

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: January 19, 2024

TO: Honorable Members of the
Ad Hoc Committee on City Governance Reform

Attention: Council President Paul Krekorian, Chair
Councilmember Marqueece Harris-Dawson
Councilmember Bob Blumenfield
Councilmember Eunisses Hernandez
Councilmember Nithya Raman
Councilmember Heather Hutt
Councilmember Traci Park

FROM: Eugene D. Seroka, Executive Director
Harbor Department, Mail Stop 260

Mark Blum *for*

**SUBJECT: RESPONSE TO MOTION COUNCIL FILE 23-1027-
RECOMMENDATIONS ON CHARTER REFORM**

At the November 30, 2023, meeting of the Ad Hoc Committee on City Governance Reform, Council President Krekorian made a verbal motion requesting the Harbor Department ("Port") to be included in the list of City departments to report recommendations for sections in the Charter that would benefit from reform to modernize the City's organizational structure or support more strategic citywide policies.

The Port is unique in that the specific Charter provisions that govern it reflect the Tidelands Trust between the City of Los Angeles and the State of California. Within the framework of Trust, the Port has the following recommendations in support of the City's goal to limit hindrances for establishing and growing businesses:

- Provide an exception for agreements pertaining to Foreign Trade Zones (FTZs) to Charter Section 373. FTZs are a federal economic incentive program to bring international trade within the capability of even the smallest of businesses. The program is designed to lower the cost of doing business and stimulate economic growth and development in the U.S. by allowing companies to defer, reduce or eliminate U.S. Customs duties. Participating businesses are vetted by both the Department of Commerce and Customs and Border Protection. The Port of Los Angeles is the administrator for FTZ 202. Current contracting processes add several months, and at times up to a year, of additional bureaucracy to the approval process.
- Provide clarification within Charter Section 652 that Conditional Use Permits (CUP) may be granted by the Board of Harbor Commissioners. Businesses which seek to open within the Harbor District are required to go through a public entitlement process through both the Department and Board of Harbor Commissioners. If the business requires a CUP, it is required to go through an additional process through the Planning Department and Zoning Administrator which creates delay and uncertainty for the operators.

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- As the Committee and Council continues its discussion regarding the number of weekly Council meetings to conduct per week, consideration should be given to Charter Section 245, which requires a 5-council meeting review period before an action of a commission is finalized. If council meetings are reduced, this will impact the approval time of administrative items.
- Provide time for the Port to work with our sister agencies to evaluate potential Charter reforms that can facilitate our goal of achieving environmental goals of 100% zero-emission operations by 2030 and 100% zero-emission drayage operations by 2035.

The City and the Port also strive to provide excellent, prompt service to all constituents. To that end the Port recommends the following:

- Update Employment Provisions to meet the needs of a 21st century workforce. The provisions should be evaluated and modified with a goal of attracting and retaining the talent needed to provide City services to Angelinos.
- When it is deemed infeasible for City employees to perform certain tasks or services, departments will contract for those tasks or services. Charter Section 1022 requires that other City departments be notified in these instances in order to assess whether employees in other departments could perform the work. Departments very rarely respond to these notifications, causing delays in the contracting process. Therefore, the Port recommends modification of this section and consideration of making such notification to departments optional.

In order to promote a more diverse, inclusionary, and representative Board of Harbor Commissioners composition, the Port recommends the following:

- Changes to Charter Section 503b which requires a commission to meet at least twice monthly. The current time commitment required of volunteer commissioners may make it infeasible for many Angelinos to serve on the Board, reducing the number of required meetings could allow for more people to participate.
- Allowing for commissioner stipends (to be paid by the Port), adjusted for CPI, which could remove another barrier to serving on the commission.

The Port of Los Angeles appreciates the opportunity to participate in the important work of Charter reform. Questions regarding this report may be directed to David Libatique, Deputy Director of Stakeholder Engagement at (310) 732-3440.

EDS/smr

cc: Anissa Raja, Council District 15
Erick Martell, Mayor's Office
Jacqueline Vernon Wagner, CAO's Office