



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JULY 16, 2014**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ APPROVAL OF STATE  
PROPOSITION 1B TRADE CORRIDORS IMPROVEMENT FUND  
PROGRAM - CALIFORNIA TRANSPORTATION COMMISSION  
"BASELINE AGREEMENT" BETWEEN THE CITY OF LOS ANGELES  
HARBOR DEPARTMENT AND THE STATE OF CALIFORNIA FOR THE  
TRAPAC TERMINAL AUTOMATION – AUTOMATED SHUTTLE  
CARRIER MAINTENANCE & REPAIR FACILITY (TCIF NO. 102)**

**SUMMARY:**

In March 2014, the California Transportation Commission (CTC) approved programming of \$2,840,500 in State Proposition 1B Trade Corridors Improvement Fund (TCIF) program funds for the construction phase of the City of Los Angeles Harbor Department's (Harbor Department): TraPac Terminal Automation – Automated Shuttle Carrier Maintenance & Repair (M&R) Facility (TCIF No. 102) project.

As part of the TCIF program, each recipient agency is required to enter into a "Baseline Agreement" with the CTC for each project. The "Baseline Agreement" is needed in addition to seeking the actual allocation of the funds, which requires CTC approval. The "Baseline Agreement" sets forth the project scope, expected benefits, schedule, cost, and funding plan. If there are future changes in the project schedule and/or cost, the "Baseline Agreement" will need to be amended prior to the allocation of funds. Once approved by the Board of Harbor Commissioners (Board), this "Baseline Agreement" will be transmitted to the CTC for their approval which is expected to occur at their August 2014 meeting.

**SUBJECT: APPROVAL OF STATE PROPOSITION 1B TRADE CORRIDORS IMPROVEMENT FUND (TCIF NO. 102) BASELINE AGREEMENT**

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Approve the TraPac Terminal Automation – Automated Shuttle Carrier Maintenance & Repair Facility “Baseline Agreement” substantially as to form;
2. Authorize the Executive Director to execute, and the Board Secretary to attest to, this “Baseline Agreement,” for and on behalf of the Board;
3. Authorize the Executive Director to execute, and the Board Secretary to attest to, future “Baseline Agreement” amendments to account for revised project schedule and reduced project cost, for and on behalf of the Board; subject to the approval of the City Attorney as to form and legality; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – The TraPac Expansion Program consists of multiple projects and will provide wharves, automated backlands, rail facilities, buildings, and gates at Berths 136-147 for the Port of Los Angeles’ (Port) first automated container terminal.

The TCIF No. 102 project, also known as the Berth 142 Crane Maintenance Building, is part of this program and will provide a new facility for the maintenance of automated shuttle carriers. The project is anticipated to advertise for construction in February 2015, start construction in August 2015, and complete construction by August 2016. The TraPac Expansion Program total budget of \$510,412,338 was approved by the Board on September 19, 2013. The total project cost (including pre-construction costs) for TCIF No. 102 (Berth 142 Crane Maintenance Building) is \$5,680,302. The TCIF fund amount is \$2,840,500. The Harbor Department’s cost share is therefore \$2,839,802. The project is contained in the approved Fiscal Year (FY) 14/15 budget and five-year Capital Improvement Program (CIP).

In March 2014, the CTC approved programming of \$2,840,500 of TCIF program funds for the above TraPac Terminal project. As part of the TCIF program, each recipient agency is required to enter into a “Baseline Agreement” (Transmittal 1) with the CTC. The “Baseline Agreement” is needed in addition to seeking the actual allocation of the funds, which requires CTC approval. The “Baseline Agreement” sets forth the project scope, expected benefits, schedule, cost, and funding plan.

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The attached Project Programming Request (PPR) forms of Transmittal 1, which are required for the "Baseline Agreement", provide the schedule, annual cash flow, and source of funds. The "Baseline Agreement" will need to be amended prior to the allocation of funds, if there are changes in the project schedule and/or cost. Thus, the Executive Director also seeks approval from the Board to execute subsequent amendments to this "Baseline Agreement" in the future to account for minor changes, within the terms of the lease for the TraPac Terminal, in schedule, and if total project cost decreases. If project cost increases, staff will seek Board approval again for an amended agreement.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a State Proposition 1B TCIF "Baseline Agreement" with the State of California for the TraPac Terminal Automation-Automated Shuttle Carrier Maintenance & Repair Facility. The facility was included in the Berths 136-147 [TraPac] Container Terminal Project Final Environmental Impact Statement/Final Environmental Impact Report (FEIS/FEIR) which was certified by the Board on December 6, 2007 and the June 2012 Addendum to the FEIS/FEIR which was considered by the Board on September 19, 2013. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2 (i) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

Approval of the proposed "Baseline Agreement" will have no employment impact. The project associated with the proposed Agreement will support 45 direct and 38 secondary one-year equivalent jobs for the five-county region.

**FINANCIAL IMPACT:**

Approval of this "Baseline Agreement" will affirm the commitment of the Harbor Department to fund the project discussed herein. The CTC allocation request has been tentatively scheduled for December 2014, and grant reimbursement payments must be made within four years of the project allocation date, tentatively scheduled for December 2014, or the undisbursed grant balance will revert to the CTC and the Harbor Department will fully bear any costs not grant reimbursed.

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The total project cost, including design and construction, is estimated at \$5,680,302. The total reimbursement grant funding amount is \$2,840,500. The Harbor Department's cost share is therefore \$2,839,802. The grant is a reimbursement grant, so the Harbor Department must first front-fund project costs and subsequently request reimbursement.

The amount spent as of May 2014 is \$374,398, which is included in the "Through FY 13/14" below. The remaining Harbor Department funds needed for the project have been accounted for in the five-year Capital Improvement Program.

<u>FY</u>	<u>Amount</u>
Through FY 13/14	\$ 381,143
FY 14/15	\$ 704,133
FY 15/16	\$ 3,205,983
FY 16/17	\$ 1,380,155
<u>FY 17/18</u>	<u>\$ 8,888</u>
<b>TOTAL</b>	<b>\$ 5,680,302</b>

The amount the Harbor Department has budgeted in FY 14/15 for this project is \$704,133 in Center No. 1103, Program 000, and various accounts. Project funding for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval.

Subsequent to project completion, ongoing operating and maintenance costs associated with the project will be borne by TraPac, Incorporated.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the "Baseline Agreement" as to form and legality.

**TRANSMITTAL:**

1. TraPac Terminal Automation – Automated Shuttle Carrier Maintenance & Repair Facility "Baseline Agreement"



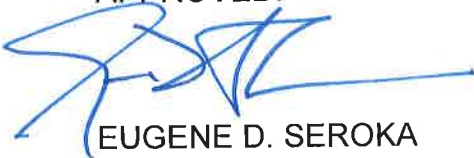
ANTONIO V. GIOIELLO  
Chief Harbor Engineer

FIS Approval: \_\_\_\_\_ (initials)  
CA Approval: \_\_\_\_\_ (initials)



MICHAEL R. CHRISTENSEN, P.E.  
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA  
Executive Director

Author: Christina Sar

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