



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

DATE: FEBRUARY 2, 2012

FROM: REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ – PROPOSED AMENDMENT TO
RIGHT OF ENTRY AGREEMENT WITH THE ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY AS AGENT FOR THE STATE OF
CALIFORNIA DEPARTMENT OF TRANSPORTATION**

SUMMARY:

The proposed amendment is a request to approve an extension of time requested by the Alameda Corridor Transportation Authority (ACTA), as agent for the State of California Department of Transportation (Caltrans), from 365 days to 730 days on its Right of Entry (ROE) for the Schuyler Heim Bridge Replacement Project (Project).

The original ROE Agreement was approved by the Board of Harbor Commissioners (Board) on July 20, 2010 for a period of 365 days to allow ACTA the required time to negotiate on Caltrans' behalf for the purchase of required City of Los Angeles Harbor Department (Harbor Department) property to be incorporated into this project. In order to qualify for federal funding, Caltrans was required to demonstrate that it had the rights to the majority of real property necessary to complete the Project. The extension provides ACTA with control over the property and the ability to continue the process of purchasing the property. Due to project delays, an additional 365 days is required by ACTA to accomplish this task.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the proposed Amendment to the Right of Entry Agreement with the Alameda Corridor Transportation Authority;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the Amendment; and
3. Adopt Resolution No. _____.

SUBJECT: PROPOSED AMENDMENT TO RIGHT OF ENTRY AGREEMENT WITH ACTA, AS AGENT FOR CALTRANS

DISCUSSION:

Background – On July 20, 2010, the Board authorized the execution of the ROE Agreement with ACTA, which granted ACTA, as agent for Caltrans, real property rights to certain Harbor Department property required to secure federal funding for the Schuyler Heim Bridge Replacement Project and commence construction thereto. This infrastructure project would replace the aging, seismically deficient Schuyler Heim Bridge over the Cerritos Channel and provide an elevated four-lane roadway connection to Alameda Street. The Schuyler Heim Bridge is an essential transportation link between Terminal Island and Wilmington, and the proposed bridge replacement project would improve and enhance this significant goods movement corridor.

The ROE Agreement provides ACTA the right to possess and use approximately 47,902 square feet of Harbor Department property for the purpose of constructing or improving a public highway, while Caltrans initiates the process to acquire this parcel. The property is improved with railroad tracks and is located on Terminal Island, east of Henry Ford Avenue between Old Dock Street and New Dock Street, and is currently vacant (Transmittal 2). The ROE Agreement requires that ACTA, with direct funding from Caltrans, purchase the property at a price agreed upon by the parties, with interest, from August 2, 2010. The rate of interest would be determined when and if such negotiations take place. In the event that a sale price is not agreed upon, ACTA is required to initiate eminent domain proceedings. However, the Harbor Department has the right to cancel the ROE Agreement if ACTA does not compensate the Harbor Department or initiate eminent domain proceedings within the now proposed 730 days of the ROE Agreement's effective date.

During ACTA's acquisition of the Harbor Department parcel, it plans to relocate existing Harbor Department railroad improvements located on this parcel in order to accommodate the planned widening of the adjacent highway.

The Real Estate Division was contacted by the ACTA with a request that the time frame to terminate the ROE Agreement be extended from 365 days to 730 days, resulting in a new expiration date of July 18, 2012 (Transmittal 1). ACTA stated that Caltrans determined that a pre-construction record of survey was needed for all real property within the project area. The record of survey was performed, and Caltrans is awaiting its approval. ACTA indicated that the Harbor Department parcel proposed to be conveyed will not change. However, this new record of survey will result in an update to the legal description, thus requiring the same update to the connected appraisal before an offer can be prepared and presented to the Harbor Department. ACTA and Caltrans consider the proposed extension sufficient time for the above to occur.

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SUBJECT: PROPOSED AMENDMENT TO RIGHT OF ENTRY AGREEMENT WITH ACTA, AS AGENT FOR CALTRANS

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an amendment to a ROE Agreement with ACTA, as agent for Caltrans, for a time extension for the Schuyler Heim Bridge Replacement project. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

The proposed amendment is for an additional one-year time extension only. No other terms under the previously Board-approved ROE Agreement will change. While approval of the extension will not have an immediate fiscal effect, the eventual disposition of the 47,902 square feet of property on Terminal Island would generate revenue for the Harbor Department. Determination of the sale price is subject to the appraised value and outcome of negotiations, all subject to future Board approval.


CITY ATTORNEY:

The amendment to the ROE Agreement has been approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Amendment
2. Exhibit A
3. Site map

FIS Approval: KR (initials)
CA Approval: RM (initials)


KARL K.Y. PAN
Interim Director of Real Estate


KATHRYN McDERMOTT
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APPROVED:


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