

DATE: JULY 31, 2024

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF REBUILDING AMERICAN INFRASTRUCTURE WITH SUSTAINABILITY AND EQUITY PROGRAM GRANT AGREEMENT FOR THE MARITIME SUPPORT FACILITY ACCESS/TERMINAL ISLAND RAIL SYSTEM GRADE SEPARATION BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND UNITED STATES DEPARTMENT OF TRANSPORTATION

SUMMARY:

Staff requests approval of a Grant Agreement (Agreement) with the United States Department of Transportation (USDOT) administered through the Maritime Administration (MARAD) for \$20,000,000 under the MARAD Fiscal Year (FY) 2022 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program. The funds associated with the proposed Agreement will be for the Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project (Project).

To receive the RAISE funds, the City of Los Angeles Harbor Department (Harbor Department) must enter into the proposed Grant Agreement with the USDOT. The Harbor Department is financially responsible for the net funding costs to complete the Project.

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 and statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines and Section 21080.13 of the State CEQA Guidelines;

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2. Approve the Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project Grant Agreement with USDOT;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement, for and on behalf of the Board;
4. Authorize the Executive Director to execute future Grant Agreement amendments to account for revised project schedules, and/or revised project costs, 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:

Background – On August 10, 2022, the USDOT awarded \$20,000,000 of the MARAD FY 2022 RAISE program funds to the Harbor Department’s Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project. To receive the RAISE funds, the Harbor Department must enter into the proposed Grant Agreement (Transmittal 1) with the USDOT.

Once approved by the Board, the Harbor Department will transmit the Grant Agreement to the USDOT for further processing. Approval by the USDOT is expected to occur in September 2024. The Grant Agreement is needed before the Harbor Department can begin design. The Agreement sets forth the project scope, expected benefits, schedule, costs and funding plan. If there are future changes in the Project’s schedule and/or cost, the Agreement will need to be amended. The timetable and project costs specified in the Grant Agreement reflects the initial estimated schedule and costs and remains subject to potential changes. Therefore, staff seeks approval from the Board to authorize the Executive Director to execute subsequent amendments to this Grant Agreement to account for changes in schedule and/or project costs. For any changes to the overall project budget, approval of the revised budget will be sought from the Project Development Committee (PDC) and the Board through the Harbor Department’s Capital Improvement Program (CIP) budget. Furthermore, any contracts for design or construction services for the Project will require Board approval.

The project currently has two grant funding sources; one from the California Transportation Commission (CTC) under the Trade Corridor Enhancement Program

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(TCEP) and a second from the USDOT under the MARAD Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. The following table summarizes the project funding sources:

USDOT RAISE	CTC TCEP	Port Revenue Funds	Total Cost
\$20,000,000	\$14,936,000	\$4,734,000	\$39,670,000

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the grant agreement with MARAD for RAISE Grant Program funds for the project, which is an administrative activity and an activity involving a railroad grade separation project that eliminates an existing grade crossing or that reconstructs an existing grade separation. The Director of Environmental Management has determined that the proposed action is administratively and statutorily exempted from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines and Section 21080.13 of the State CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Grant Agreement will enable the Harbor Department to receive USDOT MARAD RAISE program funds in the amount of \$20,000,000 to complete the Project. The MARAD RAISE program funds are paid on a reimbursement basis, which requires the Harbor Department to fund project costs first, then seek reimbursement. The Harbor Department will be responsible for ongoing maintenance and operation costs for the Project.

The table below summarizes anticipated spending associated with the Project:

Fiscal Year	Costs
Previous Years	\$389,371
2024/2025	\$1,413,056
2025/2026	\$4,973,136
2026/2027	\$28,080,230
2027/2028	\$4,814,207
Total	\$39,670,000

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Fiscal Year (FY) 2024/2025 funding in the amount of \$1,413,056 is available within the CIP Fund Center 1132, Project No. 2569700. Future fiscal year funding will be requested as part of the annual budget adoption process, subject to Board approval.


CITY ATTORNEY:

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

TRANSMITTALS:

1. USDOT MARAD FY 2022 RAISE Grant Agreement for the Maritime Support Facility Access/Terminal Island Rail System Grade Separation Project

FIS Approval: JS
CA Approval: SO



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



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APPROVED:

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