



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: NOVEMBER 13, 2024

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF RESOLUTION FOR EXECUTION OF THE CALTRANS MASTER AGREEMENT AND PROGRAM SUPPLEMENT FOR FENIX TERMINAL RAILYARD EXPANSION & MODERNIZATION PROJECT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND CALIFORNIA DEPARTMENT OF TRANSPORTATION

SUMMARY:

Staff requests the Board of Harbor Commissioners (Board) approve a Resolution for the authorization for the execution of a California Department of Transportation (Caltrans) Master Agreement (MA) and Program Supplement Agreement (PSA) for funding under the Trade Corridor Enhancement Program (TCEP) for the Fenix Terminal Railyard Expansion and Modernization Project, included as Transmittal 1. This project is also referred to as the Berths 302-305 On-Dock Railyard Expansion project.

To receive \$19,194,000 of TCEP funds from Caltrans, the City of Los Angeles Harbor Department (Harbor Department) must provide the approved Resolution to enter into a MA and PSA with Caltrans, who is responsible for administering the TCEP grant funds for the State of California. This resolution authorizes the Harbor Department's Executive Director to execute the final MA, PSA, and future amendments. Draft MA and PSA documents are included as Transmittals 2 and 3 respectively.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines;

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2. Authorize the Executive Director to execute the final Caltrans Master Agreement, Program Supplement, and future amendments to account for revised project schedules, and/or reduced project costs for the Fenix Terminal Railyard Expansion and Modernization Project TCEP funds, subject to approval by the City Attorney as to form and legality;
3. Approve the Resolution authorizing execution of the final Caltrans Master Agreement, Program Supplement, and future amendments to account for revised project schedules, and/or reduced project costs for the Fenix Terminal Railyard Expansion & Modernization Project TCEP funds, subject to approval by the City Attorney as to form and legality;
4. Authorize the Board Secretary to attest to said Resolution; and
5. Adopt Resolution No. _____ and this Resolution No. _____.

DISCUSSION:

Background – On September 23, 2021, the Board approved the TCEP Baseline Agreement for the Berths 302-305 On-Dock Railyard project between the Harbor Department and the California Transportation Commission (CTC) and Caltrans under Resolution Number 21-9901 (Transmittal 4). Subsequently, on December 8, 2021, the CTC programmed \$19,194,000 of TCEP program funds for the Harbor Department's Berths 302-305 On-Dock Railyard Expansion Project. In order to be reimbursed with the TCEP grant funding, the Harbor Department must enter into a MA with Caltrans who is responsible for administering grant funds for the CTC. Caltrans requires a Board approved Resolution designating an authorized signatory prior to executing the MA and PSA.

Once approved by the Board, the Harbor Department will transmit the Resolution to Caltrans for the processing of the final MA and subsequent PSA. Both are required to commence the grant reimbursement process. The MA outlines the general terms and conditions of the grant funds, while the PSA identifies the project scope of work, deliverables and certification of funds, per the guidelines of Caltrans. If there are future changes in the project's schedule and/or cost, the PSA will be amended. Thus, Board approval is being sought to authorize the Executive Director to execute the final MA and PSA and subsequent amended agreements in the future to account for changes in schedule and project costs. Any other material change will require Board approval. The table below summarizes the project cost and funding sources for the project.

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Project	Total Cost	USDOT PIDP	CA State TCEP	Harbor Funds
Berths 302-305 On-Dock Railyard Expansion Project	\$52,355,000	\$18,184,743	\$19,194,000	\$14,976,257

Following project approval by the Board, construction of this project is expected to commence as follows:

Project	Construction Advertise	Construction Completion
Berths 302-305 On-Dock Railyard Expansion Project	09/05/2024	03/31/2027

ENVIRONMENTAL ASSESSMENT:

The proposed action is for the approval of a Resolution with Caltrans for TCEP funding for the Berths 302-305 On-Dock Railyard Expansion Project, which is an activity for which the underlying project has been previously assessed in the Addendum #2 to the Berths 302-306 Container Terminal Project Final Environmental Impact Report (SCH # 2009071031) which was considered by the Board on May 20, 2021. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines. Additionally, because the rail project will utilize federal funding, federal environmental review in accordance with the National Environmental Policy Act (NEPA) was prepared for the proposed Project as was required by the federal lead agency, the United States Department of Transportation Maritime Administration (MARAD).

FINANCIAL IMPACT:

Approval of the proposed action will enable the Harbor Department to remain compliant with Caltrans requirements of designating an authorized signatory and entering into a MA and PSA in order to receive the TCEP program funds. The TCEP program funds will consist of State of California Trade Corridor Improvement funding.

The TCEP funds will be provided on a regular reimbursement basis which requires the Harbor Department to fund project costs first, and then seek reimbursement.

The project has been budgeted within Work Order No. 2562200. The table below summarizes the project's cash flow:

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	Harbor Department (before grants)	Less: USDOT PIDP Grant Reimbursement	Less: California TCEP Grant Reimbursement	Harbor Department (after grants)
Prior Fiscal Years	\$2,924,820			\$2,924,820
FY 2024/25	\$1,704,673	\$(627,000)	\$(662,000)	\$415,673
FY 2025/26	\$25,402,882	\$(9,345,000)	\$(9,864,000)	\$6,193,882
FY 2026/27	\$21,691,421	\$(7,980,000)	\$(8,423,000)	\$5,288,421
Future Fiscal Years	\$631,204	\$(232,743)	\$(245,000)	\$153,461
Total	\$52,355,000	\$(18,184,743)	\$(19,194,000)	\$14,976,257

CITY ATTORNEY:

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

TRANSMITTALS:

1. Resolution for Authorization for the Execution of a Master Agreement and Program Supplement for Fenix Terminal Railyard Expansion & Modernizations Project
2. Port of Los Angeles Master Agreement No. 64PORTLAMA (draft)
3. Program Supplement Agreement (draft)
4. TCEP Baseline Agreement

FIS Approval: JS
 CA Approval: EO


 JAMES C. BROWN, P.E.
 Chief Harbor Engineer


 DINA ARYAN-ZAHLAN, P.E.
 Deputy Executive Director, Development

APPROVED:

 for

EUGENE D. SEROKA
 Executive Director

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