



LOS ANGELES BOARD OF HARBOR COMMISSIONERS

Harbor Administration Building
425 S. Palos Verdes Street
San Pedro, California 90731

***REVISED SPECIAL MEETING AGENDA THURSDAY, APRIL 14, 2016 AT 8:30 A.M. OPEN SESSION ITEMS WILL BEGIN NO SOONER THAN 9:30 A.M.**

Board of Harbor Commissioners

President, Ambassador Vilma S. Martinez

Vice President David Arian

Commissioner Patricia Castellanos

Commissioner Anthony Pirozzi, Jr.

Commissioner Edward R. Renwick

BOARD MEETINGS - The Board's Regular Meetings are the first and third Thursday of each month at 8:30 A.M. at the Harbor Administration Building Boardroom or as scheduled on the Port's website at www.portoflosangeles.org. A quorum of three of five Commissioners is required to transact business and three Aye votes are required to carry a motion. 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 post the revised agenda on the Port's web site (<http://www.portoflosangeles.org>). Updated agendas will also be available at the meeting. Live Board meetings can also be heard at: (213) 621-2489 (Metro), (818) 904-9450 (Valley), (310) 471-2489 (Westside) and (310) 547-2489 (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.

OPPORTUNITIES FOR THE PUBLIC TO ADDRESS THE BOARD - Before reaching those portions of the agenda where Board action is requested, members of the public will be given an opportunity to address the Board on items of interest within the subject matter jurisdiction of the Board (general public comment). Thereafter, members of the public will be given an opportunity to address the Board on any item on the consent or regular agendas prior to or during the Board's consideration of that item. The same opportunity will be given in open session regarding the closed session agenda prior to commencement of closed session. Members of the public who wish to speak during general public comment are to complete a speaker card so indicating. Members of the public who wish to speak regarding a particular agenda item(s) are to complete a speaker card(s) for each such item. Agendas for special meetings will permit the public to address particular agenda items even where the agenda does not include general public comment. Each speaker is allowed to speak up to 3 minutes per agenda item. The Presiding Officer shall, however, exercise discretion to determine whether such period of time should be reduced or extended based upon such factors as the length of the agenda or substance of the agenda items, the number of public comment speaker cards submitted, the need for the Board to conclude its business as expeditiously as is practicable, and whether the Board is at risk of losing a quorum, among other factors.

If you wish to provide documents to the full Commission, please present the Board Secretary with twelve (12) copies. Otherwise, your materials will simply be added to the official record.

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ORDER OF BUSINESS

A. Roll Call

CLOSED SESSION

B. * Closed Session Items

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
(Subdivision (d)(1) of Government Code Section 54956.9)

Fast Lane Transportation, Inc. v. City of Los Angeles, et al., Contra Costa Superior Court Case No. CIVMSN14-0300, including intervention by City of Carson

Consolidated with:

California Cartage Company, Inc., et al. v. City of Los Angeles, et al., Contra Costa Superior Court Case No. CIVMSN14-0311

City of Long Beach v. City of Los Angeles, et al., Contra Costa Superior Court Case No. CIVMSN14-0312

Coalition for a Safe Environment, et al. v. City of Los Angeles, et al., Contra Costa Superior Court Case No. CIVMSN14-0308

East Yard Communities for Environmental Justice, et al. v. City of Los Angeles, et al., Contra Costa Superior Court Case No. CIVMSN14-0309

Long Beach Unified School District v. City of Los Angeles, et al., Contra Costa Superior Court Case No. CIVMSN14-0310

South Coast Air Quality Management District v. City of Los Angeles, et al., Contra Costa Superior Court Case No. CIVMSN14-0313

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B. (Continued)

2. CONFERENCE WITH LEGAL COUNSEL – INITIATE LITIGATION
(Subdivision (d)(4) of Government Code Section 54956.9)

Initiation of litigation pursuant to subdivision (d)(4) of Section 54956.9:
three cases.

3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)

Provide instructions to its real estate negotiators with respect to a
proposed revocable permit with California Cartage:

Property: 2401 E. Pacific Coast Highway, Wilmington
(Classification Yard)

City Negotiator: Jack Hedge

Tenant Negotiator: Robert Curry

Negotiating Parties: City and California Cartage

Under Negotiation: Price and Terms

4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)

Provide instructions to its real estate negotiators with respect to a
proposed revocable permit with Mortimer & Wallace:

Property: 2422 E. Sepulveda Blvd., Wilmington
(Classification Yard)

City Negotiator: Jack Hedge

Tenant Negotiator: Howard Wallace

Negotiating Parties: City and Mortimer & Wallace

Under Negotiation: Price and Terms

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B. (Continued)

5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)

Provide instructions to its real estate negotiators with respect to a proposed revocable permit with San Pedro Forklift:

Property: 2418 E. Sepulveda Blvd., Wilmington
(Classification Yard)

City Negotiator: Jack Hedge

Tenant Negotiator: Peter Balov

Negotiating Parties: City and San Pedro Forklift

Under Negotiation: Price and Terms

6. CONFERENCE WITH LEGAL COUNSEL – EXISTING
LITIGATION
(Subdivision (d)(1) of Government Code Section 54956.9)

California Cartage Company, Inc. v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BC536307, Court of Appeal of the State of California Second Appellate District Division One Case No. B264211.

7. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)

Provide instructions to its real estate negotiators with respect to Permit 704 with ExxonMobil Oil Corporation:

Property: Berths 237-240, Terminal Island, California

City Negotiator: Michael Galvin

Tenant Negotiator: Christi Vogl

Negotiating Parties: City and ExxonMobil Oil Corporation

Under Negotiation: Price and Terms

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OPEN SESSION

**Convene in Memory of the Honorable Bill Rosendahl, former City of Los Angeles
Councilmember for District 11**

C. Executive Director Remarks

D. Comments from the Public on Non-Agenda Items

E. Reports of the Commissioners

F. Board Committee Reports

G. Approval of the Minutes

Regular Meeting of March 17, 2016

H. Presentation

Fiscal Year 2016/2017 Proposed Annual Budget

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I. Level I Coastal Development Permit Report

The Executive Director has approved two Level I CDPs:

CDP No. 16-06 Pacific Maritime Association – Creation of Overflow Parking for the New International Longshore and Warehouse Union (ILWU) Dispatch Hall

CDP No. 16-08 US Borax – Installation of Air Compressor, Conveyors, Dust Collectors, Truck Scale, and Loading Platform for Dry Bulk Operation

J. Board Reports of the Executive Director

Consent Items (1 – 9)

Cargo & Industrial Real Estate

1. RESOLUTION NO. _____ - PROPOSED REVOCABLE PERMIT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND PACIFIC MARITIME ASSOCIATION

Summary: Staff requests approval of a Revocable Permit (RP) with Pacific Maritime Association (PMA) for use of City of Los Angeles Harbor Department (Harbor Department) property in Wilmington for overflow automobile parking. Approval of the proposed RP will allow PMA and International Longshoreman Warehouse Union (ILWU) to occupy the new dispatch hall once parking lot improvements have been completed. The “overflow” automobile parking will only occur on occasions when the new Dispatch Hall parking lot has reached its total capacity. Under the month-to-month RP, compensation to the Harbor Department is \$22,041.62 per month, revocable on 30 days’ written notice. The Harbor Department will first reimburse PMA for the parking lot improvements through monthly rent credits. The total cost of the proposed improvements is estimated at no more than \$364,000.

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1. (Continued)

Recommendation: Board resolve to (1) find that the ILWU Local 13 Dispatch Hall Project (Project) was assessed pursuant to the California Environmental Quality Act (CEQA) and that (a) the proposed Project will not have a significant effect on the environment as assessed through a Final Mitigated Negative Declaration (Final MND) which was approved by the Board on May 19, 2011, (b) the Board adopted mitigation measures to reduce all impacts of the Project to less than significant levels, and (c) the Addendum to the previously approved Final MND for changes or alterations to the Project has been considered and results in no new environmental impacts or increase in severity of previously identified impacts; (2) approve the Revocable Permit with Pacific Maritime Association; (3) authorize the Executive Director to execute and the Board Secretary to attest to the Revocable Permit; and (4) adopt Resolution No. _____.

Cargo & Industrial Real Estate

2. RESOLUTION NO. _____ - APPROVE SEVENTH AMENDMENT TO PERMIT NO. 733 WITH EAGLE MARINE SERVICES, LTD. TO MODIFY CALCULATION OF COMPENSATION

Summary: Staff requests approval of the Seventh Amendment to Permit No. 733 with Eagle Marine Services, LTD. (EMS) to modify the calculation of the compensation structure from dockage (based on the length of ship's stay at berth) and wharfage (based on the weight or measure of the cargo) to a compensation structure based on the volume of containers moved using a Twenty-Foot Equivalent Units (TEU) Scale, which includes dockage and wharfage charges. The TEU rate conversion under the Seventh Amendment will become effective April 1, 2016, and is structured to maintain revenue neutrality to the City of Los Angeles Harbor Department (Harbor Department) and EMS. The reporting of cargo volumes handled at EMS is currently partially electronic, but mostly manual. The manual process is causing significant administrative burdens on the shipping lines, EMS, and Harbor Department staff, as well as significant delays in collection of revenue. The compensation structure for EMS is antiquated, and changing EMS over to a TEU-based compensation scale will allow compensation to be calculated in line with other container terminals in the Port of Los Angeles and will increase the efficiency of collecting compensation from EMS.

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2. (Continued)

Recommendation: Board resolve to (1) find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management; (2) approve the Seventh Amendment to Permit No. 733 with Eagle Marine Services, LTD.; (3) direct the Board Secretary to transmit the Seventh Amendment to the City Council for approval pursuant to Charter Section 606 of the City Charter; (4) authorize the Executive Director to execute and the Board Secretary to attest to the Seventh Amendment upon approval by City Council; and (5) adopt Resolution No._____.

Management Audit

3. RESOLUTION NO._____ - APPROVAL OF FIRST AMENDMENT TO AGREEMENT NO. 13-3158 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND BAZILIO COBB ASSOCIATES

Summary: The City of Los Angeles Harbor Department (Harbor Department) staff recommends to execute a First Amendment to Agreement No. 13-3158 with Bazilio Cobb Associates (BCA) as a result of the acquisition of the audit and assurance services practice of BCA by BCA Watson Rice – Western Region, LLP (Watson). The acquisition by Watson is resulting in the Agreement being assigned to Watson and the Agreement needs to be amended to reflect that change. All other terms and conditions of Agreement No. 13-3158 remain unchanged.

Recommendation: Board resolve to (1) find that the Director of Environmental Management has determined that the proposed action is 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 First Amendment to Agreement No. 13-3158 between the City of Los Angeles Harbor Department and Watson; (3) authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 13-3158; and (4) adopt Resolution No._____.

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Waterfront & Commercial Real Estate

4. RESOLUTION NO. _____ - ORDERS RESETTING
COMPENSATION FOR NINE EAST BASIN/CERRITOS CHANNEL
WILMINGTON MARINAS

Summary: Staff requests approval for compensation resets for the nine marinas located in the East Basin/Cerritos Channel in Wilmington. The compensation reset is for the five-year period of November 1, 2015 through October 31, 2020, and the new minimum annual rent is based on 75 percent of each marina's average annual gross receipts for the past three years. The nine Wilmington Marinas are California Yacht Marina (P801), L.P.; Cerritos Yacht Anchorage, Inc. (P805); Island Yacht Anchorage I, Inc. (P802); Island Yacht Anchorage II, Inc. (P825); Lighthouse Yacht Landing, Inc. (P803); Marina Ventures Partnership dba Holiday Harbor (P808); Perel Marinas, Inc. dba Pacific Yacht Landing (P804); Yacht Centre, Inc. (P807); and Yacht Haven Marina, Inc. (P806) (collectively, Wilmington Marinas). Leeward Bay Marina, located among the Wilmington Marinas, is not included in the proposed action because it is under a month-to-month revocable permit and will be addressed separately.

Recommendation: Board resolve to (1) find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management; (2) adopt the Orders resetting compensation for the Wilmington Marinas for the period of November 1, 2015 through October 31, 2020; (3) authorize the Board Secretary to attest to the Orders resetting compensation; and (4) adopt Resolution No. _____ and Order Nos. _____.

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Waterfront & Commercial Real Estate

5. RESOLUTION NO. _____ - PERMIT AMENDMENTS TO ESTABLISH AN IMPROVEMENTS SET ASIDE ACCOUNT FOR NINE EAST BASIN/CERRITOS CHANNEL WILMINGTON MARINAS

Summary: Staff requests approval for permit amendments for nine marinas located in the East Basin/Cerritos Channel in Wilmington. The permit amendments allow for up to 25 percent of each respective marina's percentage rent to be credited to the tenant to be used toward the funding of pre-approved improvement projects within the marina premises. The nine Wilmington Marinas are California Yacht Marina (P801), L.P.; Cerritos Yacht Anchorage, Inc. (P805); Island Yacht Anchorage I, Inc. (P802); Island Yacht Anchorage II, Inc. (P825); Lighthouse Yacht Landing, Inc. (P803); Marina Ventures Partnership dba Holiday Harbor (P808); Perel Marinas, Inc. dba Pacific Yacht Landing (P804); Yacht Centre, Inc. (P807); and Yacht Haven Marina, Inc. (P806) (collectively, Wilmington Marinas). Leeward Bay Marina, located among the Wilmington Marinas, is not included in the proposed action because they are on a month-to-month revocable permit and will be addressed separately.

Recommendation: Board resolve to (1) find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management; (2) approve the amendments to Wilmington Marinas permits; (3) direct the Board Secretary to transmit the amendments to the City Council pursuant to Charter Section 606; (4) authorize the Executive Director to execute and the Board Secretary to attest to the amendments upon approval by City Council; and (5) adopt Resolution No. _____.

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Financial Management

6. RESOLUTION NO. _____ - REQUEST FOR BUDGETARY TRANSFER FROM FY 2015/16 ADOPTED CAPITAL IMPROVEMENT PROGRAM BUDGET TO ADOPTED OPERATING EXPENSE BUDGET

Summary: The City of Los Angeles Harbor Department (Harbor Department) staff proposes total budgetary transfers of \$6,816,419, summarized as follows:

1. Transfer \$2,413,267 from the Fiscal Year (FY) 2015/16 Adopted Capital Improvement Program Budget (Adopted Capital Budget) to meet a shortfall in the FY 2015/16 Adopted Operating Expense Budget (Adopted Operating Expense Budget) "Other Operating Expenses" category;
2. Transfer \$4,273,152 from the Adopted Capital Budget to the Adopted Operating Expense Budget's "City Services" category; and
3. Transfer \$130,000 from the Adopted Capital Budget to the Adopted Operating Expense Budget's "Materials & Supplies" category.

The first anticipated shortfall within the Other Operating Expenses category results from an accounting requirement to reserve an allowance for potentially uncollectible revenue resulting from ongoing litigation, while the second results from an increase in pollution remediation expenses as determined by the annual reconciliation of estimated pollution remediation costs for 21 active projects. The anticipated shortfall within the City Services category results from higher than anticipated maintenance expenses for recreational facilities within the Harbor area as well as additional payments which reconcile the difference between estimated and actual overhead costs incurred by the City of Los Angeles. The anticipated shortfall within the Materials & Supplies category results from greater amounts of materials required for the Construction & Maintenance (C&M) Division to perform its growing level of maintenance responsibilities. Sufficient funds are available within the Adopted Capital Budget for this budgetary transfer as staff anticipates a surplus will exist by fiscal year end. Payment of the expected Other Operating, City Services and Materials & Supplies expenses is the financial responsibility of the Harbor Department.

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6. (Continued)

Recommendation: Board resolve to (1) find that the Proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;

(2) approve the following budgetary transfers to resolve a projected shortfall in the respective operating expense accounts:

- a. Transfer \$2,413,267 from the Adopted Capital Budget, Account 13807, Center 1000, Program 000 to Other Operating Expenses (Program 000) as follows:
 - i. \$1,816,792 to Center 0900, Account 59810; and
 - ii. \$596,475 to Center 0330, Account 59960;
- b. Transfer \$4,273,152 from the Adopted Capital Budget, Account 13807, Center 1000, Program 000 to City Services (Program 000) as follows:
 - i. \$2,072,844 to Center 0900, Account 57070;
 - ii. \$768,345 to Center 0120, Account 57010;
 - iii. \$398,967 to Center 0900, Account 57065; and
 - iv. \$1,032,996 to Center 0900, Account 57075; and
- c. Transfer \$130,000 from the Adopted Capital Budget, Account 13807, Center 1000, Program 000 to Materials & Supplies (Program 000), Center 0510, Account 55010;

(3) direct the Board Secretary to transmit the Resolution to the Mayor for approval pursuant to Section 343(b) of the City Charter; (4) direct the Board Secretary to notify the City Clerk of such transfer pursuant to Section 343(d) of the City Charter at the time such transfer is made; and (5) adopt Resolution No._____.

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Cargo & Industrial Real Estate

7. RESOLUTION NO. _____ - PROPOSED REVOCABLE PERMIT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND CALIFORNIA CARTAGE COMPANY

Summary: The proposed action will grant a Revocable Permit (RP) to California Cartage Company (Cal Cartage) for property formerly covered by Agreement No. 2069 and Revocable Permit (RP) No. 95-40 issued by the City of Los Angeles Harbor Department (Harbor Department). Because of the location within the footprint of the BNSF Railway Co. (BNSF) Southern California International Gateway (SCIG) project, these Harbor Department-issued entitlements were terminated in May of 2013 and replaced by license agreements issued by BNSF covering the same footprint and uses, to provide Cal Cartage continuing occupancy pending development of the SCIG Project. BNSF's development of the SCIG project site pursuant to a Site Preparation and Access Agreement (SPAA) was voided by the recent court ruling in the Fast Lane Transportation et al. v. City of Los Angeles et al. litigation (SCIG litigation) case, which also voided the license agreements issued to Cal Cartage by BNSF, thus necessitating issuance of the recommended RP in order to provide lawful occupancy of the property by Cal Cartage.

Recommendation: Board resolve to (1) find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines; (2) approve the proposed Revocable Permit with California Cartage Company; (3) authorize the Executive Director to execute and the Board Secretary to attest to the Revocable Permit; and (4) adopt Resolution No. _____.

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Cargo & Industrial Real Estate

8. RESOLUTION NO. _____ - PROPOSED REVOCABLE PERMIT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND MORTIMER & WALLACE, INC.

Summary: The proposed action will grant a Revocable Permit (RP) to Mortimer & Wallace, Inc. (M&W) for property formerly covered by Permit No. 752 issued by the City of Los Angeles Harbor Department (Harbor Department). Because of the location within the footprint of the BNSF Railway Co. (BNSF) Southern California International Gateway (SCIG) project, this Harbor Department-issued entitlement was terminated in May of 2013 and replaced by a license agreement issued by BNSF covering the same footprint and uses, to provide M&W continuing occupancy pending development of the SCIG Project. BNSF's development of the SCIG project site pursuant to a Site Preparation and Access Agreement (SPAA) was voided by the recent court ruling in the Fast Lane Transportation et al. v. City of Los Angeles et al. litigation (SCIG Litigation) case, which also voided the license agreements issued to M&W by BNSF, thus necessitating issuance of the recommended RP in order to provide lawful occupancy of the property by M&W.

Recommendation: Board resolve to (1) find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines; (2) approve the proposed Revocable Permit with Mortimer & Wallace, Inc.; (3) authorize the Executive Director to execute and the Board Secretary to attest to the Revocable Permit; and (4) adopt Resolution No. _____.

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Cargo & Industrial Real Estate

9. RESOLUTION NO. _____ - PROPOSED REVOCABLE PERMIT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SAN PEDRO FORKLIFT INC.

Summary: The proposed action will grant a Revocable Permit (RP) to San Pedro Forklift (SP Forklift) for property formerly covered by Revocable Permit (RP) No. 99-07 issued by the City of Los Angeles Harbor Department (Harbor Department). Because of the location within the footprint of the BNSF Railway Co. (BNSF) Southern California International Gateway (SCIG) project, this Harbor Department-issued entitlement was terminated in November of 2013 and replaced by a license agreement issued by BNSF covering the same footprint and uses, to provide SP Forklift continuing occupancy pending development of the SCIG Project. BNSF's development of the SCIG project site pursuant to a Site Preparation and Access Agreement (SPAA) was voided by the recent court ruling in the Fast Lane Transportation et al. v. City of Los Angeles et al. litigation (SCIG Litigation) case, which also voided the license agreement issued to SP Forklift by BNSF, thus necessitating issuance of the recommended RP in order to provide lawful occupancy of the property by SP Forklift.

Recommendation: Board resolve to (1) find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines; (2) approve the proposed Revocable Permit with San Pedro Forklift Inc.; (3) authorize the Executive Director to execute and the Board Secretary to attest to the Revocable Permit; and (4) adopt Resolution No. _____.

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Regular Items (10 & 11)

Environmental Management

10. RESOLUTION NO. _____ - ADOPTION OF THE FINAL INITIAL STUDY/NEGATIVE DECLARATION AND APPROVAL OF THE BERTHS 177-178 TRANSIT SHED DEMOLITION PROJECT (LOS ANGELES HARBOR DEPARTMENT APPLICATION FOR PORT PERMIT NO. 150716-083; STATE CLEARING HOUSE NO. 2016031004)

Summary: Staff recommends that the Board of Harbor Commissioners (Board) adopt the Final Initial Study/Negative Declaration (IS/ND) for the proposed Berths 177-178 Transit Shed Demolition Project (Project), and approve the proposed Project as described in the Final IS/ND. The Berths 177-178 cargo transit shed is a 135,000-square-foot structure located at 802 S. Fries Avenue in Wilmington. The transit shed is a part of the 40-acre omni-terminal operated by Pasha Stevedoring and Terminals (PST) comprising Berths 174-181. PST has used the transit shed to store steel sheets, coils and other breakbulk cargo as part of their terminal operations since 1986. The transit shed sustained significant damage from a fire that occurred in September 2014, and has since remained vacant and been deemed unusable. After inspection, the City of Los Angeles Harbor Department (Harbor Department) determined that the most cost effective option for the building was demolition. The proposed Project solely involves the demolition of the transit shed. Upon Project completion the structure's foundations will be left in place and the open property will again be used for the handling and storage of cargo. The entire demolition process, including lead and asbestos abatement procedures, will take approximately 50 days to complete. A historic resource evaluation was completed in August 2015 and determined that the transit shed is not a structure of historical significance due to its history of extensive alterations and damage.

Recommendation: Board resolve to (1) find that, pursuant to the State California Environmental Quality Act Guidelines Section 15074, the Final Initial Study/Negative Declaration for the Berths 177-178 Transit Shed Demolition Project has (a) been completed in compliance with the State California Environmental Quality Act Guidelines and the Los Angeles City California Environmental Quality Act Guidelines; (b) was presented to the Board for review and was reviewed and considered by the Board prior to approving the proposed Project; and (c) reflects the independent judgment and analysis of the City of Los Angeles Harbor Department as the Lead Agency; (2) find that, based on the whole record before it, including (a) the information contained in this report; and (b) the Final Initial Study/Negative Declaration for the Berths 177-178 Transit Shed Demolition Project, the proposed Project would not have a significant

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10. (Continued)

effect on the environment pursuant to Public Resources Code Section 21080 and State California Environmental Quality Guidelines Section 15070; (3) find that all information added to the Final Initial Study/Negative Declaration after the public review period, but before adoption, merely clarifies, amplifies, or makes insignificant modifications, and that recirculation is not necessary; (4) adopt the Final Initial Study/Negative Declaration for the Berths 177-178 Transit Shed Demolition Project; (5) authorize the Environmental Management Division to file the Notice of Determination for the subject proposed Project with the Los Angeles City and County Clerks; (6) approve the Berths 177-178 Transit Shed Demolition Project; and (7) adopt Resolution No._____.

K. Special Order of the Day - Level II Non-Appealable Coastal Development Permit

Public Hearing

11(a) ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 16-07) TO THE CITY OF LOS ANGELES HARBOR DEPARTMENT FOR THE DEMOLITION OF A TRANSIT SHED AT BERTHS 177-178

Pursuant to the California Coastal Act of 1976, as amended and the Port of Los Angeles' certified Port Master Plan, notice is hereby given to all interested persons and organizations that the Los Angeles Board of Harbor Commissioners will hold a public hearing to receive public comments prior to considering the following for a Coastal Development Permit.

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Planning & Strategy

11(b) RESOLUTION NO. _____ - ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 16-07) TO THE CITY OF LOS ANGELES HARBOR DEPARTMENT FOR THE DEMOLITION OF A TRANSIT SHED AT BERTHS 177-178

Summary: Staff recommends that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 16-07 to the City of Los Angeles Harbor Department (Harbor Department) for the proposed Berths 177-178 Transit Shed Demolition Project (Project). The Berths 177-178 cargo transit shed is a 135,000-square-foot structure located at 802 S. Fries Avenue in Wilmington. The transit shed is a part of the 40-acre omni-terminal operated by Pasha Stevedoring and Terminals (Pasha) comprising Berths 174-181. Pasha has used the transit shed to store steel sheets, coils, and other breakbulk cargo as part of their terminal operations since 1986. The transit shed sustained significant damage from a fire that occurred in September 2014, and has since remained vacant and been deemed unusable. After inspection, Harbor Department determined that the most cost effective option for the building was demolition. The proposed Project solely involves the demolition of the transit shed. Upon Project completion, the structure's foundations will be left in place and the open property will again be used for the handling and storage of cargo. The entire demolition process, including lead and asbestos abatement procedures, will take approximately 50 days to complete. A historic resource evaluation was completed in August 2015 and determined that the transit shed is not a structure of historical significance due to its history of extensive alterations and damage. The estimated cost of the proposed Project is approximately \$2.5 million with a 17 percent contingency cost for a total of \$3.0 million and the Harbor Department received \$1.2 million in insurance money for the building.

Recommendation: Board resolve to (1) hold a public hearing for the proposed Coastal Development Permit No. 16-07, a Level II non-appealable permit; (2) find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan and find that this project will have no significant adverse environmental impacts as provided in the Final Initial Study/Negative Declaration prepared pursuant to the California Environmental Quality Act; (3) upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 16-07, consistent with the project description listed on Application for Port Permit No. 150713-083, and direct the Director of Planning and Strategy to issue said permit; and (4) adopt Resolution No. _____.

L. Adjournment