



DATE: DECEMBER 18, 2018

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ APPROVAL OF STATE PROPOSITION 1B TRADE CORRIDORS IMPROVEMENT FUND PROGRAM BASELINE AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE STATE OF CALIFORNIA FOR THE EVERPORT TERMINAL EFFICIENCY ENHANCEMENT AND TRUCK TRIP REDUCTION PROJECT

SUMMARY:

Staff requests adoption of a Resolution which would accept the Baseline Agreement (BA) between the City of Los Angeles Harbor Department (Harbor Department) and the State of California for specific elements of the Berths 226-236 Everport Terminal Improvements Project (Project). If approved, the BA would make the Harbor Department eligible to receive \$5,430,000 in Proposition 1B Trade Corridors Improvement Fund (TCIF) grant funds for certain construction costs associated with the Project.

The Harbor Department would be responsible for providing initial funding for the Project and seeking reimbursement from the TCIF grant of up to \$5,430,000. Total construction costs associated with the Project are estimated to be \$52,903,000, of which, \$22,515,000 include project elements that are eligible for reimbursement, known as the Everport Terminal Efficiency Enhancement and Truck Trip Reduction Project (Participating Project), under the \$5,430,000 in TCIF grant funds. After factoring planning, design, and construction management costs of \$12,261,240, the Harbor Department's estimated total Project cost is \$65,164,240.

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 exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(i) of the Los Angeles City CEQA Guidelines;
2. Approve the Everport Terminal Efficiency Enhancement and Truck Trip Reduction Project (Participating Project) Baseline Agreement substantially as to form;

SUBJECT: APPROVAL OF STATE TCIF BASELINE AGREEMENT FOR EVERPORT IMPROVEMENTS PROJECT

3. Authorize the Executive Director to execute, and the Board Secretary to attest to, this Baseline Agreement, for and on behalf of the Board;
4. Authorize the Executive Director to execute, and the Board Secretary to attest to, future Baseline Agreement Amendments to account for revised project schedule and/or reduced project cost, 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:

On October 19, 2017, the Board of Harbor Commissioners (Board) approved the Everport project and certified the Final Environmental Impact Report (FEIR).

On May 17, 2018, the Board approved the Sixth Amendment to Permit No. 888 (Sixth Amendment) with Everport Terminal Services, Inc. (Everport). Following approval of the Sixth Amendment, the City of Los Angeles Harbor Department (Harbor Department) committed to construct terminal upgrades necessary to berth larger vessels.

On October 17, 2018, the California Transportation Commission (CTC) approved programming of \$5,430,000 of Trade Corridors Improvement Fund (TCIF) funds.

The TCIF grant monies will fund qualifying improvements of the Berths 226-236 Terminal Improvements Project (Project) associated with the arrival of larger vessels. The scope of the project qualifying for grant reimbursement, known as the Everport Terminal Efficiency Enhancement and Truck Trip Reduction Project (Participating Project) is estimated at a cost of \$22,515,000. The additional non-participating project scope including construction contingency is budgeted at a cost of \$30,388,000, for a total construction programmed budget of \$52,903,000.

The Participating Project scope for grant funding includes the following elements:

- Dredging;
- Sheet piles;
- Electrical infrastructure for new cranes; and
- Bollard and fender upgrades.

SUBJECT: APPROVAL OF STATE TCIF BASELINE AGREEMENT FOR EVERPORT IMPROVEMENTS PROJECT

The following elements of the Project scope would be non-participating:

- Alternative maritime power (AMP);
- Wharf repairs;
- Panzerbelt repairs;
- Electrical systems upgrades;
- Water system upgrades; and
- 1.5 acre backland improvements.

As a program requirement, the Harbor Department must equally match the TCIF funds, at a minimum. Based on the Participating Project scope of \$22,515,000, the Harbor Department will be providing 76% of the funding and the grant 24%. To receive the TCIF funds, a Baseline Agreement (BA) with the State of California (State) is required. The BA includes a funding plan, and represents a full commitment to complete the project. After Board approval, staff will transmit the BA to the State for their full execution, which is expected to occur at the January 30, 2019 CTC meeting.

If there are changes in the project schedule and/or cost, the BA will need to be amended prior to the official allocation of funds by the CTC. Thus, Staff also seeks approval from the Board to authorize the Executive Director to execute subsequent amendments to the BA in the future to account for schedule changes and/or project cost decreases. If the project cost increases, staff will seek Board approval for an amended BA.

ENVIRONMENTAL ASSESSMENT:

The Board certified the FEIR for the Everport project on October 19, 2017. As the proposed actions herewith (approving a funding agreement and Harbor Department funds) are administrative, and as the identified project has been previously evaluated for environmental significance and processed according to the requirements of California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that these proposed actions are exempt from CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

SUBJECT: APPROVAL OF STATE TCIF BASELINE AGREEMENT FOR EVERPORT IMPROVEMENTS PROJECT

FINANCIAL IMPACT:

Acceptance of the proposed BA would make the Harbor Department eligible to receive \$5,430,000 in Proposition 1B TCIF grant funds for certain construction costs associated with the Project. The grant is on a reimbursement basis, which requires the Harbor Department to budget and subsequently expend the funds for the Project. The total Project construction cost is estimated to be \$52,903,000, of which, \$22,515,000 include cost elements that are eligible for reimbursement under the \$5,430,000 in TCIF grant funds. After factoring planning, design, and construction management costs of \$12,261,240, the Harbor Department's estimated total Project cost is \$65,164,240.


As part of the Fiscal Year 2019 budget adoption process, \$5,975,699 was budgeted within Work Orders 2529400, 2531200, 2539400 and 2545300. The Harbor Department's financial obligations beyond Fiscal Year 2018/19 are contingent upon the Board's appropriation of funds as part of the annual budget process.



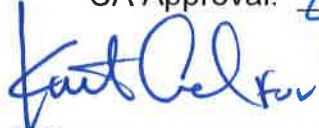
CITY ATTORNEY:


The Office of the City Attorney has reviewed this Board Report and has determined there are no legal issues at this time.

TRANSMITTALS:

- 1. Everport Terminal Project Baseline Agreement


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

FIS Approval: 
CA Approval: 

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

APPROVED:
 FOR
EUGENE D. SEROKA
Executive Director