



DATE: NOVEMBER 17, 2015

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ APPROVAL OF AMENDMENT TO ALLOCATION AGREEMENT NO. 75A0385 BETWEEN THE CITY OF LOS ANGELES AND THE STATE OF CALIFORNIA FOR WEST BASIN ROAD RAIL ACCESS IMPROVEMENTS – SEGMENT 2 PROJECT (BERTH 200 RAIL YARD TRACK CONNECTIONS) STATE PROPOSITION 1B TRADE CORRIDORS IMPROVEMENT FUND PROGRAM - STATE CALIFORNIA TRANSPORTATION COMMISSION

SUMMARY:

The Engineering Division recommends that the Board of Harbor Commissioners approve the Amendment to Allocation Agreement No. 75A0385. The State of California, Department of Transportation (Caltrans) requires the City of Los Angeles Harbor Department (Harbor Department) to fully execute an Amendment to Allocation Agreement No. 75A0385 related to the West Basin Road Rail Access Improvements – Segment 2 project, to extend the State Proposition 1B Trade Corridor Improvement Fund (TCIF) grant reimbursement period to June 30, 2017 and de-allocate \$1,089,000 of unused project funding.

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 exempt from the requirements of the California Environmental Quality Act (CEQA) under Article 11, Section 2(f) and 2(i) of the Los Angeles City CEQA Guidelines;
2. Approve the Amendment to Allocation Agreement No. 75A0385 as to substantial form;
3. Authorize the Executive Director to execute and the Board Secretary to attest to this Amendment to Allocation Agreement No. 75A0385 for and on behalf of the Board; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Allocation Agreement No. 75A0385 with Caltrans was approved by the Board on September 5, 2013, and included \$10,512,000 in Trade Corridor Improvement Fund (TCIF) grant funding for the Berth 200 Rail Yard Track Connections Segment 2 project. The Allocation Agreement included a grant funding reimbursement period of March 5, 2013 - March 4, 2016 for eligible project construction related costs. Construction commenced for the Berth 200 Rail Yard Track Connections Segment 2 project on October 21, 2013. During construction, unforeseen existing utility conflicts were discovered that have delayed the relocation and protection of City of Los Angeles Department of Water and Power waterlines. Also, enhancements to the Berth 200 Rail Yard locomotive fueling drainage system were subsequently determined to be required, to fully comply with current regulatory agency requirements for storm water runoff collection and disposal. The estimated cost of this outstanding work is \$2,800,000 and is currently anticipated to be complete in April 2017. The proposed Amendment to Allocation Agreement No. 75A0385 will therefore extend the grant reimbursement end date to June 30, 2017, allowing sufficient time to complete the construction effort and obtain reimbursement for the outstanding TCIF grant funding.

The Harbor Department has received \$8,122,171 in reimbursement of the \$10,512,000 Segment 2 TCIF grant amount to date, and anticipates receiving an additional \$1,300,829 in reimbursement after all work is completed in April, 2017. The remaining balance of \$1,089,000 in TCIF funding will not be eligible for reimbursement due to the lower than anticipated contractor construction bid amount received. The resulting construction cost savings reduced the eligible amount of TCIF grant funding reimbursement accordingly, based on the corresponding local match funding requirements.

However, the Harbor Department has received approval from the CTC to de-allocate the remaining \$1,089,000 of unused Segment 2 TCIF funding and reprogram these funds to the Yusen Terminals, Inc. (YTI) Terminal Improvement program, which will receive a total of \$8,401,000 in TCIF funding. The proposed Amendment to Allocation Agreement No. 75A0385 will therefore de-allocate the unused \$1,089,000 in TCIF grant funding to reflect the construction contract award savings for the CTC to reprogram to the Harbor Department's YTI Terminal Improvement Program.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Amendment to Allocation Agreement No. 75A0385 with Caltrans to extend the Segment 2 TCIF grant reimbursement period to June 30, 2017 and de-allocate \$1,089,000 in unused funding. The impacts of the Berth 200 Rail Yard Track Connections Project were assessed in the Berths 136-147 [TraPac] Container Terminal Project Environmental Impact Report/Environmental Impact Statement which was certified by the Board on December 6, 2007. As an administrative activity related to 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

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determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Sections 2(f) and 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of this Amendment to Allocation Agreement No. 75A0385 will reaffirm commitment of the Harbor Department to fund the project discussed herein. The amount spent as of September 2015 is \$22,018,938. The remaining Harbor Department funds needed for the project have been accounted for in the five-year capital improvement program. Pacific Harbor Line, a short-line railroad operating within the Port of Los Angeles (Port), has an agreement with the Harbor Department to operate and maintain the new rail yard in conjunction with moving cargo for Port customers (non-containerized), the Union Pacific Railroad, and the BNSF Railway. The Harbor Department will therefore not be responsible for operational and maintenance costs of the new rail yard; however, the Harbor Department will continue to be responsible to maintain the storm drain pump station that is located within the new rail yard site.

The total estimated project cost for Segment 2 is \$25,000,000. The total grant funding approved for the Segment 2 project, including the proposed de-allocation of \$1,089,000 in unused funds is \$9,423,000. The Harbor Department's cost share is therefore \$15,577,000.

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RAILYARD

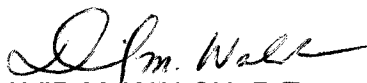
CITY ATTORNEY:

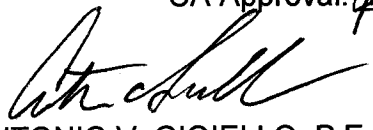
The Office of the City Attorney has reviewed and approved this Agreement as to form and legality.

TRANSMITTAL:

1. Amendment to Allocation Agreement No. 75A0385
2. Allocation Agreement No. 75A0385 and CTC Resolution No. TCIF-AA-1415-06

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


DAVID M. WALSH, P.E.
Chief Harbor Engineer


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

APPROVED:


EUGENE D. SEROKA
Executive Director

Author: Ron Groves

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