

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: February 19, 2026

TO: Honorable Members of the Trade, Travel, and Tourism Committee

FROM: Sharon M. Tso *smtso* Council File No. 25-0118
Chief Legislative Analyst Assignment No. 25-04-0291

SUBJECT: Proposed Charter Amendments - Port of Los Angeles

SUMMARY

On April 2, 2025, the Council adopted a Motion (McOsker – Soto-Martinez) (Attachment I) directing the Chief Legislative Analyst (CLA) and Port of Los Angeles (POLA), in coordination with the City Administrative Officer (CAO) and City Attorney, to report with an update on proposed amendments and processes needed to establish two new sections in the City Charter related to the POLA (C.F. 25-0118). The first matter would codify in the Charter POLA's Public Access Investment Plan (PAIP), which allocates a portion of the department's operating income to building public access projects at the Los Angeles Waterfront. The second matter would specify in the Charter that applications for leasing, including lease extensions, amendments or development of POLA property, include a workforce impact disclosure as a condition of approval for any lease, lease extension or amendment, or proposed development of Harbor Department property requiring a Coastal Development Permit. The Motion also requested draft language related to these potential Charter changes for Council consideration.

In accordance with Council action, CLA staff consulted with POLA, the City Attorney, and the CAO on potential Charter amendment language that would effectuate the goals of the Motion. Based on these discussions, potential language is presented in the Discussion section of this report. Inasmuch as the Council may wish to preserve flexibility to respond to evolving financial or operational considerations, our Office recommends that the Council use the proposed language to guide the development of an ordinance to amend the Los Angeles Administrative Code (LAAC), rather than specifying these matters in the Charter. Amending the LAAC allows the Council to initiate updates through ordinance, rather than scheduling future ballot measures and securing voter approval for amendments, ensuring that the City can respond to changing budgetary conditions, community needs, industry practices, and analytical methods (with respect to workforce impact modeling) as needed. As a general policy consideration, this Office advises that operational or policy reforms be implemented through ordinance rather than Charter amendment, unless an existing Charter provision limits or precludes the City's ability to effectuate the proposed changes through ordinance.

RECOMMENDATIONS

This is a policy matter for the Council's consideration. If the Council chooses to proceed with formally codifying the policies under consideration, then this Office recommends the following actions:

1. Request the City Attorney to prepare and present a draft ordinance to amend the Los Angeles Administrative Code (LAAC) requiring the Board of Harbor Commissioners to

institute a Public Access Investment Plan to build and maintain LA Waterfront public access projects that are developed through public input, including local Neighborhood Councils, Chambers of Commerce and the City Council Office representing the Harbor area, as further outlined in this report.

2. Request the City Attorney to prepare and present a draft ordinance to amend the LAAC to require a workforce impact disclosure as a condition of approval for any lease, lease extension or amendment, or proposed development of Harbor Department property requiring a Coastal Development Permit, as further outlined in this report.

DISCUSSION

Charter Reform

The Council and Mayor established the Charter Reform Commission through ordinance on August 12, 2024. The purpose of the Commission is to review the City Charter and develop recommendations for Council consideration. As part of the Charter Reform process, Council referred a number of specific matters to the Commission for further consideration and development (C.F. 23-1027). During that process, Council adopted amending Motion 27D (McOsker – Park) (Attachment II). Subsequently, a Motion (McOsker – Soto-Martinez) (Attachment I), adopted by Council on April 2, 2025 (C.F. 25-0118). Our Office notified the staff from the Charter Reform Commission that this report was being prepared pursuant to the instructions of the subsequent Motion (McOsker – Soto-Martinez) adopted on April 2, 2025.

Port of Los Angeles Governance

The lands and waters under the possession, management and control of the Board of Harbor Commissioners (Board) are known as the Harbor District. The land and waters in the Harbor District are subject to the provisions of the State Tidelands Trust Act of 1911, as amended. The State of California granted the City control over tidelands and submerged lands in the Harbor District through the Tidelands Trust Act. The tidelands were originally granted to the City for the purpose of promoting commerce, navigation, and fishery, but permitted uses have been expanded numerous times. State legislative action expanded the permitted uses of tidelands to include maritime commerce, fishing, navigation, recreation and environmental activities that are water-oriented and intended to be of statewide benefit. Certain additional requirements and restrictions are imposed by the tidelands grant to the City, including limitations on the sale and long-term leasing of tidelands and limitations on the use of funds generated from the tidelands and tidelands trust assets.

The Charter grants the Board possession, management and control of all land and water in the Harbor District, and all other Harbor assets, including all port facilities and generated revenue therefrom. The Charter grants the Board certain powers to create and enforce rules and regulations related to the Harbor District; collect and fix rates and charges for Harbor assets; and to guide the development of the Harbor District.

The Office of City Attorney has advised that, regardless of whether they are implemented through Charter amendment or ordinance to amend the LAAC, enforcement challenges could arise to proposals that:

1. codify mandated funding levels or budget percentages in the PAIP which could potentially interfere with Board of Harbor Commissioners authority over the Harbor Revenue Fund; and

2. require Coastal Development Permits (CDP) to be conditioned upon specific workforce impact disclosures for any agreement requiring CDP, which could potentially interfere with Board of Harbor Commissioners authority to issue CDPs.

The Charter and Tidelands Trust require that the Board of Harbor Commissioners must control the following decisions, independent of the City Council or General Fund:

- all spending and budget decisions regarding the Harbor Revenue Fund, which is only subject to California State Lands Commission direction;
- all land use decisions regarding leasing policy of the Harbor District property, which is only subject to California State Lands Commission direction; and
- issuance of Coastal Development Permits, pursuant to the specific requirements of the certified Port Master Plan which is based on the Coastal Act, which is only subject to California Coastal Commission approval.

Public Access Investment Plan

The PAIP was initiated in 2015 as a 10-year budgetary guideline to allocate 10 percent of POLA's operating income to build public access projects at the Los Angeles Waterfront. The PAIP was developed with broad public input to create a long-term capital planning process for public access projects that is transparent to the community, predictable for private investors, and financially sustainable. It also functions as an equity tool to ensure there is equal investment in public access between the port communities of San Pedro and Wilmington.

The PAIP (Attachment III), as amended in 2023, is summarized as follows:

- Provides a minimum of ten percent of POLA's annual operating income for LA Waterfront public access infrastructure projects.
- Requires that POLA engage with Council District 15 (CD 15) on an annual basis to determine the scope, range, and budget of public access projects. Requires that CD 15 engage in a public process to gather community recommendations for projects.
- Provides Board flexibility to modify the plan based on general economic trends, declining financial outlook, and legal issues.

On September 11, 2025, POLA presented an update to its PAIP projects to the Board. The update included a discussion of ongoing and planned projects, including but not limited to:

- Avalon Pedestrian Bridge and Promenade Gateway
- Wilmington Youth Aquatic Center
- Gateway Signage
- San Pedro Waterfront Parking Improvements
- Harbor Boulevard Gateway Improvements

POLA committed \$313.9 million to PAIP projects in its initial 10-year cycle, from Fiscal Year (FY) 2015-16 through FY 2024-25. In 2023, the PAIP was amended to be a permanent feature of POLA's capital budgeting, and operates on a rolling five-year basis, rather than the previous 10-year plan term. The funding total for planned projects through FY 2029-30 is \$93.1 million. The total amount committed to all PAIP projects since inception is \$407 million. The table below summarizes the funding for completed, ongoing, and planned projects at the Wilmington Waterfront and San Pedro Waterfront:

PAIP FUNDING BY WATERFRONT AND PROJECT STATUS (FY 2015-16 through 2029-30)				
	Completed	On-going	Planned	Total
Wilmington Waterfront	\$77.34 M	\$96.26 M	\$30 M	\$203.6 M
San Pedro Waterfront	\$117.1 M	\$23.2 M	\$63.1 M	\$203.4 M
TOTAL	\$194.44 M	\$119.46 M	\$93.1 M	\$407 M

Board Control Over Harbor Revenue Funds and Flexibility

Consistent with the Charter and the Tidelands Trust, the existing PAIP maintains the Board’s control over Harbor Revenue Funds decisions and allows the Board flexibility to make ongoing adjustments based on general economic trends, a potential declining financial outlook, and legal matters. It also allows the Board to retain full discretion to set budget and project priorities to best manage POLA assets and funds, consistent with the Charter and Tidelands Trust. Maintaining the Board’s discretion to respond to potential economic or commercial conditions is consistent with its role as trustee and supports effective management of POLA’s resources.

The Charter prescribes the fundamental duties and obligations of POLA, which are consistent with the Board’s obligation to manage the Harbor Revenue Funds under the Tidelands Trust. These sections establish broad authority and a governance structure, rather than detailed programmatic requirements. As the PAIP is a programmatic budgeting framework rather than a foundational governance function, the Council may wish to consider whether its level of detail is consistent with the structure and intent of Charter provisions or whether it is more appropriately placed in the LAAC.

Possible Amendment Language - Public Access Investment Plan

If the Council intends to formally codify the PAIP, our Office, in consultation with POLA and the City Attorney, recommends that this requirement be implemented by amending the LAAC rather than by Charter amendment. The decision on whether to codify the PAIP in the Charter or the LAAC remains a policy matter for the Council.

Should the Council wish to proceed the following language would be appropriate:

The Board of Harbor Commissioners shall maintain a Public Access Investment Plan, updated in five-year cycles, to build and maintain LA Waterfront public access projects that are developed through public input including local Neighborhood Councils, Chambers of Commerce and the City Council Office representing the Harbor area. These projects should provide significant Port-related community benefits through waterfront connectivity consistent with the Tidelands Trust. Port staff shall report on the status of all active and future projects on an annual basis, including the scope, estimated schedule, and budget for the next fiscal year.

Workforce Impact Disclosure

The Motion (McOsker – Soto-Martinez) requests language that would require any application at the Port for leasing, lease extension or amendment, or development of Harbor Department property to include a workforce impact disclosure. This disclosure would measure, both

qualitatively and quantitatively, how the proposed action would affect direct and indirect jobs associated with the premises. The Motion specifies that the assessment should identify the number and types of jobs impacted and provide verifiable proof indicating whether the baseline job count would increase, remain neutral, or decrease.

Additionally, the Motion requests information on the procedural changes needed for Port plans or policies in order to codify these changes to the Leasing Policy. This includes application to all development applications and leasing transactions, including, without limitation, Lease Agreements (i.e., leases, permits, and revocable permits), all Lease Agreement amendments, term extensions, assignments, and subleases.

In March 2024, Council adopted amendments to POLA's Leasing Policy to require a workforce impact disclosure for all entities seeking to lease Port property, whether short-term or long-term, through the submission of an Application for Port Permit (APP) (C.F. 23-1356). The APP requires applicants to answer the following: current number of employees at the site; estimated employees after project completion; estimated construction jobs; and total jobs created for the project.

Worker Protection and Port Market Competition

The Council has taken significant action to protect workers through policy, programmatic, and legislative decisions, such as the Living Wage Ordinance, the COVID-19 Right of Recall and Worker Retention Ordinances, and establishing sector-specific wage floors. Requiring lessees, particularly terminal operators, to disclose workforce impacts associated with proposed lease changes may provide greater clarity regarding how operational changes and emerging technologies, including but not limited to automated cargo handling equipment, affect workers.

The Port is a major regional economic engine that supports well-paying jobs. These jobs rely in part on POLA's ability to remain competitive in the goods movement industry. While implementing a workforce impact disclosure requirement may be consistent with the City's worker-protection goals, additional requirements could have operational implications, by lengthening lease negotiations or discouraging prospective tenants if the standards are viewed as overly burdensome. If a potential voter-approved workforce impact disclosure in the Charter does not yield useful data, the Council's ability to amend the disclosure requirement in the future may be limited if refinement requires additional changes to the Charter.

Standard of Proof and Evolving Analytical Methods

The APP requires employment disclosures and estimated impacts associated with the permit under consideration. The Motion requests additional related language that:

- Analyzes the impact to direct and indirect jobs associated with the premises, including the number and types of jobs impacted
- Identifies the verifiable proof of whether the employee effects would be neutral, increase, or decrease the baseline job count.

Implementing this level of analysis would require the use of an industry-recognized methodology for workforce impact modeling. While various economic and labor-market modeling (e.g., input-output modeling, labor-market forecasting tools, or sector-specific economic impact analyses) approaches exist, there is no single accepted standard for workforce impact analysis in the maritime or goods-movement sector. In addition, industry standards, data sources, and

modeling tools evolve over time. Embedding a specific methodology into the Charter could limit the City's ability to adjust to future best practices.

Flexibility and the Charter Amendment Process

Best practices for workforce impact assessments will continue to evolve with changes in technology, labor-market conditions, and available modeling tools. A Charter-based requirement may not be able to adapt at the pace necessary to remain aligned with industry standards, particularly if adjustments to methodology or disclosure expectations require voter approval. A framework that needs periodic refinement to remain effective may be difficult to maintain through the Charter amendment process.

For these reasons, if the Council wishes to require workforce impact disclosures for POLA agreements, adopting such a requirement through an ordinance to amend the LAAC would provide the necessary flexibility to update analytical methods and processes over time without necessitating additional Charter amendments.

Possible Amendment Language - Workforce Impact Disclosure

If the Council intends to codify a workforce impact disclosure requirement for agreements at the Port, our Office, in consultation with POLA and the City Attorney, recommends that this requirement be implemented by amending the LAAC through ordinance rather than by Charter amendment. Doing so would be more consistent with the Board of Harbor Commissioners' obligation to manage the Harbor District and Harbor Assets under the Charter and Tidelands Trust, including flexibility to make adjustments based on fluctuating market, technology and other business circumstances. As previously stated, the Charter outlines general and fundamental duties and obligations of the proprietary departments and their respective boards. Charter amendments are resource-intensive and infrequent, removing Board flexibility to make workforce impact disclosure requirement revisions as needed.

If the Council wishes to proceed with proposing a Charter amendment to require a workforce impact disclosure for any lease or development at the Port, it is important that the language of the amendment provides an opportunity to update its requirements consistent with industry trends. Rather than specifying a standard in the language, our Office recommends that the language allow the Board to adopt a methodology, subject to Council concurrence, for establishing "verifiable proof of whether the employee effects would be neutral, increase, or decrease the baseline job count." This would prevent the City from committing to a certain standard of proof that might be inconsistent with future recommended methodologies. The decision on whether to codify a workforce impact disclosure requirement in the Charter or the LAAC remains a policy matter for the Council.

Should the Council wish to proceed with codifying this matter, the following language would be appropriate:

The Board of Harbor Commissioners shall require, as a condition of approval for any lease, lease extension or amendment, or proposed development of Harbor Department property requiring a Coastal Development Permit, a workforce impact disclosure. The disclosure should include an assessment of estimated workforce effects, including but not limited to the potential impact on employment associated with the premises and the estimated economic impact on the region to the extent known. The Executive Director shall issue guidance on assessment methodology, subject to Board approval. The Board shall retain the right to make findings to waive this requirement.


Election Calendar

Any change to the City Charter requires presentation of a measure to the voters. Measures can be presented to the voters by initiative or by an action of a majority of the Council. In conformance with the California Elections Code, Charter amendments may only be presented on a Statewide ballot at a Primary or General election.

For the November 2026 General election, the City Clerk recommends that the Council request the City Attorney to prepare resolutions for placing measures on the ballot no later than June 17, 2026, in order to give the City Attorney adequate time to prepare the necessary resolutions, which must be adopted prior to the Council's scheduled summer recess.

FISCAL IMPACT STATEMENT

There is no fiscal impact on the City General Fund associated with these proposals, inasmuch as the associated costs would be incurred by the Port of Los Angeles. If Council wishes to refer these proposals to the ballot as Charter amendments, there may be a General Fund impact. In the FY 2025-26 Adopted Budget, \$10 million is set aside in the Unappropriated Balance for up to ten City-sponsored ballot measures and City Council district office elections for the June 2026 primary election. The first Financial Status Report, approved on December 6, 2025, authorized a transfer of \$1.8 million of these funds, bringing the available balance in the Unappropriated Balance for the June 2026 Primary Election to \$8.2 million. The Office of the City Clerk states that it requested \$11 million for the November 2026 General Election as part of its Fiscal Year 2026-27 Budget submission.



Tristan Noack
Analyst

SMT:tcjn

Attachments: Motion (McOsker – Soto-Martinez); Motion (McOsker – Park); Amended Public Access Investment Plan

MOTION

The City is undergoing a process of deploying potential recommendations and avenues towards Charter reform— which includes examining 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 of Los Angeles manages State public lands and water held in trust by the City of Los Angeles, pursuant to a State Tidelands Trust. The City's Charter charges the Board of Harbor Commissioners with the responsibility for the management, supervision, and control of these land and water areas. The Port is unique in that the specific Charter provisions that govern it reflect the Trust between the City of Los Angeles and the State of California.

Two aspects of Port-related Charter reform that have yet to be addressed and are of high importance to the local community are related to the Port's Public Access Investment Plan (PAIP) and the Port's Leasing Policy. Changes to the PAIP and the Leasing Policy, if folded into Charter reform, are crucial to providing prompt service to all constituents and meeting the needs of a 21st-century workforce.

The PAIP is a plan that allocates a minimum of ten percent of the Harbor Department's annual Operating Income to build Waterfront public access projects and provide Port-related community benefits. Currently, the PAIP is not codified into the Charter and does not exist "formally" inside City processes beyond agreements between the Council office and the Port. However, changes to the PAIP's implementation have been a shared effort between the Port and the community which has included public input processes and collaboration with the Council office to bring about improvements to the Waterfront in and around the Port.

Additionally, another community-driven aspect of improving the Port for the people has been connected to modifying the Port's Leasing Policy to pinpoint the impacts of leases on the local economy. The Leasing Policy's perceived connection to the impact of jobs, and the current extent to which it could support the regional and local economic environment, must be further addressed and scrutinized within Charter reform efforts for the Port. With a focus on the collective health of the local and regional community, an amended Leasing Policy that clarifies how jobs are impacted, and that is codified in the Charter, can help us accomplish our shared goals for the future of the Port—and the people—of Los Angeles.

The local community and Council Office also have a shared interest in promoting the growth of local employment opportunities within the international trade and goods movement sectors of the economy. For these reasons, while Charter reform is currently being reviewed at the City Council level, there is a desire to take this opportunity to revisit the PAIP as well as aspects of the Leasing Policy in order to better assess the current extent to which it could support the regional and local economic environment.

MA
FEB 04 2025

I THEREFORE MOVE that the City Council direct the Chief Legislative Analyst, Executive Director of the Port of Los Angeles, in coordination with the City Administrative Officer and City Attorney, to report to the Trade, Travel & Tourism Committee with an update on the language relative to establishing a new section in the Charter and to be considered within Charter Reform processes, that implements a “Port of Los Angeles Public Access Investment Plan”, with specifics outlined below:

- I. **FUNDING FOR PUBLIC ACCESS PROJECTS (CAPITAL):** The plan allocates a minimum of ten percent (10%) of the Harbor Department’s annual Operating Income to build LA Waterfront public access projects and provide Port-related community benefits.
- II. **PROJECT PLANNING:** The Harbor Department shall engage the City Council Office of the 15th District (CD15) on an annual basis no later than March of each year to determine the scope, range and budget of Public Access Projects for the next fiscal year, consistent with the Tidelands Trust. CD15 shall engage in a public process to report back on community recommendations for the Public Access Projects to the Harbor Department.

The report on community recommendations for the Public Access Projects shall then be considered and incorporated in the Harbor Department’s annual budget planning process. The Harbor Department and CD15 Office shall endeavor to plan for multi-year expenditures and projects, to the extent permissible by law and this policy.

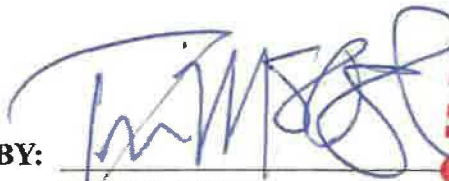
- I. **OPERATING INCOME:** For purposes of calculating Operating Income for this plan, Revenue does not include purpose-directed funds collected from third parties. Examples include, but are not limited to, environmental document reimbursements, Marine Oil Terminal Engineering and Maintenance Standards reimbursements, Clean Truck Program Fees, and Harbor Maintenance Tax funding.
- II. **CAPITAL IMPROVEMENT PROGRAM:** Harbor Department reporting and selection of Public Access Investment Plan projects shall be aligned with the Harbor Department’s overall five-year Capital Improvement Program budget process. The process includes community input on project selection, consistent with the process outlined above. The community input process will continue with annual reporting and engagement coupled with more in depth project prioritization processes when necessary based on status of budgetary allocation for existing projects and funding availability for new projects.
- III. **ANNUAL BUDGET PROCESS:** Implementation of the plan and its guidelines are subject to the Board of Harbor Commissioners approval. The percentage of Operating Income allocated annually and specific amount allocated to projects per year will be determined by the Board of Harbor Commissioners with consideration of the Section III Project Planning process during the Harbor Department’s annual budget process with consideration to the Harbor Department’s economic and financial outlook, pursuant to sections IX and X.
- IV. **PLAN MODIFICATION:** In the event of needs to modify the plan as proposed including, without limitation, general economic trends, declining financial outlook, legal issues, and the extent that public access projects are needed, the Harbor Department will notify

public stakeholders to facilitate public comment, and may subsequently take Board action to adjust the percentage of operating income downward.

I FURTHER MOVE that the City Council direct the Chief Legislative Analyst, Executive Director of the Port of Los Angeles, in coordination with the City Administrative Officer and City Attorney, to report to the Trade, Travel & Tourism Committee with an update on proposed amendments and processes needed to establish a "Port of Los Angeles Leasing Policy" section into the Charter and to be considered within Charter Reform processes, and considers changes to the existing Policy with that language that details the establishment and implementation of requiring:

- An application for leasing, including lease extension or amendment, and/or development of Harbor Department property that measures how the proposed project (qualitatively and quantitatively) would impact both direct and indirect jobs associated with the premises, including the number and types of jobs impacted and identifies the verifiable proof of whether the employee effects would be neutral, increase, or decrease the baseline job count; and
- The procedural changes needed for Port plans or policies in order to codify these changes to the Leasing Policy specific for its application to all development applications, and leasing transactions, including, without limitation, Lease Agreements (i.e. leases, permits, and revocable permits), all Lease Agreement amendments, term extensions, assignments, and subleases.

PRESENTED BY: _____


TIM McOSKER
Councilmember, 15th District

SECONDED BY: _____



ORIGINAL

MOTION

I MOVE that the matter of the AD HOC COMMITTEE ON CITY GOVERNANCE REFORM COMMITTEE REPORT relative to reports from the Department of City Planning, Port of Los Angeles, Personnel, Los Angeles World Airports, Neighborhood Empowerment (DONE), Board of Recreation and Park Commissioners, City Clerk, Board of Public Works, Los Angeles Department of Water and Power, City Attorney, and City Administrative Officer (CAO) regarding Charter reform recommendations, Item No. 27 on today's Council Agenda (CF 23-1027), BE AMENDED to adopt the following additional recommendations:

- Instruct the City Administrative Officer, in coordination with the Executive Director of the Port of Los Angeles, the Chief Legislative Analyst, the City Attorney, and the City Clerk to report with language relative to establishing a new section in the Charter and to be considered within Charter Reform processes, that implements a "Port of Los Angeles Public Access Investment Plan", as outlined below:

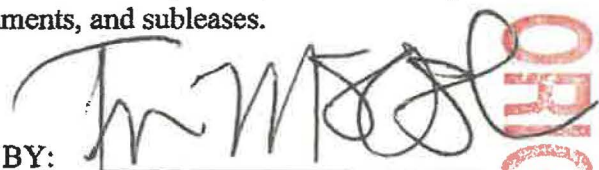
- I. **FUNDING FOR PUBLIC ACCESS PROJECTS (CAPITAL):** The plan allocates a minimum of ten percent (10%) of the Harbor Department's annual Operating Income to build LA Waterfront public access projects and provide Port-related community benefits.
- II. **PROJECT PLANNING:** The Harbor Department shall engage the local City Council Office on an annual basis no later than March of each year to determine the scope, range and budget of Public Access Projects for the next fiscal year, consistent with the Tidelands Trust. The Council Office shall engage in a public process to report back on community recommendations for the Public Access Projects to the Harbor Department.

The report on community recommendations for the Public Access Projects shall then be considered and incorporated in the Harbor Department's annual budget planning process. The Harbor Department and the Council Office shall endeavor to plan for multi-year expenditures and projects, to the extent permissible by law and this policy.

- III. **OPERATING INCOME:** For purposes of calculating Operating Income for this plan, revenue does not include purpose-directed funds collected from third parties. Examples include, but are not limited to, environmental document reimbursements, Marine Oil Terminal Engineering and Maintenance Standards reimbursements, Clean Truck Program Fees, and Harbor Maintenance Tax funding.
- IV. **CAPITAL IMPROVEMENT PROGRAM:** Harbor Department reporting and selection of Public Access Investment Plan projects shall be aligned with the Harbor Department's overall five-year Capital Improvement Program budget process. The process includes community input on project selection, consistent with the process outlined above. The community input process will continue with annual reporting and engagement coupled with more in depth project prioritization processes, when necessary, based on status of budgetary allocation for existing projects and funding availability for new projects.

- V. **ANNUAL BUDGET PROCESS:** Implementation of the plan and its guidelines are subject to the Board of Harbor Commissioners approval. The percentage of Operating Income allocated annually and specific amount allocated to projects per year will be determined by the Board of Harbor Commissioners with consideration of the Section III Project Planning process during the Harbor Department's annual budget process with consideration to the Harbor Department's economic and financial outlook, pursuant to sections IX and X.
- VI. **PLAN MODIFICATION:** In the event of needs to modify the plan as proposed including, without limitation, general economic trends, declining financial outlook, legal issues, and the extent that public access projects are needed, the Harbor Department will notify public stakeholders to facilitate public comment, and may subsequently take Board action to adjust the percentage of operating income downward.
- Instruct the City Administrative Officer, in coordination with the Executive Director of the Port of Los Angeles, the Chief Legislative Analyst, the City Attorney, and the City Clerk to report with proposed amendments and processes needed to establish a "Port of Los Angeles Leasing Policy" section into the Charter and to be considered within Charter Reform processes, and requires changes to the existing Policy that details the establishment and implementation of the following:
 - Each application for leasing, including lease extension or amendment, or development of Harbor Department property shall measure how the proposed project (qualitatively and quantitatively) would impact both direct and indirect jobs associated with the premises, including the number and types of jobs impacted and identifies the verifiable proof of whether the employee effects would be neutral, increase, or decrease the baseline job count; and
 - Mandate procedural and substantive changes needed for Port plans or policies in order to codify the Leasing Policy specific for its application to all development applications, and leasing transactions, including, without limitation, Lease Agreements (i.e. leases, permits, and revocable permits), all Lease Agreement amendments, term extensions, assignments, and subleases.

PRESENTED BY:



TIM McOSKER
Councilmember, 15th District

SECONDED BY:



ORIGINAL

AMENDED PUBLIC ACCESS INVESTMENT PLAN

April 6, 2023

- I. **PURPOSE:** This plan provides City of Los Angeles Harbor Department (Harbor Department) staff with broad guidelines to plan and budget LA Waterfront projects and community benefits.
- II. **FUNDING FOR PUBLIC ACCESS PROJECTS (CAPITAL):** The plan allocates a minimum of ten percent (10%) of the Harbor Department's annual Operating Income to build LA Waterfront public access projects and provide Port-related community benefits.
- III. **PROJECT PLANNING:** The Harbor Department shall engage the City Council Office of the 15th District (CD15) on an annual basis no later than March of each year to determine the scope, range and budget of Public Access Projects of the next fiscal year, consistent with the Tideland Trust. CD15 shall engage in a public process to report back on community recommendations for the Public Access Projects to the Harbor Department.

The report on community recommendations for the Public Access Projects shall then be considered and incorporated in the Harbor Department's annual budget planning process. The Harbor Department and CD15 Office shall endeavor to plan for multi-year expenditures and projects, to the extent permissible by law and this policy.
- IV. **FUNDING FOR PUBLIC BENEFITS (NON-CAPITAL):** The plan continues funding investments in non-capital public benefits to:
 - Operate and maintain high quality, safe, public access facilities
 - Activate the LA Waterfront through public access events/programs
 - Provide Port-related community programs (e.g. education, workforce development)
- V. **OPERATING INCOME:** For purposes of calculating Operating Income for this plan, Revenue does not include purpose-directed funds collected from third parties. Examples include, but are not limited to, environmental document reimbursements, Marine Oil Terminal Engineering and Maintenance Standards reimbursements, Clean Truck Program Fees, and Harbor Maintenance Tax funding.
- VI. **CAPITAL IMPROVEMENT PROGRAM:** Harbor Department reporting and selection of Public Access Investment Plan projects shall be aligned with the Harbor Department's overall five-year Capital Improvement Program budget process. The process includes community input on project selection, consistent with the process outlined above. The community input process will continue with annual reporting and engagement coupled with more in depth project prioritization processes when necessary based on status of budgetary allocation for existing projects and funding availability for new projects.

- VII. ANNUAL BUDGET PROCESS: Implementation of the plan and its guidelines are subject to the Board of Harbor Commissioners approval. The percentage of Operating Income allocated annually and specific amount allocated to projects per year will be determined by the Board of Harbor Commissioners with consideration of the Section III Project Planning process during the Harbor Department's annual budget process with consideration to the Harbor Department's economic and financial outlook, pursuant to Sections IX and X.
- VIII. EXISTING CONTRACTS AND MITIGATION PROJECTS ARE SEPARATE: Previously approved contractual and mitigation projects including Alta Sea, China Shipping settlement projects, and TraPac Memorandum of Understanding will be separate from the Plan to the maximum extent possible.
- IX. PLAN MODIFICATION: In the event of needs to modify the plan as proposed including, without limitation, general economic trends, declining financial outlook, legal issues, and the extent that public access projects are needed, the Harbor Department will notify public stakeholders to facilitate public comment, and may subsequently take Board action to adjust the percentage of operating income downward.
- X. BOARD AUTHORITY NOT LIMITED: Consistent with the Los Angeles City Charter, the Plan does not limit Board authority, including annual Board budget allocations and ongoing project approvals. The Board retains full discretion to set budget and project priorities to best manage the Harbor Department's assets and funds.