Harbor Department. Los Angeles City Charter section 655(e) provides that the Executive Director, subject to the approval of the Board, can grant revocable permits. Under Board Resolution Nos. 11-7230 and 11-7239, the Board delegated the authority to the Executive Director to issue revocable permits for Harbor Department properties, subject to 1) the use of the Board-approved Revocable Permit Template (allowing modifications that are more stringent or restrictive tenant obligations than in the template) and 2) annual rent not exceeding \$150,000, consistent with Executive Director's authority limit pursuant to Administrative Code Section 10.1.1(a).

With the approval of this action, JRPs and MJRPs will require approval of the Board when they 1) materially deviate from the JRP and MJRP templates, unless the modifications involve more stringent or restrictive tenant obligations; 2) involve annual compensation in excess of \$150,000; and/or 3) include a no-charge rental arrangement. Staff further proposes that the Harbor Department approve the updated Executive Director-level JRP and MJRP templates (Transmittals 2 and 3) containing only nominal modifications such as the addition of a Resolution Number reference to the preamble, adding a statement regarding the Executive Director's delegated authority, stylistic formatting changes to the signature blocks, updating the name of a pipeline regulatory agency, and changes to the contacts and addresses for notices section.

SUBJECT: APPROVAL OF EXECUTIVE DIRECTOR LEVEL JRP AND MJRP TEMPLATES AND AN INCREASE IN DELEGATED AUTHORITY

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval for the updated Executive Director-level JRPs and MJRPs templates and increased authority delegated to the Executive Director to execute JRPs and MJRPs to \$150,000 for annual permit fees, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Resolution will update the JRP and MJRP templates and increase by \$100,000 the annual compensation amount for delegated authority to the Executive Director to execute JRPs and MJRPs from \$50,000 currently to \$150,000 as proposed. The use of board-approved templates and approving the delegated authority to the Executive Director will streamline the administrative process associated with these entitlements. Staff does not anticipate a financial impact to the Harbor Department if the proposed Resolution is approved.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Executive Director-level Joint Revocable Permit and Master Joint Revocable Permit templates as to form and legality.

TRANSMITTALS:

1. Jointly Owned Property Boundaries Map
2. JRP (Executive Director Authority) Template
3. MJRP (Executive Director Authority) Template

FIS Approval: MB
CA Approval: SO

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APPROVED:

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