



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MARCH 12, 2014

FROM: ENGINEERING

**SUBJECT: RESOLUTION NO. _____ - PROPOSED TRADE CORRIDORS
IMPROVEMENT FUND (TCIF) AGREEMENTS**

**ALAMEDA CORRIDOR WEST TERMINUS INTERMODAL RAILYARD
(TCIF NO. 86) BETWEEN THE CITY OF LOS ANGELES HARBOR
DEPARTMENT AND THE STATE OF CALIFORNIA (AGREEMENT NO.
75A0394)**

**CARGO TRANSPORTATION IMPROVEMENTS – EMISSION
REDUCTION PROGRAM – PHASE 2 (TCIF NO. 87.2) BETWEEN THE
CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE STATE
OF CALIFORNIA (AGREEMENT NO. 75A0393)**

SUMMARY:

The California Transportation Commission (CTC) requires the City of Los Angeles Harbor Department (Harbor Department) to fully execute Allocation Agreements (Agreement) for which the Harbor Department will seek grant reimbursements. CTC has provided Trade Corridors Improvement Fund (TCIF) Agreement Alameda Corridor West Terminus Intermodal Railyard (TCIF No. 86), Agreement No. 75A0394 and TCIF Agreement Cargo Transportation Improvements – Emission Reduction Program – Phase 2 (TCIF No. 87.2) Agreement No. 75A0393 for signatures, as part of the reimbursement grant funding allocation process. The grant reimbursement amounts are as follows:

- Alameda Corridor West Terminus Intermodal Railyard (TCIF No. 86): \$20,712,000 grant reimbursement; and
- Cargo Transportation Improvement - Emission Reduction Program – Phase 2 (TCIF No. 87.2): \$26,664,000 grant reimbursement.

RECOMMENDATION:

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

1. Approve the Trade Corridors Improvement Fund Agreement Alameda Corridor West Terminus Intermodal Railyard (TCIF No. 86) Agreement No. 75A0394;

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2. Approve the Trade Corridors Improvement Fund Agreement Cargo Transportation Improvements – Emission Reduction Program – Phase 2 (TCIF No. 87.2) Agreement No. 75A0393;
3. Authorize the Executive Director to sign and execute, and the Board Secretary to attest to, Agreement No. 75A0394 and Agreement No. 75A0393 for and on behalf of the Board, and to forward the Agreements to CTC for full execution, and receive and file the fully executed Agreements from CTC; and
4. Adopt Resolution No. _____.

DISCUSSION:

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

- The TCIF No. 86 project, also known as the Berths 142-147 Intermodal Container Transfer Facility (ICTF), is part of this program and will provide a new semi-automated on-dock rail yard.
- The TCIF No. 87.2 project, also known as Berths 142-143 Backland Improvements (Phases 2-4), is part of this program and will provide a portion of the automated backland, specifically the last 15 fully automated stacking blocks.

On July 19, 2012, the Board of Harbor Commissioners adopted Resolution No. 12-7364, which include TCIF No. 86 (Berths 142-147 ICTF) and No. 87.2 (Berths 142-143 Backland Improvements, Phases 2-4) Baseline Agreements. On August 23, 2012, the CTC, Caltrans, and the Harbor Department entered into this Project Baseline Agreement (Agreement No. 12-3080) to document project costs, schedules, scopes, and benefits; and to certify that the funding sources cited are committed, which included the total amount of \$47,376,000 in reimbursement grants (\$20,712,000 for TCIF No. 86 and \$26,664,000 for TCIF No. 87.2). Harbor Department staff will submit quarterly reports to CTC as required in the baseline agreement.

On June 11, 2013, CTC authorized the financial allocation of \$20,712,000 for TCIF No. 86 and \$26,664,000 for TCIF No. 87.2, as reimbursement grants. The CTC required construction contracts be awarded prior to executing these Agreements.

On November 21, 2013, the Board of Harbor Commissioners awarded and approved the construction contracts for the following:

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- Berths 142-147 ICTF (TCIF No. 86) in the amount of \$61,375,000 to Shimmick Construction Company, plus a 10% contingency for a total authorization of \$67,512,500. The total project cost, including design and construction, is \$85,865,560. The total reimbursement grant funding approved is \$20,712,000. The Harbor Department's cost share is therefore \$65,153,560. Construction Notice to Proceed was issued on February 3, 2014.
- Berths 142-143 Backland Improvements (TCIF No. 87.2) in the amount of \$105,675,310 to Griffith Company, plus a 10% contingency for a total authorization of \$116,242,841. The total project cost, including design and construction, is \$143,422,405. The total reimbursement grant funding approved is \$26,664,000. The Harbor Department's cost share is therefore \$116,758,405. Construction Notice to Proceed is scheduled for March 3, 2014.

As part of the reimbursement grant funding process, wet signatures are required on the Allocation Agreements. Enclosed are five signature pages and Agreement No. 75A0394 (Transmittal 1) and five signatures pages and Agreement No. 75A0393 (Transmittal 2).

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of TCIF Agreement No. 75A0394 for the Alameda Corridor West Terminus Intermodal Railyard and TCIF Agreement No. 75A0393 for the Cargo Transportation Improvements – Emission Reduction Program – Phase 2. The funding would pay for construction of a portion of the ICTF and automated backlands within the TraPac terminal. Construction of the ICTF was analyzed and certified on December 6, 2007 in the Berths 136-147 [TraPac] Container Terminal Project Environmental Impact Statement (EIS)/Environmental Impact Report (EIR). The construction of automated backlands at the TraPac terminal was analyzed in an Addendum to the Berths 136-147 [TraPac] Container Terminal Project EIS/EIR which was considered by the Board on September 19, 2013. Therefore, as an administrative activity for which the underlying project had previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2 (i) of the Los Angeles City CEQA Guidelines.

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ECONOMIC BENEFITS:

Approval of the proposed Agreements will have no employment impact. The projects associated with the proposed Agreements were evaluated to support 1,342 direct and 1,095 secondary one-year equivalent jobs for the five-county region at Board approval.

FINANCIAL IMPACT:

Approval of this Agreement will affirm commitment by the Harbor Department to fund the project discussed herein. The CTC allocation was approved on June 11, 2013, and reimbursable work must be made within three years of the project allocation date or the undisbursed grant balance will revert to the CTC and the Harbor Department will fully bear any costs not grant reimbursed.

	Berths 142-147 ICTF (TCIF No. 86)	Berths 142-143 Backland (TCIF No. 87.2)	Totals
Total Project Cost	\$85,865,560	\$143,422,405	\$229,287,965
Reimbursement Grant	\$20,712,000	\$ 26,664,000	\$ 47,376,000
Harbor Department's Cost Share	\$65,153,560	\$116,758,405	\$181,911,965

The amount spent as of December 31, 2013 is \$8,270,675 (which includes \$6,935,055 through FY 12/13 plus \$1,335,620 for the first half of FY 13/14). The remaining Harbor Department funds needed for the project have been accounted for in the five-year Capital Improvement Program.

Fiscal Year (FY)	Through 12/13	13/14 (estimated)	14/15 (estimated)	15/16 (estimated)	16/17 (estimated)	17/18 (estimated)	Total
Berths 142-147 ICTF (TCIF No.86)	\$2,411,695	\$4,766,984	\$43,368,786	\$30,948,675	\$ 4,369,420		\$ 85,865,560
Berths 142-143 Backland (TCIF No. 87.2)	\$4,523,360	\$3,125,964	\$42,764,539	\$61,774,736	\$24,501,378	\$6,732,428	\$143,422,405
Totals	\$6,935,055	\$7,892,948	\$86,133,325	\$92,723,411	\$28,870,798	\$6,732,428	\$229,287,965

The Harbor Department has budgeted \$14,212,338 in FY 13/14, for these projects. The difference between budgeted and current estimates is due to changes in project durations. Project funding for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval.

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

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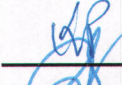
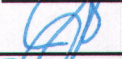
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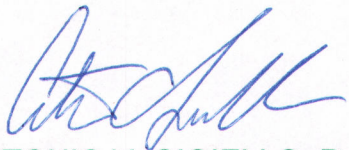
CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Agreements as to form and legality.

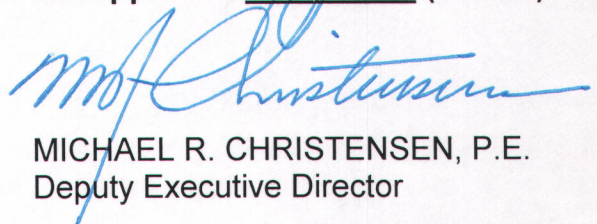
TRANSMITTALS:

- 1. Trade Corridors Improvement Fund (TCIF) Agreement No. 75A0394 with five signature pages
- 2. Trade Corridors Improvement Fund (TCIF) Agreement No. 75A0393 with five signature pages

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

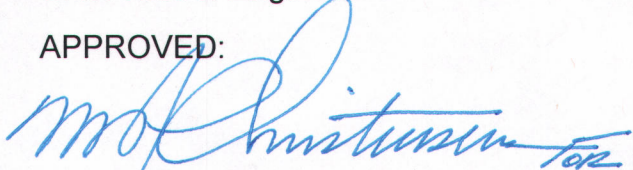


ANTONIO V. GIOIELLO, P.E.
Chief Harbor Engineer



MICHAEL R. CHRISTENSEN, P.E.
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APPROVED:



GARY LEE MOORE, P.E.
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