

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF LOCAL ASSISTANCE
PROGRAM SUPPLEMENT**

MASTER AGREEMENT NO.:	07-5006S21	PROGRAM SUPPLEMENT NO.:	64PORTLAPS-01
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PROVISION SECTION

This PROGRAM SUPPLEMENT hereby incorporates all of the provisions contained in MASTER AGREEMENT No. 07-5006S21, entered into between STATE and RECIPIENT on December 21, 2021 as amended, and is subject to all the terms and conditions thereof including all applicable California Transportation Commission (CTC) resolutions. This PROGRAM SUPPLEMENT is adopted in accordance with ARTICLE II, Section 2 of the aforementioned MASTER AGREEMENT under authority of Resolution No. 96-0708 approved by RECIPIENT on **Month Day, Year**. The RECIPIENT further stipulates that, as a condition to the reimbursement of State funds obligated to this PROJECT, it accepts and will comply with the covenants, obligations, terms and conditions set forth in said MASTER AGREEMENT and on the following page(s) of this PROGRAM SUPPLEMENT including all attachments. This PROGRAM SUPPLEMENT/AMENDMENT shall expire on **Month Day, Year**. Any amendments to this PROGRAM SUPPLEMENT shall supersede previous PROGRAM SUPPLEMENTS in their entirety.

CTC RESOLUTIONS	APPROVED WAIVERS	BUDGET YEAR AUTHORITY	FUND	AMOUNT	PHASE EXPENDITURE AUTHORIZATION PROJECT ID	LAST EXPENDITURE DATE
TCEP-A-2324-29 June 28, 2024		2023-24	TCEP	\$19,194,000	CON EA 5820 0024000215	December 31, 2028

PROJECT TITLE: Port of Los Angeles - Fenix Terminal Railyard Expansion & Modernization Project

PROJECT SUMMARY: This project will construct 5 additional rail tracks to the existing dock railyard at the Fenix terminal in the Port of Los Angeles, relieving the Multimodal Freight Network (NMFN) by increasing container capacity by approximately 520,000 twenty-foot equivalent units (TEU) per year. This Program Supplement funds 1) \$19, 194, 000 in CON actives related to improving the Fenix terminal along the Alameda Corridor in Los Angeles County, including the construction of 5 new tracks parallel to the existing Fenix terminal docks in the Port of Los Angeles.

REQUIRED SIGNATURES

<p>Recipient: _____ Recipient Name</p> <p>Signed By: _____</p> <p>Name: _____ First and Last Name</p> <p>Title: _____ Title</p> <p>Date: _____</p>	<p>State Dept.: STATE OF CALIFORNIA Department of Transportation</p> <p>Signed By: _____</p> <p>Name: _____ Ann M. Fox</p> <p>Title: Acting Deputy Director, Planning and Modal Programs</p> <p>Date: _____</p>
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ELECTRONIC DISTRIBUTION LIST

Caltrans Headquarters Accounting
Caltrans Division of Local Assistance Project
Manager
**[CATIA, HSPTB, LPP, SLPP, SCCP, STIP (Regional),
TCRP]**
Caltrans District Project Manager
Recipient

LIST OF ATTACHMENTS INCLUDED

- I. Scope of Work
- II. CTC Resolutions and Waivers

- III. Certification of Funds

- IV. Description of Baseline Agreement
- V. SB1 Special Conditions

DRAFT

ATTACHMENT I Scope of Work

A. Project Description

The Port of Los Angeles-Fenix Terminal Railyard Expansion & Modernization Project will construct 5 additional rail tracks parallel to the existing dock railyard at the Fenix terminal in the Port of Los Angeles, relieving the Multimodal Freight Network (NMFN) capacity constraint and enables more cargo to be moved on the dock's rail instead of off-dock railyards which are 27 miles away from the Fenix terminal. Approximately 18,500 feet of new tracks and tail tracks will be constructed, including necessary infrastructure such as a base, pavement, power switches, and turnouts. These new weathering steel tracks will require less maintenance and increase capacity an additional 520,000 twenty-foot equivalent units (TEU) per year from the current 925,000 TEU capacity. Weathering steel tracks with concrete tiles will reduce train delays during maintenance, increased safety, and have greater degradation resistance to higher tonnage. As cargo capacity increases every year, new tracks are necessary to prevent diverting ports in Canada and Mexico, which require fees to move on-dock and off-dock containers via the Alameda Corridor. The expanded Fenix on-dock railyard is projected to reach its capacity of 1,443,000 TEU by the year 2032.

B. Summary of Scope for Funding Allocated

1. CON

EA 5830 – Allocation of \$19,194,000 for CON phase to complete the construction of 5 new tracks parallel to the existing tracks at the Fenix terminal in the Port of Los Angeles. These new weathering steel tracks will increase the cargo capacity by approximately 520,000 TEU, which the current Multimodal Freight Network (NMFN) capacity for the Fenix terminal tracks is 925,000 TEU. Weathering steel tracks instead of painted tracks will decrease maintenance times and can withstand more tonnage. New tracks will also allow for cargo to be moved on-dock instead of off-dock, which is 27 miles away from the Fenix terminal.

C. Summary of Provisions and Amendments

1. 64PORTLAPS-01

This Program Supplement establishes the approved project, with associated provisions, including provisions related to the following actions for the approved Expenditure Authorizations (EA):

I. CON (EA 5830)

Allocation of \$19,194,000 for CON phase, approved under Resolution TCEP-A-2324-29 on June 28, 2024.

[Period of Period of Contract Award]

Time extension of xx months for period of contract award, extending the deadline for third-party contract award from Month Day, Year to Month Day, Year, as approved by the Approving Agency under Waiver Number on Month Day, Year.

D. Project Overall Funding Plan and Schedule

The Project's Funding Plan and schedule are incorporated into this Program Supplement as Schedule 1, Project Programming Request are hereby expressly attached and may be updated as necessary.

1. Schedule 1A Port of Los Angeles-Fenix Terminal Railyard Expansion & Modernization Project (CON)

E. Special Conditions

Notwithstanding any other commitment in the Recipient's application, clarification regarding the following items are a condition precedent to award of further funding for the Project:

1. General

This project is programmed to receive funds from the Trade Corridor Enhancement Program (TCEP) Funding Program. This project will be administered in accordance with the approved funding guidelines, as may be amended, this Program Supplement and Master Agreement cited herein.

Funding may be provided for one or more components. A component(s) specific fund allocation is required, in addition to other requirements, before reimbursable work can occur for the component(s) identified. Each allocation will be assigned an effective date and identify the amount of funds allocated per component(s).

This project is subject to the Commission's timely use of funds provisions as may be amended in the funding program guidelines.

2. Cost Savings, Project Match, and Project Completion

The Recipient is encouraged to evaluate design and construction alternatives that would mitigate costs of delivering project commitments. The Recipient shall take all steps necessary on a commercially reasonable basis that would generally be taken in accordance with best management practices. In determining cost savings, the Parties shall take into account all avoided costs, including avoided design, material, equipment, labor, construction, testing, acceptance, overhead costs, avoided costs due to time savings, and all savings in financing costs associated with such avoided costs.

Cost savings shall also include identification and implementation of any California State Transportation Agency (CalSTA) approved Project or Trade Corridor Enhancement Program (TCEP) funded Project component alternatives resulting in the reduction of project costs or if the Project or any TCEP funded Project component is completed under budget.

Parties agree that the Recipient shall bear the burden of providing a prorated share of the Project or TCEP funded Project component cost savings based on the overall project match below to the Department no later than 30 days after the submission of the final invoice. Subject to CalSTA's approval, savings may be used towards increasing project benefits or applied to another TCEP funded Project components that are consistent with the original project award while maintaining the overall project match referenced below.

The Recipient agrees to complete the Project and accepts sole responsibility for the payment of any additional cost increases. If either the Project or the funded components are not completed, the Recipient shall bear the burden of full TCEP funds reimbursement to the Department.

3. Invoicing

All obligations of the State under the terms of this Agreement are subject to the appropriation of resources by the Legislature and the encumbrance of funds under this Agreement. Funding and reimbursement are available only upon the passage of the State Budget Act containing these State funds.

The Recipient agrees to submit invoices for Project costs in accordance with the terms and provisions of this Program Supplement and the Master Agreement cited herein where the Recipient shall submit invoices no less frequently than quarterly in any quarter in which reimbursable expenses are incurred but not to exceed once per month for each EA. The Recipient agrees to use eligible matching funds, if applicable, in accordance with funding program guidelines.

This Program Supplement has been prepared to allow reimbursement of eligible project expenditures for the component(s) allocated. Unless otherwise determined, the effective date of the component specific allocation will constitute the start of the reimbursable expenditures, however the Department will not reimburse expenditures until a Program Supplement agreement has been executed. Eligible expenditures shall be incurred by the Last Expenditure Date identified on Page 1 of this agreement. Invoicing for each component of this project shall be submitted to Caltrans within six months following the Last Expenditure Date unless otherwise specified under Attachment I, Summary of Provisions and Amendments. For each invoice submitted, TCEP funds shall provide reimbursement as follows:

I. Port of Los Angeles-Fenix Terminal Railyard Expansion & Modernization Project (CON)

Under EA 5830, up to \$19,194,000 for CON expenses for the construction of 5 new tracks parallel to existing tracks at the Fenix terminal in the Port of Los Angeles. These new weathering steel tracks will have concrete bases and can support more tonnage with less maintenance required. The 5 additional tracks will increase the cargo capacity by approximately 520,000 TEU, which the current Multimodal Freight Network (NMFN) capacity for the Fenix terminal tracks is 925,000 TEU.

Not more than on a monthly basis, based on the date of invoice receipt, the Department will make payments on invoices as work proceeds. On each invoice, the Recipient shall certify the total costs invoiced do not exceed the allowable reimbursement percentage.

4. Reporting and Compliance

By executing this Program Supplement, the Recipient agrees to administer the Project and comply with all reporting requirements in accordance with the funding program guidelines and any other mandated reporting requirements. Proposed changes to the scope, schedule, and budget shall also be identified in these reports.

Failure to comply with all applicable guidelines, including all mandated reporting requirements, will result in corrective actions towards the Recipient.

5. Deliverables

**I. Environmental Document Clearance
CEQA-EIR 08/18/2021**

II. Right of Way Certification

Received 04/29/2024

III. Approved Design Plans

Recipient shall submit to the Department copies of approved design plans for the Project construction.

Received-Date

IV. Approved Addendum Design Changes

Recipient shall submit to the Department copies of the approved Addendum No 1. for the design changes from Project Contract Award delay.

Due: In accordance with TCEP Guidelines.

V. Evaluation

Recipient shall submit an evaluation, including barriers, successes, and effectiveness of achieving TCEP program benefits, the project application goals, and continued sustainability of the new service.

Due: 3 years, and 45 Days after service begins.

VI. Benefits Reporting

Recipient shall submit operational benefits reports consistent with benefits tracking plans.

Due: Quarterly, in accordance with TCEP Guidelines.

VII. Third-Party Contract Award

For TCEP CON allocations, the Recipient shall execute the third-party contract award within six months of the approved allocation, unless a time extension for third-party contract award is approved where approved extension and deadline shall be specified in Attachment I, Summary of Approved Provisions and Amendments.

Once executed, the Recipient shall provide a copy of the third-party contract award to the Department.

Due: In accordance with approved allocation and time extension.

Schedule 1A Port of Los Angeles-Fenix Terminal Railyard Expansion & Modernization Project
(CON)

DRAFT

Attachment 8

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID
 ePPR-0723-2020-0010 v0

Amendment (Existing Project) YES NO Date 07/25/2021 10:05:17

Programs LPP-C LPP-F SCCP TCEP STIP Other

District	EA	Project ID	PPNO	Nominating Agency	
07			5830	Caltrans HQ	
County	Route	PM Back	PM Ahead	Co-Nominating Agency	
Los Angeles				Port of Los Angeles	
				MPO	Element
				SCAG	Rail
Project Manager/Contact			Phone	Email Address	
Kerry Cartwright			310-732-7702	kcartwright@portla.org	

Project Title
 Port of Los Angeles - Fenix Terminal Railyard Expansion & Modernization Project

Location (Project Limits), Description (Scope of Work)

The project is located entirely on the Fenix marine container terminal at the Port of Los Angeles (POLA) and makes improvements to the existing on-dock railyard at the Fenix terminal. The Fenix terminal and the entire POLA are also part of the United States Department of Transportation (USDOT) designated National Multimodal Freight Network (NMFN).

The improvement project will increase capacity by adding five new working tracks just north of/parallel to the existing railyard, including tail track, pavement & turnouts.

Component	Implementing Agency		
PA&ED	Port of Los Angeles		
PS&E	Port of Los Angeles		
Right of Way	Port of Los Angeles		
Construction	Port of Los Angeles		
Legislative Districts			
Assembly:	70	Senate:	35
		Congressional:	44
Project Milestone		Existing	Proposed
Project Study Report Approved			
Begin Environmental (PA&ED) Phase			06/15/2020
Circulate Draft Environmental Document	Document Type (ND/MND)/FONSI		03/31/2021
Draft Project Report			02/28/2021
End Environmental Phase (PA&ED Milestone)			08/31/2021
Begin Design (PS&E) Phase			04/01/2020
End Design Phase (Ready to List for Advertisement Milestone)			09/30/2022
Begin Right of Way Phase			12/31/2021
End Right of Way Phase (Right of Way Certification Milestone)			08/31/2022
Begin Construction Phase (Contract Award Milestone)			07/01/2023
End Construction Phase (Construction Contract Acceptance Milestone)			06/30/2025
Begin Closeout Phase			07/01/2025
End Closeout Phase (Closeout Report)			12/31/2025

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID ePPR-0723-2020-0010 v0

Date 07/25/2021 10:05:17

Purpose and Need

The capacity of the existing Fenix on-dock railyard will be reached by 2022. The PROJECT will increase on-dock railyard capacity and commensurate use by a projected 520,00 twenty-foot equivalent units (TEU), which will relieve an NMFN capacity constraint.

NHS Improvements YES NO Roadway Class NA Reversible Lane Analysis YES NO

Inc. Sustainable Communities Strategy Goals YES NO Reduce Greenhouse Gas Emissions YES NO

Project Outputs

Category	Outputs	Unit	Total
Other	Port Improvements	EA	1

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
PRG-0010 (REV 08/2020)

PPR ID
ePPR-0723-2020-0010 v0

Date 07/25/2021 10:05:17

Additional Information

Project Benefits:

- Net present value benefit of \$389,705,226; benefit-cost ratio = 10.2
- Reduced cargo dwell and transit times by as much as two days for the shifted 520,000 TEU/year, which in turn improves reliability, and reduces transportation and inventory carrying costs
- Reduced truck trips (-2,000/day & 27,400 miles-traveled) on Congressionally approved (via the FAST Act of 2015) NHFN/Primary Highway Freight System (PHFS) routes, including I-710, I-110, SR 47, and several other National Highway System Intermodal Connector Routes, which in turn reduces travel times for port and domestic cargo movement, as well as all other motorists (-4,800 vehicle-hours/day)
- Reduced truck trips reduces accident potential inside the terminal and on external roadways
- Reduced emissions of 6,550 tons/year (including greenhouse gas reductions): in numerous State designated "Disadvantaged/Low Income Communities" and the State's highest ranked communities in the California Communities Environmental Health Screening Tool (CalEnviroScreen 3.0, 2018); and on numerous State/PHFS routes; and in the UPRR ICTF and BNSF Hobart off-dock railyards (not quantified/ included in emission reduction amount cited above)
- The schedule change was due to the following reasons:
 - 1) Recently, rail construction materials have very long lead times, therefore the construction schedule was updated to accommodate procurement of these materials.
 - 2) A revised design concept based on the long-term rail study simulation analysis resulted in design rework therefore the design schedule was extended.

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID
 ePPR-0723-2020-0010 v0

Performance Indicators and Measures						
Measure	Required For	Indicator/Measure	Unit	Build	Future No Build	Change
Congestion Reduction	TCEP	Daily Vehicle Hours of Travel Time Reduction	Hours	19,442,200	19,446,800	-4,600
	TCEP	Daily Truck Trips	# of Trips	6,800	8,800	-2,000
	TCEP	Daily Truck Miles Traveled	Miles	574,999,500	575,026,900	-27,400
Throughput	TCEP	Change in Truck Volume That Can Be Accommodated	# of Trucks	0	0	0
	TCEP	Change in Rail Volume That Can Be Accommodated	# of Trailers	0	0	0
			# of Containers	1,443,000	923,000	520,000
	TCEP	Change in Cargo Volume That Can Be Accommodated	# of Tons	0	0	0
# of Containers			3,206,000	3,206,000	0	
System Reliability	TCEP	Truck Travel Time Reliability Index	Index	0	0	0
	TCEP	Daily Vehicle Hours of Travel Time Reduction	Hours	19,442,200	19,446,800	-4,600
Velocity	TCEP	Travel Time or Total Cargo Transport Time	Hours	19,442,200	19,446,800	-4,600
Air Quality & GHG	LPPF, LPPC, SCCP, TCEP	Particulate Matter	PM 2.5 Tons	-1	0	-1
			PM 10 Tons	0	0	0
	LPPF, LPPC, SCCP, TCEP	Carbon Dioxide (CO2)	Tons	-6,531	0	-6,531
	LPPF, LPPC, SCCP, TCEP	Volatile Organic Compounds (VOC)	Tons	0	0	0
	LPPF, LPPC, SCCP, TCEP	Sulphur Dioxides (SOx)	Tons	0	0	0
	LPPF, LPPC, SCCP, TCEP	Carbon Monoxide (CO)	Tons	2	0	2
LPPF, LPPC, SCCP, TCEP	Nitrogen Oxides (NOx)	Tons	-19	0	-19	
Safety	LPPF, LPPC, SCCP, TCEP	Number of Non-Motorized Fatalities and Non-Motorized Serious Injuries	Number	0	0	0
	LPPF, LPPC, SCCP, TCEP	Number of Fatalities	Number	-1	0	-1
	LPPF, LPPC, SCCP, TCEP	Fatalities per 100 Million VMT	Number	0.93	0.93	0
	LPPF, LPPC, SCCP, TCEP	Number of Serious Injuries	Number	-78	0	-78
	LPPF, LPPC, SCCP, TCEP	Number of Serious Injuries per 100 Million VMT	Number	69	69	0
Economic Development	LPPF, LPPC, SCCP, TCEP	Jobs Created (Direct and Indirect)	Number	415	0	415
Cost Effectiveness	LPPF, LPPC, SCCP, TCEP	Cost Benefit Ratio	Ratio	10.2	0	10.2

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID ePPR-0723-2020-0010 v0

District	County	Route	EA	Project ID	PPNO
07	Los Angeles				

Project Title
 Port of Los Angeles - Fenix Terminal Railyard Expansion & Modernization Project

Existing Total Project Cost (\$1,000s)									Implementing Agency
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	
E&P (PA&ED)									Port of Los Angeles
PS&E									Port of Los Angeles
R/W SUP (CT)									Port of Los Angeles
CON SUP (CT)									Port of Los Angeles
R/W									Port of Los Angeles
CON									Port of Los Angeles
TOTAL									
Proposed Total Project Cost (\$1,000s)									Notes
E&P (PA&ED)	30	270						300	
PS&E	50	906	1,540	690				3,186	
R/W SUP (CT)									
CON SUP (CT)				531	2,257	398		3,186	
R/W									
CON				19,194	13,245	13,244		45,683	
TOTAL	80	1,176	1,540	20,415	15,502	13,642		52,355	

Fund #1:	State SB1 TCEP - Trade Corridors Enhancement Account (Committed)								Program Code
Existing Funding (\$1,000s)									Funding Agency
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	
E&P (PA&ED)									California Transportation Commissio
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding (\$1,000s)									Notes
E&P (PA&ED)									TCEP State
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				7,678				7,678	
TOTAL				7,678				7,678	

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID ePPR-0723-2020-0010 v0

Fund #2:		State SB1 TCEP - Trade Corridors Enhancement Account (Committed)							Program Code
		Existing Funding (\$1,000s)							Funding Agency
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	
E&P (PA&ED)									California Transportation Commissio
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
		Proposed Funding (\$1,000s)							
E&P (PA&ED)									TCEP Regional
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				11,516				11,516	
TOTAL				11,516				11,516	
		Proposed Funding (\$1,000s)							
Fund #3:		Federal Disc. - Port Infrastructure Development Program (Committed)							Program Code
		Existing Funding (\$1,000s)							Funding Agency
Component	Prior	20-21	21-22	22-23	23-24	24-25	25-26+	Total	
E&P (PA&ED)									U.S.D.O.T. Grant
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON					9,092	9,092		18,184	
TOTAL					9,092	9,092		18,184	
		Proposed Funding (\$1,000s)							
E&P (PA&ED)									U.S.D.O.T. Grant
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON					9,092	9,092		18,184	
TOTAL					9,092	9,092		18,184	

ATTACHMENT II CTC Resolutions and Waivers

CTC Financial Vote List

June 27-28, 2024

2.6 Mass Transportation Financial Matters

Project #	PPNO	Budget Year		
Allocation Amount	Program/Year	Item #		
Recipient	Phase	Fund Type		
<u>RTPA/CTC</u>	Prgm'd Amount	Program Code	Amount by	
District-County	Project ID	Program Code	Fund Type	
2.6s.(3) Senate Bill 1 - TCEP Rail Project		Resolution TCEP-A-2324-29		
1	Port of Los Angeles - Fenix Terminal Railyard Expansion & Modernization Project. Improvement to existing on dock railyard at the Fenix terminal in the Port of Los Angeles.	2023-24		
\$19,194,000		304-6056 TCIF	\$7,678,000	
City of Los Angeles		30.20.723.100		
<u>LACMTA</u>				
07-Los Angeles				
	<u>Outputs</u>		2023-24	
	Other - Port Improvement(s)		304-6056 TCIF	\$11,516,000
			30.20.723.200	
	CEQA - EIR, 08/18/2021			
	Future consideration of funding approved under Resolution E-21-85; August 2021.			
	Right of Way Certification: 04/29/2024			
	Time extension for FY 22-23 CONST expires on June 30, 2024.			
	As part of the allocation request, the local agency is requesting to extend the completion of construction an additional 12 months beyond the 36-months Timely Use of Fund deadline.			
	Contribution from other sources: \$29,675,000			
	Concurrent Allocation Amendment under Resolutions TCEP-A-2324-23 and TCIF-AA-2324-01; June 2024.			
	<u>ALLOCATION IS CONTINGENT UPON THE APPROVAL OF A BUDGET REVISION BY THE DEPARTMENT OF FINANCE.</u>			



ATTACHMENT III Certification of Funds

Certification of Funds: EA 5830/0024000215

Name of Recipient: City of Los Angeles Harbor Department
Name of Project: Port of Los Angeles-Fenix Terminal Railyard Expansion Project
CTC Resolution/Waiver Number: 1. Resolution TCEP-2324-29
 2. Resolution and/or Waiver Number Amendment recipient and district
 3. Resolution and/or Waiver Number Time Extension
CTC Resolution/Waiver Date: 1. June 28, 2024
 2. Month Day, Year
 3. Month Day, Year
Allocated Component, Phase, and Allocation Amount: Port of Los Angeles-Fenix Terminal Railyard Expansion & Modernization Project – CON: \$19,194,000 (\$7,678,000 TCEP-S/22-23; \$11,516,000 TCEP-R/22-23)
Fund Source: Trade Corridor Enhancement Program Fund

SOURCE DIST-UNIT	CHARGE DIST-UNIT	EXP AUTH NO. PROJECT ID NO.	OBJECT	ALLOCATION AMOUNT	LED	FY	ENCUMBRANCE DOCUMENT NO.	PPNO
75	xxxx	5830 002400021 5	xxxx	\$19,194,000 (\$7,678,000 TCEP-S/22-23) (\$11,516,000 TCEP-R/22-23)	xx/xx/x x	24-25	xxxPS-xx	5830
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure Stated above.					Signature of Accounting Officer			Date
ITEM	CHAPTER	STATUTES	FISCAL YEAR					
xxxx-xxx-xxxx	xx	xxxx	2023-24					

**ATTACHMENT IV
Baseline Agreement**

*8
9/23/21*

**RECOMMENDATION APPROVED;
RESOLUTION 21-9901 ADOPTED; AND
AGREEMENT 21-9832 APPROVED;
BY THE BOARD OF HARBOR COMMISSIONERS**

SEPTEMBER 23, 2021

Amber M. Klesges
AMBER M. KLESGES
Board Secretary



DATE: SEPTEMBER 2, 2021

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. *219901* - APPROVAL OF TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP) BASELINE AGREEMENT FOR THE BERTHS 302-305 ON-DOCK RAILYARD PROJECT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT (LAHD) AND THE CALIFORNIA TRANSPORTATION COMMISSION (CTC) AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a funding agreement (referred herein as the Baseline Agreement (BA) – Transmittal 1) with the California Transportation Commission (CTC) and California Department of Transportation (Caltrans) for \$19,194,000 of Trade Corridor Enhancement Program (TCEP) funds for the Berths 302-305 On-Dock Railyard Project.

To receive the TCEP funds, the Harbor Department must enter into the proposed BA with the CTC and Caltrans. Upon approval by the Board, the Harbor Department will transmit the BA to the CTC for final approval, which is expected to occur at its December 2021 meeting. The Harbor Department is financially responsible for matching funds as part of the BA.

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 has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines;
- 2) Approve the Berths 302-305 On-Dock Railyard Project Baseline Agreement;
- 3) Authorize the Executive Director to execute and the Board Secretary to attest to said agreement, for and on behalf of the Board;

DATE: SEPTEMBER 2, 2021

PAGE 2 OF 4

SUBJECT: TCEP BASELINE AGREEMENT FOR B.302-305

- 4) Authorize the Executive Director to execute future Baseline Agreement Amendments to account for revised project schedules, and/or reduced project costs, for and on behalf of the Board, subject to the approval of the City Attorney as to form and legality; and
- 5) Adopt Resolution No. 21-9901

DISCUSSION:

Background – On December 3, 2020 the CTC awarded \$19,194,000 TCEP funds for the Harbor Department’s Berths 302-305 On-Dock Railyard Project. To receive the TCEP funds, the Harbor Department must enter into a BA with the CTC.

Once approved by the Board, the Harbor Department will transmit the BA to the CTC for further processing. Approval by the CTC is expected to occur at its December 2021 meeting. The BA is needed in advance of obtaining the actual allocation of the funds which requires another CTC approval, and is required before the Harbor Department can advertise for construction. The BA sets forth the project scope, expected benefits, schedule, cost, and funding plan. If there are future changes in the project’s schedules and/or costs, the BA will need to be amended prior to the allocation of funds. Thus, the Executive Director also seeks approval from the Board to execute subsequent amended agreements in the future to account for changes in schedules and project cost decreases. The table below summarizes the project cost (including pre-construction costs) and funding sources for the project.

Project	Total Cost	TCEP	USDOT	Harbor Funds
Berths 302-305 On-Dock Railyard Project	\$52,355,000	\$19,194,000	\$18,184,000	\$14,977,000

The Project Programming Request (PPR) attachment to the BA provides annual cash flow/source of fund details. Following project approval by the Board of Harbor Commissioners, construction of this project is expected to commence as follows:

Project	Construction Advertise	Construction Completion
Berths 302-305 On-Dock Railyard Project	1/1/2023	6/30/2025

ENVIRONMENTAL ASSESSMENT:

On June 7, 2012, the Board certified the Berths 302-306 Container Terminal Project Final Environmental Impact Statement/Environmental Impact Report (Final EIS/EIR). The First Addendum, considered by the Board on October 24, 2016, evaluated a smaller version of the Project that continued prior operations with minor modifications, and extended the

DATE: SEPTEMBER 2, 2021

PAGE 3 OF 4

SUBJECT: TCEP BASELINE AGREEMENT FOR B.302-305

term of its existing lease. Subsequently, on May 20, 2021, the Harbor Department prepared another Addendum to the Berths 302-306 Container Terminal Project Final EIS/EIR (Addendum #2) that among several elements, including the expansion of the existing on-dock railyard, for which the aforementioned funds will be used. Based on the findings of Addendum #2, the proposed action would create no potential adverse impacts or substantial changes to impact areas previously analyzed in the Final EIS/EIR. Addendum #2 was posted on the Port's website for public disclosure and a Notice of Determination was filed with the Los Angeles County Clerk and State Clearinghouse.

In addition, because the rail project will utilize federal funding, federal environmental review in accordance with the National Environmental Policy Act (NEPA) will be required by the federal lead agency, the United States Department of Transportation Maritime Administration (MARAD). An environmental document (Environmental Assessment) is currently being prepared for the Berths 302-306 Container Terminal Intermodal Railyard Project by MARAD in accordance with the requirements of NEPA.

The proposed action is approval of the project baseline agreement for the Berths 302-306 Container Terminal Intermodal Railyard Project, which is an activity for which the underlying project has been previously assessed in the Addendum #2 to the Berths 302-306 Container Terminal Project Final Environmental Impact Report (SCH # 2009071031), which was considered by the Board on May 20, 2021. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The TCEP funds are paid on a monthly reimbursement basis for construction costs which requires the Harbor Department to fund project costs first, and then seek reimbursement. After completion of the project, the tenant will be responsible for on-going operations and maintenance (O&M) costs for the Berths 302-305 On-Dock Railyard Project.

The table below summarizes the cash flow needs for the Harbor Department project:

	Prior FY	FY2020/2021	FY2021/2022	Future FY	Total
Inflows:					
TCEP	-	-	-	19,194,000	19,194,000
USDOT	-	-	-	18,184,000	18,184,000
Outflows:					
Harbor - Capital	(171,930)	(526,772)	(1,196,350)	(50,459,948)	(52,355,000)
				POLA's Total Cost	(14,977,000)

DATE: SEPTEMBER 2, 2021

PAGE 4 OF 4

SUBJECT: TCEP BASELINE AGREEMENT FOR B.302-305

Funding detail (including source of funding) for the projects will be detailed in future Board actions requesting approval of the construction contracts. At this time, the \$1,196,350 expected to be incurred by the Harbor Department in FY 2021/2022 for the Berths 302-305 On-Dock Railyard Project is anticipated to be derived from the Capital Improvement Fund, Division No. 1134, Project No. 2562200.

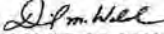
CITY ATTORNEY:

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

TRANSMITTALS:

- 1) TCEP Baseline Agreement for the Berths 302-305 On-Dock Railyard Project 219832

FIS Approval: MB (initials)
CA Approval: SO (initials)


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


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

APPROVED:

 For

EUGENE D. SEROKA
Executive Director

AN:aw
25622b1

*Agmt
21-9832*

STATE OF CALIFORNIA - CALIFORNIA TRANSPORTATION COMMISSION
 CTC-0001 (NEW 07/2018)

ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017
 PROJECT BASELINE AGREEMENT
 Fenix Terminal Railyard Expansion & Modernization Project
 Resolution TCEP-P- 2122- 01B
 (will be completed by CTC)

1. FUNDING PROGRAM

- Active Transportation Program
- Local Partnership Program (Competitive)
- Solutions for Congested Corridors Program
- State Highway Operation and Protection Program
- Trade Corridor Enhancement Program

2. PARTIES AND DATE

2.1 This Project Baseline Agreement (Agreement) for the *Fenix Terminal Railyard Expansion & Modernization Project*, effective on, December 9, 2021 (will be completed by CTC), is made by and between the California Transportation Commission (Commission), the California Department of Transportation (Caltrans), the Project Applicant, *City of Los Angeles, Harbor Department*, and the Implementing Agency, *City of Los Angeles, Harbor Department*, sometimes collectively referred to as the "Parties".

3. RECITAL

- 3.2 Whereas at its December 2, 2020 meeting the Commission approved the Trade Corridor Enhancement Program, and included in this program of projects the *Fenix Terminal Railyard Expansion & Modernization Project*, the parties are entering into this Project Baseline Agreement to document the project cost, schedule, scope and benefits, as detailed on the Project Programming Request Form attached hereto as Exhibit A and the Project Report attached hereto as Exhibit B, as the baseline for project monitoring by the Commission.
- 3.3 The undersigned Project Applicant certifies that the funding sources cited are committed and expected to be available; the estimated costs represent full project funding; and the scope and description of benefits is the best estimate possible.

4. GENERAL PROVISIONS

The Project Applicant, Implementing Agency, and Caltrans agree to abide by the following provisions:

- 4.1 To meet the requirements of the Road Repair and Accountability Act of 2017 (Senate Bill [SB] 1, Chapter 5, Statutes of 2017) which provides the first significant, stable, and on-going increase in state transportation funding in more than two decades.
- 4.2 To adhere, as applicable, to the provisions of the Commission:
 - Resolution *Insert Number* , "Adoption of Program of Projects for the Active Transportation Program", dated
 - Resolution *Insert Number* , "Adoption of Program of Projects for the Local Partnership Program", dated
 - Resolution *Insert Number* , "Adoption of Program of Projects for the Solutions for Congested Corridors Program", dated
 - Resolution *Insert Number* , "Adoption of Program of Projects for the State Highway Operation and Protection Program", dated
 - Resolution *G-20-77* , "Adoption of Program of Projects for the Trade Corridor Enhancement Program", dated **December 2, 2020**

- 4.3 All signatories agree to adhere to the Commission's Trade Corridor Enhancement Program, Guidelines. Any conflict between the programs will be resolved at the discretion of the Commission.
- 4.4 All signatories agree to adhere to the Commission's SB 1 Accountability and Transparency Guidelines and policies, and program and project amendment processes.
- 4.5 The City of Los Angeles, Harbor Department agrees to secure funds for any additional costs of the project.
- 4.6 The City of Los Angeles, Harbor Department agrees to report to Caltrans on a quarterly basis; after July 2019, reports will be on a semi-annual basis on the progress made toward the implementation of the project, including scope, cost, schedule, outcomes, and anticipated benefits.
- 4.7 Caltrans agrees to prepare program progress reports on a quarterly basis; after July 2019, reports will be on a semi-annual basis and include information appropriate to assess the current state of the overall program and the current status of each project identified in the program report.
- 4.8 The City of Los Angeles, Harbor Department agrees to submit a timely Completion Report and Final Delivery Report as specified in the Commission's SB 1 Accountability and Transparency Guidelines.
- 4.9 All signatories agree to maintain and make available to the Commission and/or its designated representative, all work related documents, including without limitation engineering, financial and other data, and methodologies and assumptions used in the determination of project benefits during the course of the project, and retain those records for four years from the date of the final closeout of the project. Financial records will be maintained in accordance with Generally Accepted Accounting Principles.
- 4.10 The Transportation Inspector General of the Independent Office of Audits and Investigations has the right to audit the project records, including technical and financial data, of the Department of Transportation, the Project Applicant, the Implementing Agency, and any consultant or sub-consultants at any time during the course of the project and for four years from the date of the final closeout of the project, therefore all project records shall be maintained and made available at the time of request. Audits will be conducted in accordance with Generally Accepted Government Auditing Standards.

5. SPECIFIC PROVISIONS AND CONDITIONS

5.1 Project Schedule and Cost

See Project Programming Request Form, attached as Exhibit A.

5.2 Project Scope

See Project Report or equivalent, attached as Exhibit B. At a minimum, the attachment shall include the cover page, evidence of approval, executive summary, and a link to or electronic copy of the full document.

5.3 Other Project Specific Provisions and Conditions

In the event of a cost overrun the state will cover a share proportionate to the state contribution of the TCEP funding identified in the Project Programming Request (PPR) submitted with this baseline agreement. (For example, if the state/regional TCEP funding share was a 40/60 ratio, the state may fund no more than 40% of the cost overrun.)

Attachments:

Exhibit A: Project Programming Request Form

Exhibit B: Project Report

SIGNATURE PAGE
TO
PROJECT BASELINE AGREEMENT

Fenix Terminal Railyard Expansion & Modernization Project

Resolution _____

APPROVED AS TO FORM AND LEGALITY

9-13 2021

MICHAEL N. FEUER, City Attorney

By  Deputy City Attorney

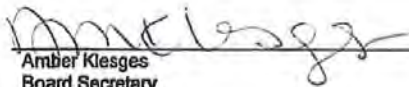


Eugene D. Seroka
Executive Director
Project Applicant
Implementing Agency

10-14-21

Date

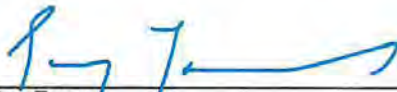
ATTEST:



Amber Klesges
Board Secretary
Project Applicant

9-23-21

Date



Tony Tavares
District Director
California Department of Transportation

10/21/2021

Date



Toks Omishakin
Director
California Department of Transportation

12.13.21

Date



Mitchell Weiss
Executive Director
California Transportation Commission

4/28/22

Date

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID
 ePPR-0723-2020-0005 v1

Amendment (Existing Project) YES NO Date 11/02/2021 15:03:03
 Programs LPP-C LPP-F SCCP TCEP STIP Other

District	EA	Project ID	PRNO	Nominating Agency	
07			5830	Caltrans HQ	
County	Route	PM Back	PM Ahead	Co-Nominating Agency	
Los Angeles				Port of Los Angeles	
				MPO	Element
				SCAG	Local Assistance
Project Manager/Contact			Phone	Email Address	
Kerry Cartwright			310-732-7702	kcartwright@portla.org	
Project Title					

Port of Los Angeles - Fenix Terminal Raiyard Expansion & Modernization Project

Location (Project Limits), Description (Scope of Work)

The project is located entirely on the Fenix marine container terminal at the Port of Los Angeles (POLA) and makes improvements to the existing on-dock raiyard at the Fenix terminal. The Fenix terminal and the entire POLA are also part of the United States Department of Transportation (USDOT) designated National Multimodal Freight Network (NMFN).

The improvement project will increase capacity by adding five new working tracks just north of/parallel to the existing raiyard, including tail track, pavement & turnouts.

Component	Implementing Agency
PA&ED	Port of Los Angeles
PS&E	Port of Los Angeles
Right of Way	Port of Los Angeles
Construction	Port of Los Angeles

Legislative Districts

Assembly:	70	Senate:	35	Congressional:	44
Project Milestone				Existing	Proposed
Project Study Report Approved					
Begin Environmental (PA&ED) Phase				06/15/2020	06/15/2020
Circulate Draft Environmental Document		Document Type	EIR	03/31/2021	03/31/2021
Draft Project Report				02/28/2021	02/28/2021
End Environmental Phase (PA&ED Milestone)				05/31/2021	08/31/2021
Begin Design (PS&E) Phase				04/01/2020	04/01/2020
End Design Phase (Ready to List for Advertisement Milestone)				09/30/2022	09/30/2022
Begin Right of Way Phase				01/01/2021	12/31/2021
End Right of Way Phase (Right of Way Certification Milestone)				12/31/2021	08/31/2022
Begin Construction Phase (Contract Award Milestone)				04/01/2023	07/01/2023
End Construction Phase (Construction Contract Acceptance Milestone)				09/30/2024	06/30/2025
Begin Closeout Phase				10/01/2024	07/01/2025
End Closeout Phase (Closeout Report)				03/31/2025	12/31/2025

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID
 ePPR-0723-2020-0005 v1

Date 11/02/2021 15:03:03

Purpose and Need

The capacity of the existing Fenix on-dock railyard will be reached by 2022. The PROJECT will increase on-dock railyard capacity and commensurate use by a projected 520,00 twenty-foot equivalent units (TEU), which will relieve an NMFN capacity constraint.

NHS Improvements <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Roadway Class NA	Reversible Lane Analysis <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Inc. Sustainable Communities Strategy Goals <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Reduce Greenhouse Gas Emissions <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

Project Outputs

Category	Outputs	Unit	Total
Other	Port Improvements	EA	1

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
PRG-0010 (REV 08/2020)

PPR ID
ePPR-0723-2020-0005 v1

Date 11/02/2021 15:03:03

Additional Information

Project Benefits:

- Net present value benefit of \$389,705,226; benefit-cost ratio = 10.2
- Reduced cargo dwell and transit times by as much as two days for the shifted 520,000 TEU/year, which in turn improves reliability, and reduces transportation and inventory carrying costs
- Reduced truck trips (-2,000/day & 27,400 miles-traveled) on Congressionally approved (via the FAST Act of 2015) NHFN/Primary Highway Freight System (PHFS) routes, including I-710, I-110, SR 47, and several other National Highway System Intermodal Connector Routes, which in turn reduces travel times for port and domestic cargo movement, as well as all other motorists (-4,600 vehicle-hours/day)
- Reduced truck trips reduces accident potential inside the terminal and on external roadways
- Reduced emissions of 6,550 tons/year (including greenhouse gas reductions): in numerous State designated "Disadvantaged/Low Income Communities" and the State's highest ranked communities in the California Communities Environmental Health Screening Tool (CalEnviroScreen 3.0, 2018); and on numerous State/PHFS routes; and in the UPRR ICTF and BNSF Hobart off-dock railyards (not quantified/ included in emission reduction amount cited above)

The schedule change was due to the following reasons:

- 1) Recently, rail construction materials have very long lead times, therefore the construction schedule was updated to accommodate procurement of these materials.
- 2) A revised design concept based on the long-term rail study simulation analysis resulted in design rework therefore the design schedule was extended.

There is no overall change to the scope of work.

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID
 ePPR-0723-2020-0005 v1

Performance Indicators and Measures						
Measure	Required For	Indicator/Measure	Unit	Build	Future No Build	Change
Congestion Reduction	TCEP	Daily Vehicle Hours of Travel Time Reduction	Hours	19,442,200	19,446,800	-4,600
	TCEP	Daily Truck Trips	# of Trips	6,800	8,800	-2,000
	TCEP	Daily Truck Miles Traveled	Miles	574,999,500	575,026,900	-27,400
Throughput	TCEP	Change in Truck Volume That Can Be Accommodated	# of Trucks	0	0	0
	TCEP	Change in Rail Volume That Can Be Accommodated	# of Trailers	0	0	0
			# of Containers	1,443,000	923,000	520,000
	TCEP	Change in Cargo Volume That Can Be Accommodated	# of Tons	0	0	0
# of Containers			3,206,000	3,206,000	0	
System Reliability	TCEP	Truck Travel Time Reliability Index	Index	0	0	0
	TCEP	Daily Vehicle Hours of Travel Time Reduction	Hours	19,442,200	19,446,800	-4,600
Velocity	TCEP	Travel Time or Total Cargo Transport Time	Hours	19,442,200	19,446,800	-4,600
Air Quality & GHG	LPPF, LPPC, SCCP, TCEP	Particulate Matter	PM 2.5 Tons	-1	0	-1
			PM 10 Tons	0	0	0
	LPPF, LPPC, SCCP, TCEP	Carbon Dioxide (CO2)	Tons	-6,531	0	-6,531
	LPPF, LPPC, SCCP, TCEP	Volatile Organic Compounds (VOC)	Tons	0	0	0
	LPPF, LPPC, SCCP, TCEP	Sulphur Dioxides (SOx)	Tons	0	0	0
	LPPF, LPPC, SCCP, TCEP	Carbon Monoxide (CO)	Tons	2	0	2
LPPF, LPPC, SCCP, TCEP	Nitrogen Oxides (NOx)	Tons	-19	0	-19	
Safety	LPPF, LPPC, SCCP, TCEP	Number of Non-Motorized Fatalities and Non-Motorized Serious Injuries	Number	0	0	0
	LPPF, LPPC, SCCP, TCEP	Number of Fatalities	Number	-1	0	-1
	LPPF, LPPC, SCCP, TCEP	Fatalities per 100 Million VMT	Number	0.93	0.93	0
	LPPF, LPPC, SCCP, TCEP	Number of Serious Injuries	Number	-78	0	-78
	LPPF, LPPC, SCCP, TCEP	Number of Serious Injuries per 100 Million VMT	Number	69	69	0
Economic Development	LPPF, LPPC, SCCP, TCEP	Jobs Created (Direct and Indirect)	Number	415	0	415
Cost Effectiveness	LPPF, LPPC, SCCP, TCEP	Cost Benefit Ratio	Ratio	10.2	0	10.2

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID
ePPR-0723-2020-0005 v1

District	County	Route	EA	Project ID	PPNO
07	Los Angeles				5830

Project Title
Port of Los Angeles - Fenix Terminal Railyard Expansion & Modernization Project

Existing Total Project Cost (\$1,000s)									Implementing Agency
Component	Prior	21-22	22-23	23-24	24-25	25-26	26-27+	Total	
E&P (PA&ED)	300							300	Port of Los Angeles
PS&E	956	1,540	890					3,186	Port of Los Angeles
R/W SUP (CT)									Port of Los Angeles
CON SUP (CT)			531	2,257	398			3,186	Port of Los Angeles
R/W									Port of Los Angeles
CON			19,194	13,245	13,244			45,683	Port of Los Angeles
TOTAL	1,256	1,540	20,415	15,502	13,642			52,355	

Proposed Total Project Cost (\$1,000s)									Notes
Component	Prior	21-22	22-23	23-24	24-25	25-26	26-27+	Total	
E&P (PA&ED)	300							300	
PS&E	956	1,540	890					3,186	
R/W SUP (CT)									
CON SUP (CT)			531	2,257	398			3,186	
R/W									
CON			19,194	13,245	13,244			45,683	
TOTAL	1,256	1,540	20,415	15,502	13,642			52,355	

Fund #1:	State SB1 TCEP - Trade Corridors Enhancement Account (Committed)	Program Code							
Existing Funding (\$1,000s)		20.30.210.310							
Component	Prior	21-22	22-23	23-24	24-25	25-26	26-27+	Total	Funding Agency

E&P (PA&ED)									TCEP State
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON			7,678					7,678	
TOTAL			7,678					7,678	

Proposed Funding (\$1,000s)									Notes
Component	Prior	21-22	22-23	23-24	24-25	25-26	26-27+	Total	
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON			7,678					7,678	
TOTAL			7,678					7,678	

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID ePPR-0723-2020-0005 v1

Fund #2:		State SB1 TCEP - Trade Corridors Enhancement Account (Committed)							Program Code
		Existing Funding (\$1,000s)							20.30.210.320
Component	Prior	21-22	22-23	23-24	24-25	25-26	26-27+	Total	Funding Agency
E&P (PA&ED)									TCEP Regional
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON			11,516					11,516	
TOTAL			11,516					11,516	
Proposed Funding (\$1,000s)									
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON			11,516					11,516	
TOTAL			11,516					11,516	
Fund #3: Federal Disc. - Port Infrastructure Development Program (Committed)									
		Existing Funding (\$1,000s)							20.XX.400.300
Component	Prior	21-22	22-23	23-24	24-25	25-26	26-27+	Total	Funding Agency
E&P (PA&ED)									U.S.D.O.T. Grant
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				9,092	9,092			18,184	
TOTAL				9,092	9,092			18,184	
Proposed Funding (\$1,000s)									
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				9,092	9,092			18,184	
TOTAL				9,092	9,092			18,184	

DRAFT

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID ePPR-0723-2020-0005 v1

Fund #4:	Local Funds - Port Funds (Committed)								Program Code	
	Existing Funding (\$1,000s)								20.10.400.100	
Component	Prior	21-22	22-23	23-24	24-25	25-26	26-27+	Total	Funding Agency	
E&P (PA&ED)	300							300	Port of Los Angeles	
PS&E	956	1,540	690					3,186		
R/W SUP (CT)										
CON SUP (CT)			531	2,257	398			3,186		
R/W										
CON				4,153	4,152			8,305		
TOTAL	1,256	1,540	1,221	6,410	4,550			14,977		
Proposed Funding (\$1,000s)										Notes
E&P (PA&ED)	300							300		
PS&E	956	1,540	690					3,186		
R/W SUP (CT)										
CON SUP (CT)			531	2,257	398			3,186		
R/W										
CON				4,153	4,152			8,305		
TOTAL	1,256	1,540	1,221	6,410	4,550			14,977		

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
 PRG-0010 (REV 08/2020)

PPR ID ePPR-0723-2020-0005 v1

Complete this page for amendments only

Date 11/02/2021 15:03:03

District	County	Route	EA	Project ID	PPNO
07	Los Angeles				5830

SECTION 1 - All Projects

Project Background

The schedule change was due to the following reasons:

- 1) Recently, rail construction materials have very long lead times, therefore the construction schedule was updated to accommodate procurement of these materials.
- 2) A revised design concept based on the long-term rail study simulation analysis resulted in design rework therefore the design schedule was extended.

Programming Change Requested

Reason for Proposed Change

The schedule change was due to the following reasons:

- 1) Recently, rail construction materials have very long lead times, therefore the construction schedule was updated to accommodate procurement of these materials.
- 2) A revised design concept based on the long-term rail study simulation analysis resulted in design rework therefore the design schedule was extended.

If proposed change will delay one or more components, clearly explain 1) reason for the delay, 2) cost increase related to the delay, and 3) how cost increase will be funded

The schedule change was due to the following reasons:

- 1) Recently, rail construction materials have very long lead times, therefore the construction schedule was updated to accommodate procurement of these materials.
- 2) A revised design concept based on the long-term rail study simulation analysis resulted in design rework therefore the design schedule was extended.

Other Significant Information

SECTION 2 - For SB1 Project Only

Project Amendment Request (Please follow the individual SB1 program guidelines for specific criteria)

The schedule change was due to the following reasons:

- 1) Recently, rail construction materials have very long lead times, therefore the construction schedule was updated to accommodate procurement of these materials.
- 2) A revised design concept based on the long-term rail study simulation analysis resulted in design rework therefore the design schedule was extended.

Approvals

I hereby certify that the above information is complete and accurate and all approvals have been obtained for the processing of this amendment request.

Name (Print or Type)	Signature	Title	Date

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
PROJECT PROGRAMMING REQUEST (PPR)
PRG-0010 (REV 08/2020)

PPR ID ePPR-0723-2020-0005 v1

SECTION 3 - All Projects

Attachments

- 1) Concurrence from Implementing Agency and/or Regional Transportation Planning Agency
- 2) Project Location Map

Transmittal No. 1

**PSRE
FENIX CONTAINER TERMINAL INTERMODAL RAILYARD PROJECT**

PROJECT STUDY REPORT EQUIVALENT (PSRE)



PSRE

FENIX CONTAINER TERMINAL INTERMODAL RAILYARD PROJECT Approved by the Port of Los Angeles: September 2, 2021
Agency Chief Executive (i.e. Mayor, City Manager, CEO, CAO, PW Dir, City Eng., Gen. Mgr., or equivalent)

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**PSRE
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Approved by the Port of Los Angeles:

[Signature]

09/07/21

Agency Chief Executive (i.e. Mayor, City Manager, CEO,
CAO, PW Dir, City Eng., Gen. Mgr., or equivalent)

DATE

This Project Study Report Equivalent has been prepared under the direction of the following staff authorized by the sponsoring agency to sign for the work. The person signing below attests to and certifies the technical information contained herein and the engineering data upon which the recommendations, conclusions, and decisions are based.

[Signature]

9/07/2021

C75602

Authorized Staff

Date

If applicable California PE Stamp and LIC #

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INTRODUCTION

The **FENIX CONTAINER TERMINAL INTERMODAL RAILYARD PROJECT** is located on Terminal Island in the Port of Los Angeles (POLA). The project is an expansion of the existing on-dock railyard, which serves the Port of Los Angeles. Figures 1 thru 3 illustrate the movement of goods from both ports as it relates to the national, regional, and subregional intermodal transportation system.

Figure 1 – Project National Context



Figure 2 – Project Regional Context

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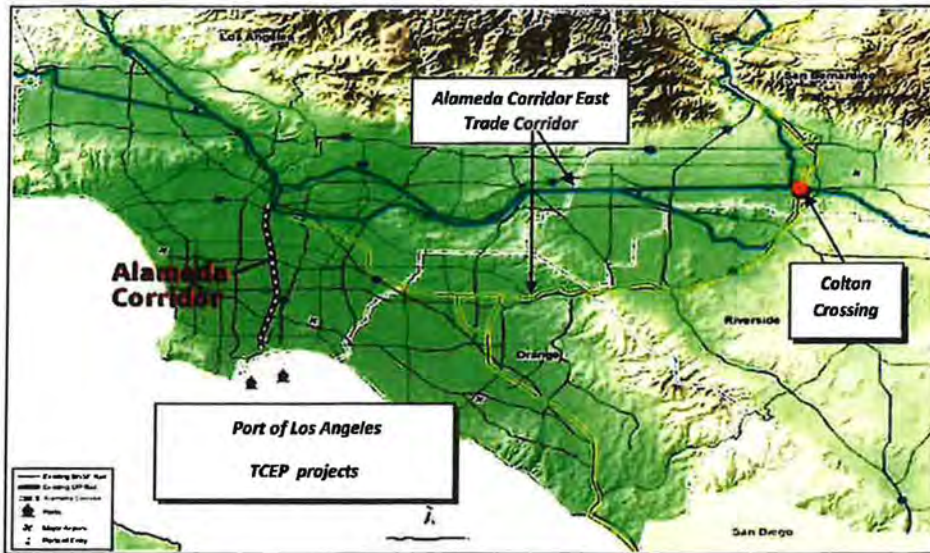
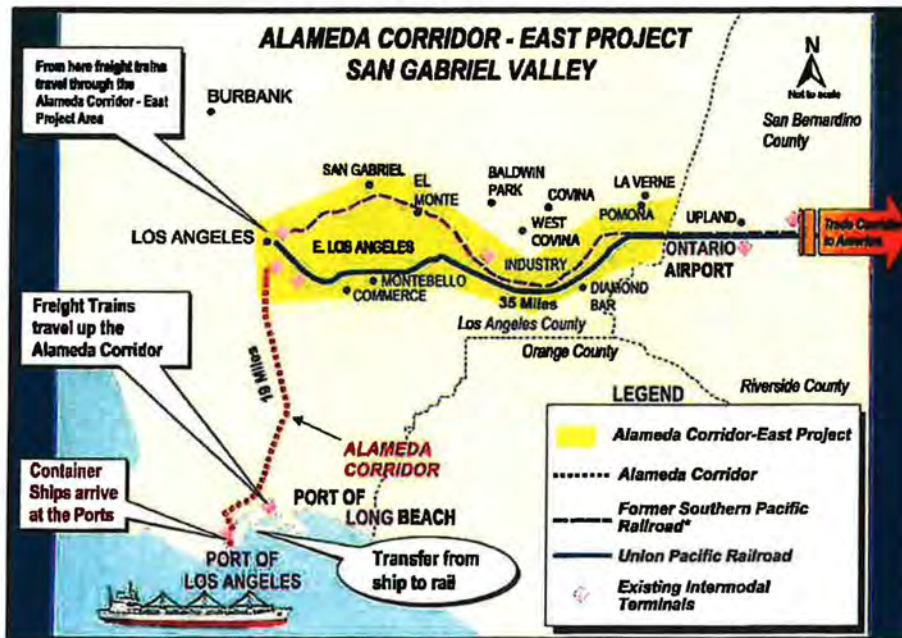


Figure 3 – Project Regional Context



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FENIX CONTAINER TERMINAL INTERMODAL RAILYARD PROJECT

The capacity of the existing Fenix on-dock railyard will be reached by 2022. The Fenix terminal handled over 2 million twenty-foot equivalent units (TEU) in 2018, which represents 4% of all containers moving through all U.S. ports, in which over half of the rail cargo moves to/from the Midwest and Southeast. Figures 4-6 show the project location in the local context. This project entails the construction of five new tracks and tail track (approximately 16,230 track feet) and power switches to the existing Fenix Container Terminal Railyard. The construction work will also include removals, grading, paving, drainage, utility relocation/modification, striping, fencing, and lighting infrastructure. The project will increase on-dock intermodal railyard capacity and commensurate use by a projected 520,000 Twenty Foot Equipment Units (TEU), which represents about a 10% increase in overall on-dock rail capacity in the Port of Los Angeles.

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Figure 4- Project Local Setting-A



Figure 5- Berth 302-305 On-Dock Railyard Expansion

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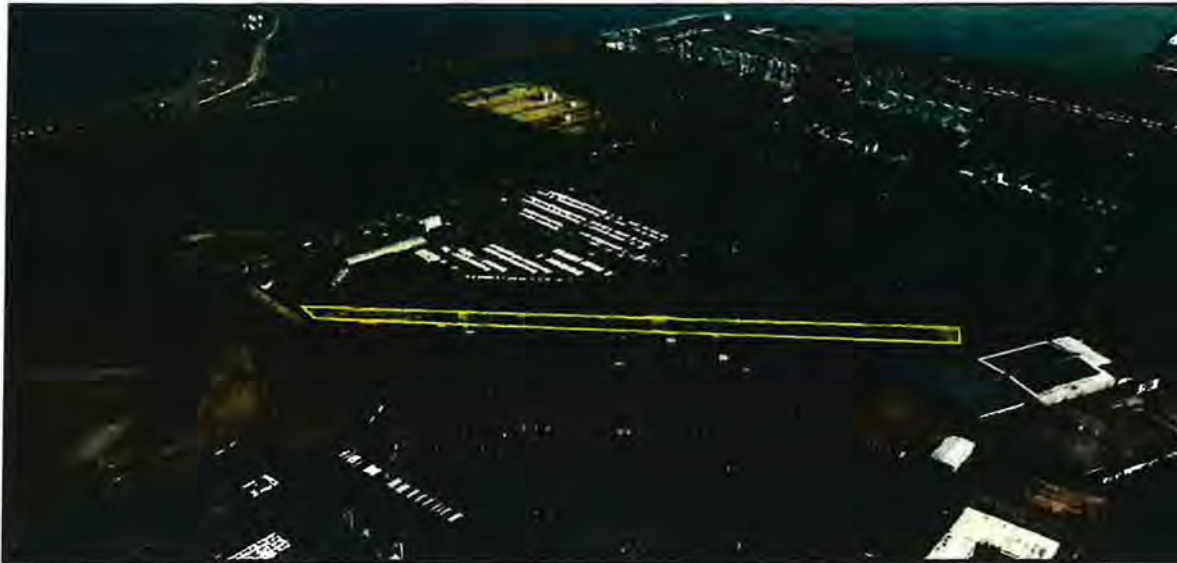


Figure 6 – FENIX CONTAINER TERMINAL INTERMODAL RAILYARD PROJECT Site Plan

TRANSPORTATION CHALLENGES/PROJECT NEED

Transportation

For several economic, environmental, and efficiency reasons, the San Pedro Bay Ports have committed to a goal of maximizing on-dock rail use. On-dock rail enables cargo containers to be moved to/from vessels and trains, within the confines of the port terminals, thus minimizing truck trips inside the terminals, and outside on the State Highway System. The POLA/POLB handled 16.9 million twenty-foot equivalent units (TEUs) in 2017. By 2035, the POLA/POLB is projected to handle over 35 million TEUs, which will further strain the nation's most important freight transportation network.

FENIX CONTAINER TERMINAL INTERMODAL RAILYARD PROJECT

The existing Fenix on-dock railyard, which handled 762,000 TEU in 2019, is expected to reach its capacity of 925,000 TEU in the year 2022. The project will increase on-dock intermodal railyard capacity and commensurate use by a projected 520,000 TEU. Thus, the project relieves a national multimodal freight network (NMFN) capacity constraint, which enables more cargo to be loaded onto trains via the on-dock railyard within the terminal, instead of via off dock railyards, located as far as 27 miles away from the Fenix Terminal. Shifting the loading of these containers to on-dock rail enables the BNSF Railway and Union Pacific Railroad (UPRR) to transport import and export containers to/from the POLA and the rest of the nation more safely, rapidly, efficiently, and cost-effectively, via the Alameda Corridor.

As documented in the recently released "I-710 Corridor Project Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (State of California, July 2017);

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<http://www.dot.ca.gov/d7/env-docs/docs/710corr-eir/>) and numerous POLA documents (https://www.portoflosangeles.org/environment/public_notices.asp), many intersections, roadways, freeways within the Port, and I-710 Corridor currently operate at unacceptable levels of service. The poor operating conditions are expected to deteriorate within the next 20 years. Given the scarcity of public funds for major roadway improvements, and the lengthy timeframe required for development and implementation, other types of transportation improvements, such as on-dock intermodal railyards, are crucial to ensure the overall economic vitality of the State and the nation.

Project Parties, Operations & Maintenance

Two Class I railroads, the BNSF and UPRR, and one short-line railroad, Pacific Harbor Line (PHL), will have operating rights on this new trackage. These operating rights are defined by existing operating agreements with all three rail providers, which will be amended to include the new rail infrastructure. Additionally, the POLA contracts directly with the PHL to operate on all trackage in the POLA. The PHL in turn contracts with non-container customers, the BNSF, and UPRR for switching services with and adjacent to the POLA. The Fenix Terminal operator, which has a lease with the POLA, will be responsible for all maintenance of this new trackage.

PROJECT BENEFITS

Throughput/Velocity/Congestion Reduction

The project will improve rail throughput, rail cargo velocity, and reliability by shifting from off-dock to on-dock movement. Based upon detailed capacity modeling and intermodal analysis, the project will increase on-dock railyard capacity and commensurate use by a projected 520,000 TEU/year. The capacity modeling also entailed use of the "Rail Traffic Controller" (RTC) simulation model, a model utilized universally by Class I railroads, ports, and commuter passenger rail agencies throughout North America. Based upon projected container volume forecasts the capacity of the existing Fenix on-dock railyard, 925,000 TEU, will be reached by 2022. Thus, the project relieves a NMFN capacity constraint, and enables more cargo to be moved via on-dock rail. The expanded Fenix on-dock railyard is projected to reach its capacity of 1,443,000 TEU by the year 2032. This increased capacity and use of the Fenix terminal on-dock railyard will result in shifting containers from off-dock railyards located between 11 and 27 miles away from the POLA. A benefit-cost analysis (BCA) model quantified benefits in the opening year and twenty years thereafter and is reasonable in not overestimating the 20-year stream of benefits. This shifting from off-dock to on-dock operations yields the following outcomes (benefits):

- Reduced cargo dwell and transit times by as much as two days for the shifted 520,000 TEU/year, which in turn improves reliability and reduces transportation and inventory carrying costs
 - Reduced truck trips on the NMFN-Primary Highway Freight System (PHFS) routes in turn reduces travel times for other port and domestic cargo movement, as well as all other motorists
- Using comprehensive port-specific truck trip generation and travel demand the following summarizes these specific reductions:

Table 1 – Daily Mobility Benefits

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	Case	Control
	Travel Time on Roadways (1-100-20)	Travel Time (1-100-20)
Year	201	318
201	-201	-318
201	-201	-318

- The anticipated reduced delay of other vehicles on roadways, attributable to the direct truck trip reductions, will also decrease the potential for accidents (this particular accident potential reduction has not been monetized in the BCA).
- Trucking costs will be reduced due to this shifting (this particular benefit has not been monetized in the BCA).
- Reduced truck trips reduces accident potential inside the terminal and on external roadways
 - Reduced truck trips to/from the terminal reduces gate queues/queuing time and terminal truck movements and terminal times, which in turn also reduces terminal operating costs (this particular benefit has not been monetized in the BCA).
- The reduced terminal truck movements and gate queues also improves the movement of import containers that are subsequently transloaded to domestic rail containers and loaded onto trains;
 - Transloaded intermodal cargo consists of import containers trucked to logistics facilities where their contents are transferred into larger, domestic containers (typically 53 feet long) and then trucked to railyards for loading onto trains destined for inland US locations.

Environmental Sustainability/Emission Reduction

The POLA is located in the South Coast Air Basin (SCAB), an extreme nonattainment area. This basin has some of the worst air quality in the nation, which represents a serious health concern for its residents. Currently, the SCAB is designated by the U.S. Environmental Protection Agency as being in nonattainment of the National Ambient Air Quality Standards for ozone and for particulate matter less than 2.5 microns (PM_{2.5}). Additionally, the project is located in one of the most "disadvantaged" communities in the entire State and nation. Studies show that tens of thousands of people living in communities around the ports face an increased risk of cancer, asthma, birth defects, and decreased lung function. These communities are also heavily populated by immigrants, minorities, and economically disadvantaged people.

This Environmental Assessment (EA) has been prepared on behalf of POLA to address the potential environmental impacts relative to the proposed improvements to its existing on-dock railyard at Berth 300 currently operated by Fenix Marine Services (FMS) (formerly American President Lines [APL] and Eagle Marine Services). At approximately 291 acres, the Pier 300 terminal is the second largest cargo container terminal at POLA. FMS is the permit holder and terminal operator. The Pier 300 terminal has four berths with approximately 4,000 feet of wharf, 16 wharf cranes and an on-dock rail yard that can accommodate nearly three full intermodal unit trains. Additionally, the shifting of the amount of containers moved via off-dock to on-dock is one of the key strategies of the San Pedro Bay Ports Clean Air Action Plan (CAAP) 2017 Update, California Sustainable Freight Action Plan (CSAP), and CFMP. The CAAP has involved extensive community/public outreach over many years, with the involvement of the

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California Air Resources Board (CARB), South Coast Air Quality Management District (SCAQMD), and United States Environmental Protection Agency (USEPA).

As shown in Table 2 and Figure 6, the project will reduce emissions in numerous State designated "Disadvantaged" and "Low Income Communities around the POLA/POLB and throughout the South Bay and Gateway Cities subregions, including but not limited to San Pedro, Wilmington, Long Beach, Carson, and all cities abutting the I-710 and I-110. These two POLA rail projects are key strategies of the POLA/POLB 2017 CAAP. The CAAP involved extensive community/public outreach over two years, with the involvement of CARB, SCAQMD, and EPA.

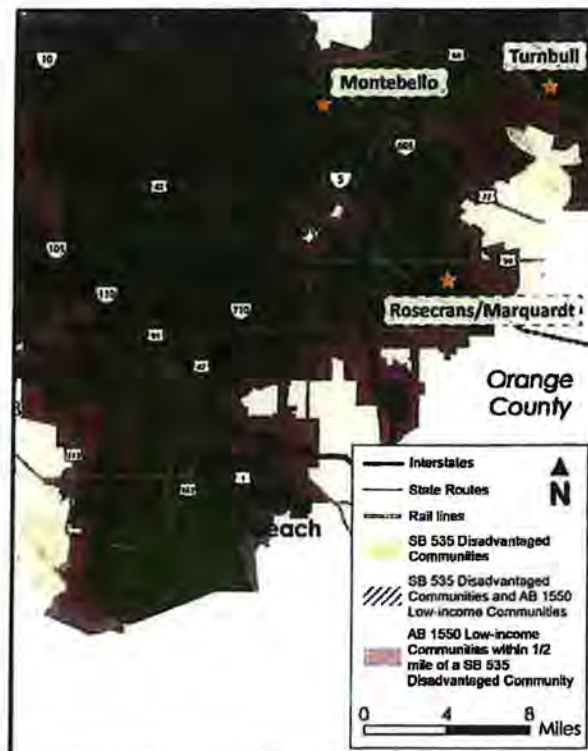
Table 2 – Truck Emission Reductions (annual tons)

Year 2043	-	-2	-24	--	-1	--	-7860
2024-2043 Total	-2	-22	-256	-	-15	-5	-90983

Figure 6 – Emission Reductions In Disadvantaged/Low-Income Communities

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Economic/Jobs Growth

The capacity of the existing Fenix on-dock railyard will be reached by 2022. The PROJECT will increase on-dock intermodal railyard capacity and commensurate use by a projected 520,00 TEU. Thus, the PROJECT relieves a NMFN capacity constraint, which enables more cargo to be loaded onto trains via the on-dock railyard within the terminal, instead of via offdock railyards, located as far as 27 miles away from. Shifting the loading of these containers to on-dock rail enables the BNSF Railway and Union Pacific Railroad (UPRR) to transport import and export containers to/from the POLA and the rest of the nation more safely, rapidly, efficiently, and cost-effectively, via the Alameda Corridor. The Fenix terminal moves 4% of all containers moving thru U.S. ports. This project not only improves rail for U.S. heartland exports, but also benefits agriculture, manufacturing, energy, and retail. In addition, this project will prevent diversion to Canada and Mexico, reduces roadway maintenance, and improves a 22-year old infrastructure.

This project prevents containers from diverting to ports in Canada and Mexico. Such a diversion would have real, direct financial, and economic losses to the POLA, hindering needed CIP construction and bond debt payment for not only the POLA but the Alameda Corridor. The current bond debt for the POLA and Alameda Corridor is \$754 million and \$2.06 billion, respectively. The UPRR and BNSF pay fees for moving on-dock and off-dock containers via the Alameda Corridor. Cargo diversion will also hurt the U.S. economy due to loss of revenue, jobs, tax revenue, and business/consumer spending.

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The construction of PROJECT will create an estimated 320 direct/indirect/induced jobs (one year per full-time equivalent) in "Economically Distressed Areas" (EDA) with 13 percent unemployment. An EDA, as established by 42 U.S.C. § 3161 and used by the Federal Highway Administration, are areas where unemployment is one percent or more above the national average, or where the per capita income is 80 percent or less than the national average.

SCHEDULE, COST ESTIMATE, AND FUNDING

The tables below show the estimated schedule, cost estimate, and funding plans for the project.

Table 3 – Project Schedule

FENIX Rail Schedule											
ID	Task Name	Duration	Start	Finish	2019	2020	2021	2022	2023	2024	2025
1	Environmental - CEQA	351d	Mon 6/15/20	Mon 5/31/21							
2	Environmental- NEPA	90d	Wed 3/3/21	Mon 5/31/21							
3	Final Design	580d	Sun 2/28/21	Fri 9/30/22							
4	Caltrans Allocation Deadline	0d	Fri 6/30/23	Fri 6/30/23							
5	Caltrans E-76	92d	Sat 10/1/22	Sat 12/31/22							
6	Bid and Award	180d	Sun 1/1/23	Thu 6/29/23							
7	Construction	731d	Sat 7/1/23	Mon 6/30/25							

Table 4 – Project Cost Estimate/Funding

Fiscal Year	FY20	FY21	FY22	FY23	FY24	FY25	Total
Costs							
Environmental	\$ 30,000	\$ 270,000					\$ 300,000
Design	\$ 50,000	\$ 906,000	\$ 1,540,000	\$ 690,000			\$ 3,186,000
Construction				\$ 7,464,000	\$ 32,396,000	\$ 5,823,000	\$ 45,683,000
Construction Management				\$ 531,000	\$ 2,257,000	\$ 398,000	\$ 3,186,000
Totals	\$ 80,000	\$ 1,176,000	\$ 1,540,000	\$ 8,685,000	\$ 34,653,000		\$ 52,355,000
Funding Sources							
TCEP				\$ 19,194,000			\$ 19,194,000
USDOT - Construction					\$ 9,092,000	\$ 9,092,000	\$ 18,184,000
POLA - Construction					\$ 4,153,000	\$ 4,152,000	\$ 8,305,000
POLA - CM				\$ 531,000	\$ 2,257,000	\$ 398,000	\$ 3,186,000
POLA - Environmental/Design	\$ 80,000	\$ 1,176,000	\$ 1,540,000	\$ 690,000			\$ 3,486,000
POLA Total	\$ 80,000	\$ 1,176,000	\$ 1,540,000	\$ 1,221,000	\$ 6,410,000	\$ 4,550,000	
Totals	\$ 80,000	\$ 1,176,000	\$ 1,540,000	\$ 20,415,000	\$ 15,502,000	\$ 13,642,000	\$ 52,355,000

PROGRAMMING DATA

See Exhibit A of Baseline Agreement for the Project Programming Request (PPR)

ALTERNATIVES

Refer to the Project Benefits section for information on the project as a build option.

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The tables and section below summarize the quantification of the various evaluation criterion, and the resulting benefit-cost results of the proposed project.

Table 5 – Benefits/Costs

Benefits/Costs (\$1,000,000)			
Outcome	Project Effect/ Reason	Outcome Metric	7% Rate
Safety & Efficiency	• Increased on-dock capacity (520,000 TEU) = shift from off-dock to on-dock = reduced cargo transit time & terminal dwell time (by 2 days) = improved reliability & reduced costs	• Private logistics cost reduction (e.g.; inventory carrying costs)	Not monetized
	• Increased on-dock capacity = shift from off-dock to on-dock = reduced truck trips (2,000/day) & hours of travel on NHFN & in terminals (100 hrs/day)	Travel time (& cost) reduction	\$189,650,828
	• Increased on-dock capacity = shift from off-dock to on-dock = reduced truck trips & hours of travel on NHFN & in terminals = reduced accident potential	Accident (& cost) reduction	\$7,307,480
	• Reduced truck trips = reduced hours of travel for other trucks & motorists on NHFN (-4,500/hrs/day)	Travel time (& cost) reduction	in "Travel Time Reduction"
State of Good Repair	• Reduced truck trips/hours of travel = reduced fuel consumption (net reduction for trucks & trains)	Fuel consumption (& cost) reduction	\$17,782,488
	• Reduced truck trips/hours of travel = reduced roadway repairs (extends useful life of NHFN & terminal pavement)	Roadway O&M (& cost) reduction	\$5,428,777
Energy Trade & Movement	For containerized petroleum products (POLA CY18=16,900 TEU), increased rail capacity = reduced total cargo dwell/transit times = reduced transportation costs = improved reliability & predictability	Travel time (& cost) reduction	in "Travel Time Reduction"
Export Movement	For export containers (POLA CY18=1.904 million TEU = 15% of all US ports), increased rail capacity = reduced total cargo dwell/transit times = reduced transportation costs = improved reliability & predictability	Travel time (& cost) reduction	in "Travel Time Reduction"
Food & Agricultural Cargo Movement	For containers moving food & agricultural cargo (POLA CY18=0.645 million TEU), increased rail capacity = reduced total cargo dwell/transit times = reduced transportation costs = improved reliability & predictability	Travel time (& cost) reduction	in "Travel Time Reduction"
Quality of Life	Reduced truck trips/hours of travel = reduced emissions and noise	• Emission cost reduction	\$2,332,389
		• Noise reduction	\$1,350,860
		• Improved health; reduced health care costs	Not monetized
Present Value Benefits			\$223,852,742
Present Value Net Costs (inc. residual value of infrastructure & O&M costs)			\$30,100,645
Net Present Value			\$193,752,097
Benefits/Costs			7.9

Safety

The Fenix Railyard Enhancement will reduce truck-miles traveled, which thus will reduce the potential for accidents, which when trucks are involved, often result in injuries and fatalities. The estimated accident reduction benefit for both projects are summarized above in Table 5. The anticipated reduced vehicular delay on roadways attributable to these truck trip reductions will also decrease the potential for accidents.

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However, this latter accident potential reduction has not been monetized in the BCA. Reduced truck trips also reduces accident potential inside the terminals, but this has not been monetized in the BCA.

The project reduces truck-miles travelled and thus pavement wear. Additionally, by lessening the pavement wear they could potentially lessen the potential for accidents. These potential secondary safety benefits have not been included in the benefit-cost calculations.

SYSTEM PLANNINGInterregional Benefits

The project will have a significant and measurable impact on both inter-regional and national transportation system efficiency and reliability, allowing the West Coast to continue to serve as the primary gateway for national and international trade, as the most attractive, resilient, and competitive option. Continued investment in California's premier corridor is necessary to continue to support the ancillary investments made regionally through warehousing, transloading, and distribution centers. The improvements will improve efficiency for the movements of freight and people. Increasing capacity and reducing travel times on both systems will provide more choices for freight shippers and commuters. If shippers have more options for moving goods, competition increases between modes, and long-term costs will be reduced, creating a more efficient operating environment for both trucking and rail.

ATTACHMENT V

SB1 Special Conditions

Item: The Road Repair and Accountability Act of 2017 (SB1) Requirement
Description:

1. General:

- 1.1 This PROJECT is programmed to receive Road Repair and Accountability Act of 2017 (State Senate Bill 1, Chapter 5, Statutes of 2017 (SB1)) funds from the Solutions for Congested Corridors Program (SCCP). This PROJECT will be administered in accordance with the California Transportation Commission (Commission) approved/adopted SB1 Accountability and Transparency Guidelines, SCCP Guidelines, as may be amended from time to time, and this PROGRAM SUPPLEMENT.
- 1.2 SB1 funding may be provided for one or more components. A component(s) specific fund allocation is required, in addition to other requirements, before reimbursable work can occur for the component(s) identified. Each allocation will be assigned an effective date and identify the amount of funds allocated per component(s).
- 1.3 This PROJECT is subject to the Commission's timely use of funds provisions as may be amended in the Commission's SB-1 and/or the SCCP Guidelines.

2. Invoicing:

- 2.1 This PROGRAM SUPPLEMENT has been prepared to allow reimbursement of eligible project expenditures for the component(s) allocated. Unless otherwise determined, the effective date of the component specific allocation will constitute the start of the reimbursable expenditures, provided that an agreement has been executed.
- 2.2 The **RECIPIENT** agrees to submit invoices for PROJECT costs in accordance with the terms and provisions of this PROGRAM SUPPLEMENT and the MASTER AGREEMENT cited herein.
- 2.3 The **RECIPIENT** agrees to submit invoices no less frequently than quarterly in any quarter in which reimbursable expenses are incurred.
- 2.4 The **RECIPIENT** agrees to use eligible matching funds of the type identified in its project application/nomination, for the required dollar for dollar minimum local match to the SCCP funds.
- 2.5 All obligations of the **STATE** under the terms of this Agreement are subject to the appropriation of resources by the Legislature and

the encumbrance of funds under this Agreement. Funding and reimbursement are available only upon the passage of the State Budget Act containing these State funds.

3. Reporting:

3.1 By executing this PROGRAM SUPPLEMENT, the **RECIPIENT** agrees to administer the PROJECT and comply with all reporting requirements in accordance with the SCCP Guidelines and SB1 Accountability and Transparency Guidelines, as may be amended, by the Commission. Changes to the scope and budget from the Commission approved project application/nomination shall also be identified in these reports

4. Compliance:

4.1 Failure to comply with all applicable guidelines, including the SB 1 Accountability and Transparency Guidelines, could result in actions against the **RECIPIENT**. The California Department of Transportation (Department) will recommend and the Commission will determine appropriate corrective actions for noncompliant agencies. These actions may include, but are not limited to, the following:

- A written warning to the **RECIPIENT**, a request to appear before the Commission, placement on a watch list, or all three actions.
- Being deemed ineligible for future allocations or programming actions, at the discretion of the Commission.
- A penalty, as recommended by the Department and approved by the Commission, in the form of reduced reimbursements on all invoices until the noncompliance issues are corrected. This penalty shall remain in effect until the reporting cycle after the noncompliance has been resolved.