



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

**DATE: JANUARY 28, 2026**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR THE REIMBURSEMENT OF PROJECT EXPENSES**

**SUMMARY:**

Staff requests approval of the Agreement (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and the Los Angeles County Metropolitan Transportation Authority (Metro). Under the Agreement, Metro would reimburse the Harbor Department for costs incurred for work performed to support Metro's development of its Southeast Gateway Line project. The term of the Agreement is three years, for a not to exceed amount of \$886,875, in aggregate, over the three-year term.

The Port of Long Beach (POLB) obtained approval for a separate, similar reimbursement agreement carrying a term of three years with Metro for POLB's separate expenses incurred in connection with the SGL project, at its Board meeting held January 12, 2026.

**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(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Agreement with Los Angeles County Metropolitan Transportation Authority;
3. Authorize the Executive Director to execute and Board Secretary to attest to the Agreement; and
4. Adopt Resolution No. \_\_\_\_\_.

**SUBJECT: AGREEMENT WITH LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR EXPENSE REIMBURSEMENTS****DISCUSSION:**

Background: In 1994, the Harbor Department and the Port of Long Beach (POLB) (collectively, the Ports) jointly purchased properties as part of the Alameda Corridor rail construction project. A portion of the properties purchased are located along the former Union Pacific San Pedro Branch within the County of Los Angeles (SPB). The SPB is the backup rail line for the Alameda Corridor Transportation Authority. The railroad properties are held by the Ports as tenants in common, with each Port holding an undivided 50 percent interest in the properties.

SGL Overview: In 2018, Metro initiated discussions with the Ports regarding its planned light rail passenger transit line now named the Southeast Gateway Line (SGL) to be developed across 14.5-miles of railroad right-of-way property from the City of Artesia to the Slauson/A Line west of the City of Vernon. A portion of the SGL will be constructed along a 6.1 mile stretch of the SPB property jointly owned by the Ports, located between the City of Paramount and the City of Vernon (Transmittal 1). Because the project involves the use of the Port's property, coordination and various agreements are needed so Metro can execute the project.

Previous Board Action: On February 13, 2024 the Ports, Metro, Union Pacific Railroad Company and the Alameda Corridor Transportation Authority, entered into a Memorandum of Understanding (MOU) to memorialize the parties' understanding of Metro's proposed light-rail passenger project and agree to a framework for joint participation in the planning, implementation, completion and operation of Metro's SGL project. The MOU, which was approved by the Board January 2024, contemplates the development of further agreements, such as the one proposed herein, to document consideration, compensation, and financial responsibilities of each party to the MOU.

Current Action: Under this action, Metro will reimburse the Ports for their participation in work related to the Project, including, but not limited to, the review of design elements and engineering plans; environmental review and assessments; due diligence application processing and permitting; real estate title reviews; utility conflict resolution; construction and maintenance coordination; property rights conveyance documentation; and other ancillary work (Scope of Work). The proposed Agreement (Transmittal 2) documents terms and conditions under which the Scope of Work will be completed by the Harbor Department at Metro's cost.

Through September 30, 2025, the Ports have accrued property management consultant costs associated with the Project in the amount of \$122,399.65, which is shared equally between the Ports. The Harbor Department is entitled under the Agreement for reimbursement of a 50% share of the foregoing expenses, and any additional expenses incurred as of the date of the Agreement. Separately, POLB is entering into a similar reimbursement agreement with Metro to record terms for the repayment by Metro for work completed by POLB related to the Project, with projected expenses totaling \$950,000. The additional \$63,125 budgeted by POLB over the Harbor Department's total of \$886,875 is generally attributable to a separate staff budget for estimated attorney expenses in excess of the Harbor Department's costs for

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this category. The Ports will share consultant expenses related to the Project equally, but incur separate costs for each Port's independent staff charges.

Material terms of the proposed Agreement are as follows:

<b><u>Provisions</u></b>	<b><u>Description</u></b>
Agreement	Agreement for Reimbursement of Metro Project Expenses
Effective Date	Upon approval and execution of the Agreement by the Executive Director of the Harbor Department
Term	Three Years
Scope of Work	Real estate, environmental, engineering, property management, appraisal, financial analysis, legal support and administrative services
Project Area (See Transmittal 1)	Approximately 6.1 miles along the former Union Pacific San Pedro Branch railroad right-of-way from City of Paramount to City of Vernon
Initial Budget Contingency (25%) Not-to-Exceed Total	\$709,500 \$177,375 subject to approval by Metro and Executive Director \$886,875
Payment Terms	Metro to reimburse Harbor Department within 30-days' receipt of any invoice from the Harbor Department
Indemnification	Metro will indemnify the Harbor Department from suits, claims, losses, demands and expenses including attorney's fees for damages or liability of any nature except for the sole negligence of willful misconduct of the Harbor Department

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the Agreement with Metro for the reimbursement of Project expenses, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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**FINANCIAL IMPACT:**

Approval of the proposed Agreement will enable the Harbor Department to receive reimbursement from Metro in an amount up to \$886,875 for staff and consultant time expended in support of Metro’s Project.

As per the terms of the proposed Agreement, the Harbor Department and its contractors are expected to complete work in the legal, real estate, engineering, property management, appraisal and administrative fields. The initial budget estimated for the Project expenses attributable to the Harbor Department is \$709,500, subject to increase by a 25 percent contingency of the original budget upon approval of the Executive Director of the Harbor Department and Metro’s authorized representative for a total not to exceed amount of \$886,875. For the first year of the Agreement term, it is expected that 51% of expenses billed to Metro will be attributed to Harbor Department staff work, and 49% of expenses will be attributed to consultant work.

**CITY ATTORNEY:**

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

**TRANSMITTAL:**

- 1. Project Area Map
- 2. Reimbursement Agreement

FIS Approval: 95  
 CA Approval: 50

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APPROVED:

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