



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: FEBRUARY 6, 2024**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF TRADE CORRIDOR  
ENHANCEMENT PROGRAM (TCEP) BASELINE AGREEMENT FOR  
THE MARITIME SUPPORT FACILITY ACCESS/TERMINAL ISLAND  
RAIL SYSTEM GRADE SEPARATION BETWEEN THE CITY OF LOS  
ANGELES HARBOR DEPARTMENT AND THE CALIFORNIA  
TRANSPORTATION COMMISSION**

**SUMMARY:**

Staff requests approval of a funding agreement, referred to herein as the Baseline Agreement (Agreement) with the California Transportation Commission (CTC) and the California Department of Transportation (Caltrans) for \$14,936,000 of Trade Corridor Enhancement Program (TCEP) funds for the Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project (Project).

To receive the TCEP funds, the City of Los Angeles Harbor Department (Harbor Department) must enter into the proposed Agreement with the CTC and Caltrans. Upon approval by the Board, the Harbor Department will transmit this Agreement to the CTC for final approval, which is expected to occur at its May 2024 meeting. The Harbor Department is financially responsible for funding costs to complete the Project, net of any grants received.

**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 is administratively and statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines and Section 21080.13 of the State CEQA Guidelines;

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**SUBJECT: TCEP BASELINE AGREEMENT FOR TERMINAL ISLAND GRADE SEPARATION**

2. Approve the Maritime Support Facility Access/Terminal Island Rail System Grade Separation 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;
4. Authorize the Executive Director to execute future Baseline Agreement Amendments to account for revised project schedules, and/or revised 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** – On June 29, 2023 the CTC awarded \$14,936,000 of TCEP funds for the Harbor Department's Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project. To receive the TCEP funds, the Harbor Department must enter into the proposed Baseline Agreement (Transmittal 1) with the CTC.

Once approved by the Board, the Harbor Department will transmit the Agreement to the CTC for further processing. Approval by the CTC is expected to occur at its May 2024 meeting. The Agreement 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 Agreement sets forth the project scope, expected benefits, schedule, costs and funding plan. If there are future changes in the Project's schedules and/or costs, the Agreement will need to be amended prior to the allocation of funds. The timetable and project cost specified in the Agreement reflects the initial schedule and cost estimated and supplied by the Port in its application but remains subject to potential changes. Therefore, staff seeks approval from the Board to authorize the Executive Director to execute subsequent amendments to this Agreement to account for changes in schedule and/or project costs. The total Harbor Department budget approved for the Project is \$39,670,000. Any expenditures beyond this approved amount requires approval from the Project Development Committee (PDC) and the Board through the Department's Capital Improvement Program (CIP) budget. Furthermore, any contracts for design or construction services for the Project will require Board approval. Thus, any subsequent amendments to this Agreement would affect only this funding Agreement to account for changes in schedules and project cost. The project currently has two grant funding sources; one from the State under the Trade Corridor Enhancement

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Program (TCEP) and a second from the United States Department of Transportation (USDOT) under the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. The following table summarizes the project funding sources.

TCEP	USDOT	Port Revenue Funds	Total Cost
\$14,936,000	\$20,000,000	\$4,734,000	\$39,670,000

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the Agreement with CTC and Caltrans for TCEP funds for the Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project, which is an administrative activity and an activity that includes any railroad grade separation project that eliminates an existing grade crossing or that reconstructs an existing grade separation. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and statutorily exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines and Section 21080.13 of the State CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Agreement will enable the Harbor Department to receive TCEP funding in the amount of \$14,936,000 to complete the Project. The TCEP funds are paid on a regular reimbursement basis which requires the Harbor Department to fund project costs first, then seek reimbursement. The Harbor Department will be responsible for ongoing maintenance and operation costs for the Project.

The table below summarizes anticipated spending associated with the Project:

Fiscal Year	Costs
Previous Years	\$443,390
Fiscal Year 2023/2024	\$1,277,000
Fiscal Year 2024/2025	\$8,894,240
Fiscal Year 2025/2026	\$23,543,970
Fiscal Year 2026/2027	\$2,511,400
Fiscal Year 2027/2028	\$3,000,000
<b>Total</b>	<b>\$39,670,000</b>

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Fiscal Year (FY) 2023/2024 funding in the amount of \$1,277,000 is available within the Capital Improvement Fund Center 1132, Project No. 2569700. Future fiscal year funding will be requested as part of the annual budget adoption process, subject to Board approval.

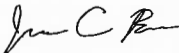
**CITY ATTORNEY:**

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 Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project

FIS Approval: MB  
CA Approval: SO

  
**JAMES C. BROWN, P.E.**  
Chief Harbor Engineer

  
**DINA ARYAN-ZAHLAN, P.E.**  
Deputy Executive Director, Development

**APPROVED:**

  
**EUGENE D. SEROKA** For  
Executive Director

Author: A. Hunt

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