



Executive Director's

Report to the

Board of Harbor Commissioners

DATE: APRIL 17, 2013

FROM: REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - PROPOSED TEMPORARY
CONSTRUCTION EASEMENTS FOR THE CONSTRUCTION OF
SOUNDWALLS ALONG THE I-110/SR-47 CONNECTOR
IMPROVEMENT PROJECT**

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department), in cooperation with the California Department of Transportation (Caltrans), is proposing to construct soundwalls within Caltrans' right-of-way along the Interstate 110 (I-110) and State Route 47 (SR-47) intersection in San Pedro. The soundwalls will reduce the sound level of freeway-generated noise.

The project needs temporary construction easements (TCE) with terms of 24 months, plus four six-month options to extend, for purposes incidental to the construction of the soundwalls. These TCEs need to be acquired on a portion of all adjacent properties to provide adequate space to construct the soundwalls. In total, there are 62 TCEs for properties located adjacent to the project area.

The Harbor Department notified the owners of the affected properties regarding the soundwall construction on April 10, 2012. Paragon Partners Ltd. (Paragon), a Harbor Department consultant, completed an inspection of all properties and made a determination of just compensation for the TCEs.

RECOMMENDATION:

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

1. Approve the Temporary Construction Easements listed in Transmittal 1 that are substantially in the form as the Temporary Construction Easement attached as Transmittal 2;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the Temporary Construction Easements listed in Transmittal 1 that are substantially in the form as the Temporary Construction Easement attached as Transmittal 2; and
3. Adopt Resolution No. _____.

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SUBJECT: PROPOSED TEMPORARY CONSTRUCTION EASEMENTS ALONG THE I-110/SR-47 CONNECTOR IMPROVEMENT PROJECT

DISCUSSION:

Background/Context – The I-110/SR47 Connector Improvement Project will improve mobility in and around the West Basin area of the Port of Los Angeles (Port) by adding a traffic lane to the I-110/SR-47 freeway connector. This project is part of the comprehensive traffic improvement project, the John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements and I-110/SR-47 Connector Improvement Project.

On November 25, 2008, the Board approved a cooperative agreement between the Harbor Department and Caltrans, whereby the Harbor Department will prepare the plans, specifications, and estimates required for the improvements, including managing the construction. Caltrans shall entitle the project; review and approve the plans, specifications, and estimates; and oversee the construction. This project was developed through an extensive planning process, including traffic modeling, operational analysis, public input, and was also approved by the State of California and Caltrans since the majority of the improvements will be located within a Caltrans right-of-way.

The proposed TCEs (Transmittal 2) will obtain necessary work space from each adjacent property owner (Transmittal 1) to construct soundwalls that are required to mitigate freeway generated noise. The Harbor Department has obtained preliminary approval from each property owner for the TCEs pending final approval from the Board and the City Attorney. The term of the TCEs is 24 months, commencing upon the Harbor Department's contractor's first entry onto the TCE area.

Compensation Calculations – Paragon met with all affected property owners, surveyed the property, and determined an appropriate amount for financial consideration. Paragon utilized a \$30.00/per square foot (s.f.) land value and incorporated a ten percent rate of return. For example, a parcel that has an area of 442 s.f. would have the following calculation:

Square footage x land value x rate of return x term = total compensation
442 s.f. x \$30/per s.f. x 10%/per year x 2 years = \$2,652

Additional financial consideration was given for improvements such as walls and fences impacted or demolished during construction. Estimates for improvements were also based on values from the Marshall & Swift building cost guide, the cost guide used by most appraisers.

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SUBJECT: PROPOSED TEMPORARY CONSTRUCTION EASEMENTS ALONG THE I-110/SR-47 CONNECTOR IMPROVEMENT PROJECT

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of TCEs required for construction of soundwalls along the I-110/SR-47 Connector Improvement Project, as part of the John S. Gibson Boulevard/I-110 Access Ramps and I-110/SR-47 Connector Improvement Project (Project). The impacts of the Project were assessed in a Mitigated Negative Declaration which was approved by the Board in April, 2012. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed project is exempt from CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

The TCEs will have no long-lasting employment impact; however, the construction of the soundwall is essential to the I-110/SR-47 Connector Improvement Project. The economic benefits of this project is anticipated to support 185 direct one-year equivalent construction jobs, as brought before the Board on April 5, 2012.

FINANCIAL IMPACT:

The I-110/SR-47 Connector Improvement Project is associated with Work Order Nos. 24661.

Capital Expenditure Schedule

Previous Years	\$ 2,293,076	Actual
FY 2012/13	\$ 465,470	Current
FY 2013/14	\$ 1,419,784	Projected
FY 2014/15	\$ 9,113,515	Projected
FY 2015/16	\$ 3,635,124	Projected
FY 2016/17	\$ 134,744	Projected
Total	\$ 17,061,713	

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Total compensation for actual possession and use of the 62 TCE areas is \$186,575, which is already part of the overall project budget. This is a necessary expense to complete the construction of the soundwall, and that amount is budgeted in Fiscal Year 2013/2014, Account No. 59955, Center No. 1172, Program No. 000.

CITY ATTORNEY:

The TCEs have been approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Parcel Compensation List
2. Temporary Construction Easement

FIS Approval: KR (initials)
CA Approval: jmc (initials)



JACK C. HEDGE
Director of Real Estate



KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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