



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: AUGUST 3, 2022**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF US DEPARTMENT OF TRANSPORTATION FY19 PORT INFRASTRUCTURE DEVELOPMENT PROGRAM FUNDING AGREEMENT FOR THE FENIX CONTAINER TERMINAL INTERMODAL RAILYARD BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT (LAHD) AND US DEPARTMENT OF TRANSPORTATION**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners (Board) approve a funding agreement (referred herein as the Funding Agreement (FA) – Transmittal 1) with the US Department of Transportation for \$18,184,743 of Port Infrastructure Development Program (PIDP) funds for the Fenix Container Terminal Intermodal Railyard Project.

To receive the PIDP funds, the Harbor Department must enter into the proposed FA with the United States Maritime Administration (MARAD). MARAD is the agency within the U.S. Department of Transportation dealing with waterborne transportation and is responsible for administering the grant funds for the PIDP.

Upon approval by the Board, the Harbor Department will transmit the FA to MARAD for final approval. The Harbor Department is financially responsible for matching funds in the amount of \$17,811,619 as part of the FA.

**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 Fenix Container Terminal Intermodal Railyard Project Funding Agreement;
- 3) Authorize the Executive Director to execute and the Board Secretary to attest to said agreement, for and on behalf of the Board;

- 4) Authorize the Executive Director to execute future Funding 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. \_\_\_\_\_.

**DISCUSSION:**

Background – The Port Infrastructure Development Program is a discretionary grant program administered by the U.S. Maritime Administration intended to improve port facilities. On February 14, 2020 the U.S. Department of Transportation’s MARAD awarded \$18,184,743 of PIDP funds for the Harbor Department’s Fenix Container Terminal Intermodal Railyard Project. To receive the PIDP funds, the Harbor Department must enter into a FA with MARAD.

Once approved by the Board, the Harbor Department will transmit the FA to MARAD for final approval. The FA is needed to secure the grant funding and is required before the Harbor Department can advertise for construction. The FA sets forth the project scope, schedule, cost, and funding plan. If there are future changes in the project’s schedule and/or cost, the FA will need to be amended. Thus, the Executive Director also seeks approval from the Board to execute subsequent amended agreements in the future to account for changes in schedule and project costs. The table below summarizes the project cost (including pre-construction costs) and funding sources for the project.

Project	Total Cost	USDOT MARAD PIDP	USDOT NHFP- State TCEP	State TCIF	Harbor Funds
1. Fenix Container Terminal Intermodal Railyard Project	\$55,190,000	\$18,184,743	\$8,857,995	\$10,335,643	\$17,811,619

Following project approval by the Board of Harbor Commissioners, construction of this project is expected to commence as follows:

Project	Construction Advertise	Construction Completion
Fenix Container Terminal Intermodal Railyard Project	1/1/2023	6/30/2025

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is for the approval of a FA with USDOT for PIDP funding for the Berths 302-206 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. Additionally, because the rail project will utilize federal funding, federal environmental review in accordance with the National Environmental Policy Act (NEPA) was prepared for the proposed Project as was required by the federal lead agency, the United States Department of Transportation Maritime Administration (MARAD). Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

### **FINANCIAL IMPACT:**

The PIDP 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. The tenant, Fenix Marine Services (FMS) will be responsible for on-going operations and maintenance (O&M) costs for the Fenix Container Terminal Intermodal Railyard project.

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

	Harbor Department (before grants)	Less: USDOT MARAD PIDP Grant Reimbursement	Less: USDOT NHFP- State TCEP Grant Reimbursement	Less: TCIF Grant Reimbursement	Harbor Department (after grants)
Prior Fiscal Years	\$698,702	\$ -	\$ -	\$ -	\$698,702
FY 2022	\$944,474				\$944,474
FY 2023	\$1,086,171				\$1,086,171
Future Fiscal Years	\$52,460,653	\$(18,184,743)	\$(8,857,995)	\$(10,335,643)	\$15,082,272
Total	\$55,190,000	\$(18,184,743)	\$(8,857,995)	\$(10,335,643)	\$17,811,619

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 \$1,086,171 expected to be incurred by the Harbor Department in FY 2023 for the Fenix Container Terminal Intermodal Railyard Project is anticipated to be derived from the Capital Improvement Program, Project No. 2562200 (Berth 302-305 On-Dock Railyard Expansion), Center No. 1134 (Pier 300 - Wharf & Backland Improvements), and Program 000 (Base Budget).

### **CITY ATTORNEY:**

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

DATE: AUGUST 3, 2022

PAGE 4 OF 4

SUBJECT: PIDP FUNDING AGREEMENT FOR FENIX TERMINAL RAILYARD

**TRANSMITTALS:**

- 1) PIDP Funding Agreement for the Fenix Container Terminal Intermodal Railyard Project (MARAD FY 2019 PIDP Grant No. 693JF72040021)

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



DINA ARYAN-ZAHLAN, P.E.  
Chief Harbor Engineer



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

APPROVED:



EUGENE D. SEROKA  
Executive Director

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