



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MAY 29, 2013**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED FIRST AMENDMENTS TO AGREEMENT NOS. 12-3079 AND 12-3080 STATE PROPOSITION 1B TRADE CORRIDORS IMPROVEMENT FUND PROGRAM – CALIFORNIA TRANSPORTATION COMMISSION “BASELINE AGREEMENTS” BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE STATE OF CALIFORNIA**

**SUMMARY:**

In February 2012, the California Transportation Commission (CTC) approved programming of \$56.581 million of State Proposition 1B Trade Corridors Improvement Fund (TCIF) program funds for the construction phase of the following planned City of Los Angeles Harbor Department (Harbor Department) projects: TCIF No. 86 Alameda Corridor West Terminus Intermodal Railyard (TraPac Terminal On-Dock Railyard) and TCIF Nos. 87.1 and 87.2 Port of Los Angeles (POLA) Cargo Transportation Improvement-Emission Reduction Program (TraPac Terminal-Automated Component) – Phases I and II.

The First Amendments to the “Baseline Agreements” are requested for a funding allocation request increase of \$3.5 million to TCIF No. 87.2, project schedule changes, and cost changes. These changes are reflected in the amended signature pages and amended Project Programming Request (PPR) forms. These Amendments to the “Baseline Agreements” will be transmitted to the CTC for their approval at their June 11, 2013 meeting.

**RECOMMENDATION:**

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

1. Approve the First Amendments to the “Baseline Agreements” substantially as to form for the Alameda Corridor West Terminus Intermodal Railyard “Baseline Agreement” TCIF No. 86 and the Port of Los Angeles Cargo Transportation Improvement-Emission Reduction Program “Baseline Agreement” TCIF No. 87;
2. Authorize the Executive Director to execute and the Board Secretary to attest to, these “Amended Baseline Agreements,” for and on behalf of the Board;

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3. Authorize the Executive Director to execute future amended baseline agreements to account for revised project schedules and reduced project costs, for and on behalf of the Board, subject to the City Attorney’s approval as to form and legality;
4. Authorize the Executive Director to request “Letters of No Prejudice” from the California Transportation Commission for the projects; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context - On July 19, 2012, the Board adopted Resolution No. 12-7364. Agreement Nos. 12-3079 and 12-3080 were approved and later executed on August 30, 2012. The TCIF program requires each recipient agency to enter into a “Baseline Agreement” with the CTC for each project. The “Baseline Agreement” is needed in advance of seeking the actual allocation of the funds, which requires another CTC approval. The “Baseline Agreement” sets forth the project scope, expected benefits, schedule, cost, and funding plan.

The “Baseline Agreements” are required to be amended, prior to the allocation of funds, for changes in the projects’ schedules, costs, and/or funding plan. The following table summarizes the total construction costs and funding plan, which includes the additional \$3.5 million TCIF Allocation increase for TCIF No. 87.2. The Harbor Department’s construction cost share for these projects is \$172,919,000 (as shown in the table on Page 5). This reflects an increase of \$73,341,000 over the original baseline agreements. This amount has been incorporated into the Harbor Department’s 10-year Capital Improvement Program.

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Project	Total Construction Cost (\$ millions)	TCIF Allocation (\$ millions)
TCIF No. 86 Alameda Corridor West Terminus Intermodal Railyard (TraPac Terminal On-Dock Railyard)	\$ 62	\$20.712
TCIF No. 87 POLA Cargo Transportation Improvement-Emission Reduction Program (TraPac Terminal – Automated Terminal Area)		
TCIF No.87.1 Phase I	\$ 42	\$12.705
TCIF No.87.2 Phase II	\$129	\$23.164
		\$ 3.500
<b>Totals</b>	<b>\$233</b>	<b>\$60.081</b>

On December 6, 2012, CTC approved financial allocation of \$12.705 million for TCIF No.87.1. The Harbor Department is requesting allocation for TCIF No. 86 and No. 87.2 at the June 11, 2013 CTC meeting.

Bid and Construction on these projects is expected to commence as follows:

1. TCIF No. 87.2 is expected to advertise for construction in July 2013 and complete construction early 2018.
2. TCIF No. 86 is expected to advertise for construction in August 2013 and completed construction late 2016.
3. TCIF No. 87.1 advertised December 4, 2012 and is expected to complete construction by mid 2014.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the First Amendment to the “Baseline Agreements” with the State of California, to enable the CTC to allocate TCIF funds for TCIF No. 86 and No. 87.2 TraPac Terminal projects. The potential environmental impacts of the projects were assessed in the Berths 136-147 [TraPac] Container Terminal Project Final Environmental Impact Statement/Environmental Impact Report (FIES/FEIR) that was certified by the Board in December 2007 and an addendum to the FEIS/FEIR that was posted in June 2012.

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As an activity for which the underlying project has 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 the proposed action is exempt from CEQA in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

The construction phase of the entire TraPac terminal is estimated to generate about 5,300 one-year, full-time equivalent direct, indirect, and induced jobs in the five-county Southern California region.

**FINANCIAL IMPACT:**

Approval of this Amendment will affirm commitment of the Harbor Department to fund the projects discussed herein. The CTC allocation of the programmed funds will be requested prior to advertising for construction. Although the CTC is presently approving TCIF allocation requests (most recently with TCIF No. 87.1 TraPac’s Berths 144-145 Automated Backland Improvements, the Berth 200 Railyard, and the South Wilmington Grade Separation), there is not complete certainty this will continue, due to the on-going State fiscal situation. Hence, the Harbor Department may need to seek a *Letter of No Prejudice* (LONP) just prior to when the remaining projects are ready for advertising for construction. Thus, to be conservative on cash flow needs, the LONP instrument was assumed, and thus the approved FY 13-14 budget for these projects does not include the receipt of TCIF funds until the subsequent FY (i.e. receipt of the TCIF is assumed in subsequent years of the our five-year CUP). With a LONP, the Harbor Department will eventually be reimbursed by the State, as the TCIF funds were voter approved, and would require voter approval again to be repealed. The amount the Harbor Department funds programmed in FY 13-14 for these projects is as follows:

<b>Project</b>	<b>Center No.</b>	<b>Program No.</b>	<b>Account No.</b>	<b>FY13-14 Budget (\$ millions)</b>
TraPac Terminal On-Dock Railyard TCIF No.86	1161	000	54510	\$ 5.0
TraPac Terminal – Automated Terminal Areas TCIF No.87				
TCIF No. 87.1 Phase I	1103	000	54510	\$41.8
TCIF No. 87.2 Phase II	1103	000	54510	\$ 2.7

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The Harbor Department cost share is as follows:

Project	Total Construction Cost (\$ millions)	TCIF Allocation Funds (\$ millions)	Harbor Department Cost Share (\$ millions)
TraPac Terminal On-Dock Railyard TCIF No.86	\$ 62	\$20.712	\$ 41.288
TraPac Terminal – Automated Terminal Areas TCIF No. 87			
TCIF No. 87.1 Phase I	\$ 42	\$12.705	\$ 29.295
TCIF No. 87.2 Phase II	\$129	\$26.664	\$102.336
<b>Totals</b>	<b>\$233</b>	<b>\$60.081</b>	<b>\$172.919</b>

The TCIF Allocation funds are reimbursement grants, so the Harbor Department must front-fund project costs and subsequently request reimbursement.

**CITY ATTORNEY:**

The Office of the City Attorney has approved the First Amendments as to form and legality.

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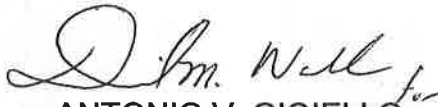
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**TRANSMITTALS:**

1. TCIF No. 86 Signature Page Amendment No.1, PPR No. 86 Amendment
2. TCIF No. 87 Signature Page Amendment No.1, PPR No. 87.2 Amendment

FIS Approval: Ed (initials)

CA Approval: [Signature] (initials)

  
ANTONIO V. GIOIELLO  
Chief Harbor Engineer

  
MICHAEL R. CHRISTENSEN, P.E.  
Deputy Executive Director

APPROVED:

  
GERALDINE KNATZ, Ph.D.  
Executive Director

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