



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 8, 2011

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ MEMORANDUM OF UNDERSTANDING (MOU) AND LETTER OF AGREEMENT (LOA) BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) FOR THE 1) SOUTH WILMINGTON GRADE SEPARATION, 2) JOHN S. GIBSON BOULEVARD/I-110 FREEWAY ACCESS RAMP IMPROVEMENTS & SR-47/I-110 NORTHBOUND CONNECTOR WIDENING, 3) C STREET/I-110 ACCESS RAMP IMPROVEMENTS, AND 4) BERTH 200 RAIL YARD PROJECTS

SUMMARY:

The Los Angeles County Metropolitan Transportation Authority (LACMTA) requires that the City of Los Angeles Harbor Department (Harbor Department) execute agreements to accept awarded grants and seek reimbursement.

The Harbor Department has been awarded the following grants: Project 1 – South Wilmington Grade Separation in the amount of \$19,288,000; Project 2 – John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements & SR-47/I-110 Northbound Connector Widening in the amount of \$7,420,000; Project 3 – C Street/I-110 Access Ramp Improvements in the amount of \$6,647,000; and Project 4 – Berth 200 Rail Yard in the amount of \$8,584,000.

Staff recommends accepting these grants by executing a Memorandum of Understanding (MOU), executing a Letter of Agreement (LOA), and amending an existing MOU as required by LACMTA.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Accept the LACMTA 2007 Call for Projects Award No. F1208 for the John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements & SR-47/I-110 Northbound Connector Widening in the amount of \$7,420,000, between LACMTA and the Harbor Department;
2. Accept the LACMTA 2007 Call for Projects Award No. F1126 for the C Street/I-110 Access Ramp Improvements in the amount of \$6,647,000, between LACMTA and the Harbor Department;

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3. Accept the LACMTA 2009 Call for Projects Award No. F3170 for the Berth 200 Rail Yard in the amount of \$8,584,000, between the LACMTA and the Harbor Department;
4. Authorize the Executive Director and the Board Secretary to execute and attest to said Amendment No. 1 to the MOU for the South Wilmington Grade Separation;
5. Authorize the Executive Director and the Board Secretary to execute and attest to the MOU for the John S. Gibson Boulevard Freeway Access Ramp Improvements & SR-47/I-110 Northbound Connector Widening on behalf of the Board;
6. Authorize the Executive Director and the Board Secretary to execute and attest to the MOU for the C Street/I-110 Access Ramp Improvements on behalf of the Board;
7. Authorize the Executive Director and the Board Secretary to execute and attest to the LOA for the Berth 200 Rail Yard on behalf of the Board; and
8. Adopt Resolution No. _____.

DISCUSSION:

The following Harbor Department projects have been awarded grant funding by LACMTA:

No.	Project Name	Grant Type/ Agreement Type	Proposed LACMTA Grant Amount	Other Grants Amount	Harbor Dept. Share	Total Construction Cost
1	South Wilmington Grade Separation	Prop. C/ MOU	\$19,288,000	\$22,927,000	\$16,074,000 (27.6%)	\$58,289,000
2	John S. Gibson Blvd/I-110 Freeway Access Ramp Improvements & SR-47/I-110 Northbound Connector Widening	Prop. C/ MOU	\$7,420,000	\$18,299,600	\$3,961,400 (13.3%)	\$29,681,000
3	C Street/I-110 Access Ramp Improvements	Prop. C/ MOU	\$6,647,000	\$8,300,000	\$9,033,000 (37.7%)	\$22,145,000
4	Berth 200 Rail Yard	RSTP CMAQ/ LOA	\$8,584,000 \$13,553,994	\$67,230,000	\$29,711,006 (24.9%)	\$119,079,000
	Total		\$ 55,492,994	\$116,756,600	\$58,779,406	\$231,029,000

LACMTA Grant Funding: The LACMTA Call for Projects is a competitive grant program that provides funding to projects that address transportation issues in the Los Angeles region. The Harbor Department submitted Projects 1, 2, and 3 for consideration under the Regional Surface Transportation Improvement (RSTI) category on January 26, 2007. Project 4 was submitted for consideration under the RSTI category in January 2009.

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On September 27, 2007, the LACMTA awarded Proposition C (Prop. C) grant funding for Projects 1, 2, and 3 under the RSTI category of the 2007 Call for Projects. On June 23, 2009, the Board approved an MOU with LACMTA regarding Project No. 1. A First Amendment to this MOU is proposed to extend the duration by 24 months from June 30, 2011 to June 30, 2013. The Harbor Department must execute the transmitted MOUs between the Harbor Department and the LACMTA to receive the funding for Projects 2 and 3 per the terms of the Prop. C grant.

On September 16, 2009, the LACMTA awarded grants under the RSTI category of the 2009 Call for Projects for Project 4. The Harbor Department must execute a LOA between the Harbor Department and the LACMTA to receive the funding per the terms of the grant. This grant requires a LOA instead of an MOU because it is federal funding whereas the other project's agreements cover regional funding.

In addition, Project 4 was recently awarded \$13,553,994 of Congestion Mitigation and Air Quality Improvement funding through the 2011 LACMTA Call for Projects. A separate LOA will have to be executed in 2012 for this grant. The LACMTA grants are reimbursement grants and include a number of terms and conditions that must be followed in order for the grant recipient to be reimbursed. The Harbor Department must pay the project costs, and then seek reimbursement on a quarterly basis for Projects 1, 2, and 3 and on a monthly basis for Project 4. The terms and conditions of this grant are listed in full in each MOU/LOA.

These projects are included in the Harbor Department's current Capital Improvement Program. Use of the grant funding will follow the programmed capital outlay. These four projects are integral components to the Harbor Department development programs such as the Trapac Improvements, China Shipping Expansion, and San Pedro and Wilmington Waterfront Developments.

Project Description: **South Wilmington Grade Separation (Transmittal 1)** will construct a grade separation to eliminate two existing at-grade crossings at Fries Avenue, minimize interruptions and delays in both vehicular and rail traffic on Fries Avenue and Avalon Boulevard, enhance mobility, reduce emergency response time to and from this portion of the harbor, provide more efficient movement of cargo, and improve access to Port of Los Angeles terminals and the Wilmington Waterfront. Plans are scheduled to be finalized in December 2011.

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John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements & SR-47/I-110 Northbound Connector Widening (Transmittal 2) will construct an additional lane from southbound SR-47 to northbound I-110 Freeway to increase operational efficiency and safety. The John S. Gibson Boulevard on-ramp and off-ramp will be modified to provide better access to and from the I-110 Freeway by improving the roadway geometry. The intersection at John S. Gibson will be improved to provide wider turns and improve traffic operations. This project will result in improved operations for port traffic utilizing these facilities.

C Street/I-110 Access Ramp Improvements (Transmittal 3) will reconfigure the C Street northbound off-ramp to provide direct access to Harry Bridges Boulevard and will combine two existing intersections (Figueroa Street, C Street, I-110 Ramps and Figueroa Street, Harry Bridges Boulevard, and John S. Gibson Boulevard) into one intersection. This project will result in improved traffic operations for port traffic utilizing these facilities.

Berth 200 Rail Yard (Transmittal 4) will relocate the existing Pier A Yard facility and the associated rail switching, classification, and storage operations to a new facility at Berth 200 Rail Yard (also referred to as West Basin Rail Yard). In addition, the Harbor Department will improve the mainline track to the West Basin Branch Line and construct new intermodal storage yard tracks supporting the existing West Basin on-dock rail facility and the proposed Trapac on-dock rail facility under the Berth 200 Rail Yard project. The Harbor Department must construct the Berth 200 Rail Yard and relocate PHL's operations to the new Berth 200 Rail Yard prior to commencing construction for the Trapac On-Dock Rail Yard project. The Harbor Department has scheduled to delivering the completed Berth Trapac On-Dock Rail Yard improvements by March 31, 2015.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an MOU/LOA between the Harbor Department and LACMTA for receipt of grant funding to support four transportation infrastructure projects within the harbor area. The MOU/LOA covers funding only; all physical work required for the infrastructure upgrades requires separate environmental assessment. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements for the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of Los Angeles City CEQA guidelines.

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ECONOMIC BENEFITS:

Approval of the proposed MOU/LOA and Agreement will have no employment impact. Spending on the associated projects will support approximately 1,460 direct and 1,210 secondary one-year equivalent construction jobs for the five-county region.

FINANCIAL IMPACT:

Acceptance of the proposed MOU/LOA memorializes the framework for the transfer of Projects 1, 2, and 3 grant funds from LACMTA to the Harbor Department. The grants are on a reimbursement basis, requiring the Harbor Department to budget and subsequently expend the funds for the project. The Harbor Department has 36 months to expend the grant funds from the fiscal year (FY) that LACMTA has programmed the funds. Construction funding for the proposed projects will be requested for budgeting beginning FY 2012/2013. The total projects cost is estimated at \$231,029,000 of which \$172,249,594 is reimbursable under the grants discussed herein, leaving a total net cost to the Harbor Department of approximately \$58,779,406.

Upon completion of these projects, the Harbor Department will not be responsible for ongoing operating and maintenance expenses associated with the completed projects. Caltrans and the City of Los Angeles will bear that responsibility, except for Berth 200 Rail Yard.

There is no direct revenue impact to the Harbor Department resulting from the proposed Board item. However, the infrastructure and roadway improvements are expected to benefit tenants and the Harbor Department by improving the flow of commerce in support of the Tidelands Trust Act of promoting commerce, navigation, and fishery.

Before requesting reimbursement from LACMTA, the State of California, and Federal funds, the Harbor Department would need to budget and expend its own funds. No construction funds will be expended or requested in FY 2011/2012. Entering into MOU/LOA does not commit the Harbor Department to construct these projects. Future FY funds will be requested as part of the annual budget adoption process, upon Board approval.

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CITY ATTORNEY:


The Office of the City Attorney has reviewed and approved the MOUs, LOA, and Amendment to MOU as to form and legality.

TRANSMITTALS:

1. Amendment No. 1 MOU between the Harbor Department and the LACMTA for South Wilmington Grade Separation
2. MOU between the Harbor Department and the LACMTA for John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements & SR-47/I-110 Northbound Connector Widening
3. MOU between the Harbor Department and the LACMTA for C Street/I-110 Access Ramp Improvements
4. Letter of Agreement between the Harbor Department and the LACMTA for Berth 200 Rail Yard

FIS Approval: JK (initials)

CA Approval: MC (initials)


ANTONIO V. GIOIELLO
Chief Harbor Engineer


MICHAEL R. CHRISTENSEN
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APPROVED:


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