



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: DECEMBER 1, 2016

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - PROPOSED TRADE CORRIDOR IMPROVEMENT FUND AGREEMENT FOR THE YUSEN TERMINAL EFFICIENCY ENHANCEMENT & TRUCK TRIP REDUCTION PROGRAM PHASE 2 (TCIF NO. 108.2) BETWEEN THE CITY OF LOS ANGELES, HARBOR DEPARTMENT AND THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION

SUMMARY:

Staff requests the Board of Harbor Commissioners adopt a Resolution and agree to the attached Trade Corridor Improvement Fund (TCIF) Agreement (TCIF No. 108.2) Agreement No. 75A0XXX between the City of Los Angeles Harbor Department (Harbor Department) and the State of California, Department of Transportation (Caltrans).

The Harbor Department has been awarded the following grant: State Proposition 1B TCIF for the Yusen Terminal Efficiency Enhancement & Truck Trip Reduction Program – Phase 2 (Project) in the amount of \$1,132,000. The Harbor Department will be responsible to provide the initial funding for the Project and seek reimbursement from the proposed TCIF grant for up to \$1,132,000. The Harbor Department will also be receiving a Los Angeles County Metropolitan Transportation Authority (LACMTA) grant for up to \$1,992,000. Programming of the LACMTA funds were authorized by LACMTA on September 24, 2015. The Harbor Department's cost share to the Project is estimated at \$424,300 of the total estimated Project construction cost of \$3,548,300 including construction support services.

In order to seek grant reimbursement, Caltrans requires the Harbor Department to provide a resolution agreeing to the terms and conditions set forth in the TCIF Agreement. This action authorizes the Executive Director to execute the Agreement. Once approved, the resolution will be transmitted to Caltrans. Caltrans will then execute the Agreement and provide the Harbor Department a copy for final signature by the Executive Director. Thenceforth with a fully executed Agreement, the Harbor Department will seek reimbursement in the amount of \$1,132,000.

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RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) and 2(i), of the Los Angeles City CEQA Guidelines;
2. Agree to the terms and conditions set forth by the attached Trade Corridor Improvement Fund (TCIF) Agreement (TCIF No. 108.2) Agreement No. 75A0XXX in the amount of \$1,132,000 between the State of California Department of Transportation (Caltrans) and the City of Los Angeles Harbor Department;
3. Authorize the Executive Director to sign and execute, and the Board Secretary to attest to, the TCIF Agreement for and on behalf of the Board;
4. Authorize the Executive Director to execute future amendments to the TCIF Agreement to account for revised project schedules and reduced project costs for and on behalf of the Board subject to approval of the City Attorney as to form and legality; and
5. Adopt Resolution No. _____.

DISCUSSION:

The following Project has been awarded grant funding by Caltrans:

No.	Project Name	Grant Type/ Agreement Type	Proposed TCIF Agreement	LACMTA Agreement	Harbor Dept. Share	Total Construction Cost
1	YTI Terminal Efficiency Enhancement & Truck Trip Reduction Program – Phase 2	Transportation Corridor Improvement Fund (TCIF) Agreement	\$1,132,000	\$1,992,000	\$424,300	\$3,548,300

On December 10, 2014, the Board adopted Resolution No. 14-7723 and Agreement No. 14-3284 to enter the State of California, Department of Transportation and the Harbor Department into a Project Baseline Agreement. The California Transportation Commission (CTC) approved programming of the funds on March 26, 2015, and allocation of funds on June 29, 2016 for the construction phase of the Project.

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Project Description: The Project will construct a new rail loading track (approximately 2,900 linear feet) within the terminal's existing rail yard. Additional improvements will include pavement work, and utility modifications/removals/protections, as needed. The Project provides a vital link in the movement of goods by rail between the Port of Los Angeles and the national rail system. The Project will increase the capacity of Yusen Terminal's portion of railyard from 567,000 twenty-foot equivalent units (TEU) to 680,400 TEU, and will result in a reduction in truck trips from the National Highway System.

Construction is scheduled to start Spring 2017 and be completed by Winter 2017.

ENVIRONMENTAL ASSESSMENT:

The proposed action is for approval of a TCIF Agreement with Caltrans for the Yusen Terminal Efficiency Enhancement & Truck Trip Reduction Program – Phase 2. The project was assessed as part of a joint Environmental Impact Statement/Environmental Impact report which was certified by the Board on November 7, 2014 (SCH # 2013041017). Therefore, as an administrative activity for which the underlying Project has previously been evaluated for environmental significance and processed according to the requirements of the CEQA, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Sections 2(f) and 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Acceptance of the proposed Agreement memorializes the framework for the transfer of State Proposition 1B grant funds from Caltrans to the Harbor Department. The grant is on a reimbursement basis, requiring the Harbor Department to budget and subsequently expend the funds for the Project. The Harbor Department has 36 months to expend the grant funds from the fiscal year (FY) that Caltrans has allocated the funds. Construction cost and grant reimbursements are summarized as follows:

Construction Cost	\$ 3,248,300
Construction Support Services	\$ 300,000
TOTAL	\$ 3,548,300
Proposed TCIF Reimbursement	\$ <1,132,000>
LACMTA Reimbursement	\$ <1,992,000>
HARBOR DEPARTMENT'S SHARE	\$ 424,300

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Before requesting reimbursement from Caltrans, the Harbor Department would need to budget and expend its own funds. Funds for Fiscal Year 2016/2017 are currently budgeted in Account 54510, Center 1165, Program No. 000 in the amount of \$1,692,146. Future Fiscal Year funds will be requested as part of the annual budget adoption process, upon Board approval.

The operating and maintenance costs of the Project, subsequent to completion, are the responsibility of the tenant.

CITY ATTORNEY:

The City Attorney has approved the proposed Agreement as to form and legality.

TRANSMITTAL:

1. Trade Corridors Improvement Fund (TCIF No. 108.2) Agreement No. 75A0XXX

DAVID M. WALSH, P.E.
Chief Harbor Engineer

FIS Approval:  (initials)
CA Approval:  (initials)

ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director

APPROVED:

EUGENE D. SEROKA
Executive Director

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