

**AGENDA OF THE REGULAR MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1
THURSDAY, JANUARY 3, 2008, 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

**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.

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B. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

C. REPORT OF THE EXECUTIVE DIRECTOR

D. REPORTS OF COMMISSIONERS

E. PRESENTATIONS

- 1. Mary Small, Coastal Conservancy Presentation on Ballona Wetlands**

F. BOARD COMMITTEE REPORTS

G. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Minutes of the regular meeting of the Los Angeles Board of Harbor Commissioners of October 18, 2007, for approval.

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H. REPORTS OF THE EXECUTIVE DIRECTOR

Consent Items (1-8)

Real Estate

**1. Re: PROPOSED FIRST AMENDMENT TO PERMIT NO. 722
WITH THE CITY OF LONG BEACH**

SUMMARY: Permit No. 722 grants the City of Long Beach the right to explore for, remove or dispose of oil, gas, petroleum, and other hydrocarbon substances in an area west of Henry Ford Avenue and north of New Dock Street on Terminal Island, as depicted on the attached map. The permit premises can consist of a maximum of 128,502 square feet. The term of Permit No. 722 is for 35 years, commencing on October 28, 1992, and expiring on October 27, 2027.

Under the permit, the City of Long Beach must provide notice if it wants to use the premises for oil operations. To date, Long Beach has never occupied the premises; however, the permit requires the compensation be reset every five years whether or not the permit area is occupied. The proposed amendment would only require resetting of compensation at the time of occupancy and at every five-year anniversary of the permit commencement date thereafter.

Recommendation: Board resolve that (1) the Order authorizing the Executive Director to execute the proposed First Amendment to Permit No. 722 with the City of Long Beach, based on the terms and conditions as set forth in the Board report be adopted.

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Engineering and Homeland Security

2. Re: **SUPPLEMENTAL AGREEMENT NO. 1, CHANGE ORDER NO. 10 – INCREASE, ADDITIONAL CHANGES TO PROJECT NO. 2 – POLA FACILITY, SECURITY ENHANCEMENTS, AGREEMENT NO. 2498 WITH ADESTA LIMITED PARTNERSHIP**

SUMMARY: Approval is requested for Change Order No. 10 of design build Agreement No. 2498 between the City of Los Angeles and Adesta Limited Partnership, 20655 S. Western Avenue, Torrance, CA 90501. The contract consists of designing and building a CCTV and Access Control system to enhance security at POLA facilities. The total of the changes requested is \$3,500,000. This will increase the contract cost from \$5,550,529 (the original amount of \$4,994,850 plus change orders to date of \$555,678) by \$3,500,000 to a new total of \$9,050,529. Up to this point \$619,841 has been expended on this project. The increase includes costs in the following areas:

- a) \$1,100,000 – Work at facilities not identified in the original scope;***
- b) \$500,000 – Work at police facilities secured after contract;***
- c) \$1,050,000 – Technology enhancements and additional equipment requested;***
- d) \$450,000 – Additional design services; and***
- e) \$400,000 – Costs resulting from delay in Project No. 1; Waterside Security Surveillance.***

Information for each of these areas is provided below.

This project was initiated as a grant submittal in late 2003 as an initial response to post 9/11 security concerns at port owned facilities. It was designed as an initial effort to address basic security upgrades at the following five facilities:

- The Harbor Administration Building***
- The C & M Yard***
- The Pilot Station***
- The Port Police Dive facility***
- The Port Police facility on Avalon Street***

The project was not intended as a comprehensive camera and access control system, and was focused on filling security gaps and basic security needs in the post 9/11 environment. It addressed the installation/improvement of the security infrastructure at the most critical POLA employee occupied

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2. (Continued)

facilities, and did not include POLA owned facilities occupied by others, POLA leased facilities, public access areas, or the integration of these systems into a port wide security infrastructure. The project was designed to be the first of a number of such projects, which, as delays have occurred have been integrated into the base project as the change orders identified in this letter.

This project was one of the first port based design build security projects in the U.S. and as such was delayed substantially in the approval process. The project was approved by the Board in 2005 and in the period from system design in 2003 to date a number of factors has made it necessary to dramatically upgrade the project. These include the need to provide protection to port owned facilities not included in the original grant, the need to provide protection to facilities secured after the contract was approved and the need to include improvements and upgrades due to technology advancements between 2003 and today.

The additional funding is required to address critical security vulnerabilities at existing and recently added facilities, and in other critical public areas such as the Cruise Ship Promenade and the boat ramps. If these changes are not made we will have no access control systems at the port facilities including our Homeland Security and Environmental Management Offices, and our new police facility in Wilmington. We will also be failing to address known vulnerable areas such as the public boat ramps and the Cruise terminal. We will also be ignoring technological enhancements that have occurred, and will be unable to apply lessons learned from the installation and operational mistakes of other ports.

The cost increases requested are solely a result of project changes requested by the Operations Bureau, and not as a result of increases requested by the vendor. The changes are needed to add additional scope to the design-build contract that was approved by the board in February 2005. Funding has been budgeted for these projects, and at this point it is more expedient to include our additional needs as change orders to the initial contract than to initiate a separate new contract. The total amount of the project with changes is consistent with projects already completed in other areas such as the Port of

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2. (Continued)

New York and the Port of Houston. We have taken the time to learn from their efforts.

Recommendation: Resolve that (1) the Board find that in accordance with the City Charter Section 1022, the work covered under this Supplemental Agreement can be performed more economically or feasibly by Adesta Limited Partnership (current project design-builder) rather than by City Employees; (2) Change Order No. 10 to Agreement No. 2498 with Adesta Limited Partnership which will authorize \$3,500,000 and a time extension of 119 calendar days be approved; (3) Supplemental Agreement No. 1 to Agreement No. 2498 with Adesta Limited Partnership extending the agreement duration by 119 Calendar Days, and a not-to-exceed amount of \$8,494,850.76 be approved; (4) the Executive Director and the Board Secretary be authorized to execute and attest to said Change Order and Supplemental Agreement for and on behalf of the Board; and (5) the attached Order approving Supplemental Agreement No. 1 to Agreement No. 2498 with Adesta Limited Partnership be adopted.

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Homeland Security

3. Re: **AUTHORIZE THE DIRECTOR OF HOMELAND SECURITY TO EXECUTE GOVERNING BODY RESOLUTION FOR PROPOSITION 1B BETWEEN THE STATE OF CALIFORNIA OFFICE OF HOMELAND SECURITY AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT**

SUMMARY: The State of California Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 was approved by the voters of California as Proposition 1B in the November 7, 2006 general election. Section 8879.23 (c)(3) of Proposition 1B directs that \$100,000,000 of the Bond funds be made available upon appropriation by the legislature for eligible port and maritime projects. These funds will be distributed to California ports through the California Port and Maritime Security Grant Program (CPMSGP). The funding amount appropriated for FY2007 is \$40,000,000.

Eligible applicants are publicly owned ports, harbors, and ferryboat and ferry terminal operators. All eligible applicants must submit investment Justifications to the State of California Office of Homeland Security by January 31, 2008. The Investment Justifications describe the need for the projects being submitted for grant funding. This submittal must include a Governing Body Resolution approved by the organization submitting the application.

This letter requests authorization for the Director of Homeland Security to submit projects for funding on behalf of the Board of Harbor Commissioners. The total amount sought for the submitted projects will be approximately \$10 million dollars. These funds will be applied toward the following planned projects:

***Improvements to the Water Street facility and waterfront,
Establishment of a safety and security inspection station
for commercial vehicles, and
Implementation of a tracking system for law enforcement
resources.***

This grant program does not require cost share funding by the organizations that are awarded the grant funds.

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3. (Continued)

Recommendation: Board resolve that the Director of Homeland Security be authorized to execute for and on behalf of the Board of Harbor Commissioners a Governing Body Resolution for the purpose of applying for funding through the California Port and Maritime Security Grant Program in accordance with the applicable guidelines of that grant program.

Environmental

4. Re: APPROVAL OF A MULTI-AGENCY FUNDING AGREEMENT BETWEEN THE PORT OF LOS ANGELES, THE PORT OF LONG BEACH AND THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT TO FUND THE RESEARCH AND DEVELOPMENT OF A LIQUIFIED NATURAL GAS HEAVY-DUTY TRUCK COMPLIANT WITH THE ENVIRONMENTAL PROTECTION AGENCY 2010 EMISSION STANDARDS

SUMMARY: The San Pedro Bay Ports Clean Air Actions Plan's (CAAP) Technology Advancement Program (TAP) is an integrated component of the CAAP that will evaluate, demonstrate, and incorporate new strategies and technologies into the suite of control measures that will ultimately result in significant reductions of diesel particulate matter and criteria pollutants. This board action approved a multi-agency agreement under the TAP to fund the accelerated development, demonstration, and certification of a High Pressure Diesel Injection (HPDI) natural gas engine to meet the Environmental Protection Agency's (EPA) 2010 heavy duty on-road vehicle emissions standards as early as the first quarter of 2009. The total cost for this project is \$9,894,027 of which the Port of Los Angeles and Port of Long Beach will contribute \$250,000 each.

Recommendation: Resolve that (1) the Board find that funding this project is consistent with the Clean Air Action Plan's Technology Advancement Program; and (2) the Executive Director and Board Secretary be authorized to execute and attest to a multi-agency funding agreement in the amount of \$250,000.

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Public Relations & Legislative Affairs

5. Re: **AWARD OF CONTRACT NO. 39405 FOR THE LEASE/RENTAL OF PHOTOCOPIER EQUIPMENT, BID F-562, TO CANON BUSINESS SOLUTIONS**

SUMMARY: The Communications Services Unit of Public Relations & Legislative Affairs Division is responsible for providing black and white convenient photocopiers to various Harbor Department sites, for providing large-scale black and white copying services through its Copy Center operation and for maintenance of the concerned equipment. The City of Los Angeles leases a variety of copiers due to the high capital outlay required for purchase (the purchase price for the current agreement would be \$600,000), rapid obsolescence of the technology and high long-term operation and maintenance costs of the equipment. The current lease agreement with an equipment provider is set to expire in January 2008 and the City is not renewing with that vendor. The City's new provider is also not an option since that contract does not fit the Port's needs for high volume equipment. To expedite the process of finding a new vendor and to ensure that copier service to all administrative offices and through the Copy Center is not interrupted, it is requested that the Board approve a contract with the County of Los Angeles vendor, Canon Business Solutions West, Inc., 110 W. Walnut Street, Gardena, CA 90248-3100, which has already been through a thorough selection process and with whom the Harbor Department can "piggyback" the County contract for photocopier lease/rental services. Contract No. 39405 is a one-year contract for \$175,000 with two additional one-year options.

Recommendation: Board resolve that (1) Contract No. 39405 with Canon Business Solutions West for a one-year term at a not-to-exceed amount of \$175,000 year be approved; (2) the Executive Director be authorized to execute two one-year extensions at an amount not to exceed \$350,000 total, subject to budget authorization in each fiscal year; and (3) the Executive Director and Board Secretary be authorized to execute and attest to the proposed contract.

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Marketing

6. Re: **APPROVAL OF FOREIGN TRADE ZONE (FTZ)
OPERATING AGREEMENT BETWEEN THE CITY OF
LOS ANGELES AND KW INTERNATIONAL INC. (KWI)
SITE 4C**

SUMMARY: The Port of Los Angeles (Port), as the FTZ grantee, establishes operating agreements with FTZ operators to enable the Port to oversee their FTZ operations. The Port received a request from KWI for an initial activation as a general purpose FTZ warehouse operator at FTZ 202, Site 4C, 18655 S. Bishop Avenue in Carson, California. This site includes 56,733 square feet of warehouse and office. KWI will be operating their warehouses under FTZ operation rules and the operating agreement will provide for a term of five (5) years with three (3) five-year renewal options.

Recommendation: Board resolve that (1) the subject FTZ operating agreements with KWI , Site 4C be approved; (2) the Board Secretary be directed to transmit the proposed FTZ operating agreements to the City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles; and (3) the Executive Director and Board Secretary be authorized to execute and attest to the proposed operating agreements upon approval by the City Council.

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**7. Re: APPROVAL OF FOREIGN TRADE ZONE (FTZ)
OPERATING AGREEMENT BETWEEN THE CITY OF
LOS ANGELES AND NIPPON EXPRESS U.S.A. INC.
(NIPPON), SITE 7B**

SUMMARY: The Port of Los Angeles (Port), as the FTZ grantee, establishes operating agreements with FTZ operators to enable the Port to oversee their FTZ operations. The Port received a request from Nippon to exercise the second renewal option for FTZ Operating Agreement No. 1961 (Agreement No. 1961) at FTZ No. 202, Site 7B, 990 Francisco Street in Torrance, California.

The current agreement with the Port, Agreement No. 1961 became effective on August 1, 1997 and has a five (5) year term with two (2) five- year renewal options. Several City of Los Angeles agreement provisions were updated during this current contract period. As a result, rather than exercising the renewal option, a new proposed agreement was prepared to encompass all provision changes.

We propose to enter into a new operating agreement with a term of five (5) years with three (3) five-year renewal options.

Recommendation: Board resolve that (1) the subject FTZ operating agreement with Nippon, Site 7B be approved; (2) the Board Secretary be directed to transmit the proposed FTZ operating agreement to the City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles; and (3) the Executive Director and Board Secretary be authorized to execute and attest to the proposed FTZ operating agreement upon approval by the City Council.

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**8. Re: APPROVAL OF FOREIGN TRADE ZONE (FTZ)
SUBZONE, OPERATING AGREEMENT BETWEEN THE
CITY OF LOS ANGELES AND IKEA**

SUMMARY: The Port of Los Angeles (Port), as the FTZ grantee, establishes operating agreements with FTZ operators to enable the Port to oversee their FTZ operations. The Port received a request from IKEA for an initial activation as a general purpose FTZ warehouse operator at FTZ 202, Subzone D, 4104 Industrial Parkway in Lebec, California. The site includes 1.7 million square feet of warehouse and office space on an 80 acre parcel. IKEA handles domestic and imported merchandise for sale in both domestic and foreign markets. The proposed FTZ Operating Agreement will provide for a term of ten (10) years with three (3) five-year renewal options with IKEA.

Recommendation: Board resolve that (1) the subject FTZ Operating Agreement with IKEA, Subzone D be approved; (2) the Board Secretary be directed to transmit the proposed FTZ Operating Agreement to the City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles, and (3) the Executive Director and Board Secretary be authorized to execute and attest to the proposed operating agreement upon approval by the City Council.

I. CLOSED SESSION

- 1. Discussion with legal counsel concerning significant exposure to litigation [one (1) potential case], pursuant to subdivision (b)(1) of Section 54956.9 of the California Government Code.**