



DATE: DECEMBER 14, 2017

FROM: EXECUTIVE OFFICE

SUBJECT: RESOLUTION NO. _____ APPROVAL TO MAINTAIN
THE ALAMEDA CORRIDOR RESERVE ACCOUNT TARGET AT
\$15,000,000 FROM JANUARY 1, 2018 THROUGH DECEMBER 31,
2022

SUMMARY:

Staff requests the Board of Harbor Commissioners adopt a Resolution approving and providing mutual agreement to continue to maintain the Alameda Corridor Reserve Account Target at \$15,000,000 for the five-year period of January 1, 2018 through December 31, 2022.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve and provide mutual agreement to maintain the Alameda Corridor Reserve Account Target at \$15,000,000;
3. Direct the Executive Director to transmit this Resolution to Alameda Corridor Transportation Authority (ACTA) for further action pursuant to the Amended and Restated Alameda Corridor Use and Operating Agreement; and
4. Adopt Resolution No. _____.

DISCUSSION:

On October 24, 2016, the Board approved the Amended and Restated Alameda Corridor Use and Operating Agreement (Amended and Restated UOA). The Amended and Restated UOA included revisions to the original Use and Operating Agreement, and among other things, replaced the former Alameda Corridor Operating Committee comprised of one representative from the Port of Los Angeles and Port of Long Beach (Ports) and a representative from the Union Pacific Railroad and the Burlington

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Northern Santa Fe Railroad (Railroads) with direct decision making authority by the Ports and Railroads.

Pursuant to Section 7.4(e) of the Amended and Restated UOA dated as of December 15, 2016, the Ports and Railroads are required to review and adjust, as necessary, the Reserve Account Target every five-years following substantial completion of the Alameda Corridor. The Ports and Railroads are hereby requested to set the Reserve Account Target for the next five-year period beginning January 1, 2018 through December 31, 2022. ACTA's November 8, 2017 Notice of Mutual Agreement (NMA 2017-5) is attached as Transmittal No. 1 for reference.

The agreement further requires that in no event shall the Reserve Account Target be reduced below \$15,000,000. Use Fees and Container Charges received by ACTA fund the Reserve Account as further described below. Since 2002, the Reserve Account Target has been maintained at \$15,000,000 during each five-year period. A review of the next five-year period from January 1, 2018 to December 31, 2022 indicates that a continued Reserve Account Target of the minimum \$15,000,000 would likely be sufficient. It is estimated that no more than \$25,000,000 will be spent during the next five years barring any catastrophic event. It would take a five-year estimate of greater than \$75,000,000 to trigger an increase above the current \$15,000,000. Only about \$3,000,000 is currently spent from the Reserve Account each year.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the Reserve Account Target. As an administrative activity, 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(f) of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

Approval of this proposed Board item is not expected to have a financial impact on the City of Los Angeles Harbor Department (Harbor Department). The funds for this modification are provided by the Railroads and the ACTA Reserve Account. The Reserve Account is funded by fees collected from the Railroads. No Harbor Department funds are required.

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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. Notice of Mutual Agreement No. 2017-5



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

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

APPROVED:



EUGENE D. SEROKA
Executive Director

Author: Daniel Samaro