



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: JULY 22, 2021

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE MEMORANDUM OF AGREEMENT AMONG CITY OF LOS ANGELES HARBOR DEPARTMENT, PORT OF LONG BEACH, ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY, UNION PACIFIC RAILROAD COMPANY AND BNSF RAILWAY COMPANY FOR THE DOLORES YARD CROSSOVER PROJECT

SUMMARY:

Staff requests approval of a Memorandum of Agreement (MOA) among the City of Los Angeles Harbor Department (Harbor Department), Port of Long Beach (collectively "Ports"), Union Pacific Railroad Company (UP), BNSF Railway Company (collectively "Railroads") and Alameda Corridor Transportation Authority (ACTA) for the Dolores Yard Crossover Project (Project) located in the City of Carson. The Project consists of a new crossover rail connection to/from the Alameda Corridor at the south end of the UP owned Dolores (rail) Yard. Rail crossovers are additional rail that allow trains to move from one railroad track to another. The Project will improve rail cargo movement operations to/from the Ports and on the Alameda Corridor.

The parties above entered into an Amended and Restated Alameda Corridor Use and Operating Agreement (UOA), dated December 15, 2016, that governs the use and operations of the Alameda Corridor. The proposed MOA is required to address the specific details on this Project, including but not limited to the design and construction, operations, maintenance and repair, and UP's sole responsibility to bear all costs associated with the Project.

This MOA requires approval from the Board of Harbor Commissioners of both Ports. The Port of Long Beach Board of Harbor Commissioners approved this MOA at its meeting on June 28, 2021.

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 categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Section 15301, Section 15302, Section 15303, Section 15304, and Section 15311 of the State CEQA Guidelines;
2. Approve the Memorandum of Agreement among City of Los Angeles Harbor Department, Port of Long Beach, Union Pacific Railroad Company, BNSF Railway Company, and Alameda Corridor Transportation Authority;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Memorandum of Agreement on behalf of the Board; and

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4. Adopt Resolution No. _____.

DISCUSSION:

Background - On December 22, 1994, the Harbor Department and Port of Long Beach jointly purchased rail properties as part of the Alameda Corridor project. The Alameda Corridor properties consist of the former Southern Pacific Railroad and UP rights of way within the County of Los Angeles, and are held by the Ports as tenants-in-common, with each holding an undivided 50 percent interest in the properties.

On October 24, 2016, the Board approved the UOA under Resolution No. 16-8008, granting the Railroads the right to use the Alameda Corridor for movement of trains with the primary purpose for moving cargo efficiently in and out of the Ports. UP determined that constructing a new crossover to the Alameda Corridor at the south end of UP's Dolores Yard (see map Transmittal 1) will improve UP rail cargo movements to/from the Dolores Yard and the Alameda Corridor. This Project's efficacy was substantiated by a joint rail simulation study recently completed by the Ports.

Pursuant to the terms of the UOA, if any betterment, improvement, or upgrade to the track and/or track support structures will benefit only one of the Railroads, then only the benefitting Railroad is required to pay the costs of such betterment, improvement, or upgrade. Because the Project benefits UP's operations, UP will be responsible for all costs associated with the Project. The MOA (see Transmittal 2) addresses specific details of the Project. The Harbor Department's obligations are limited to granting a Harbor Engineering Permit and providing authorization to the MOA as one of the owners of the Alameda Corridor. None of the Project expenses will be borne by the Harbor Department.

The summary of the proposed MOA terms and conditions are:

<u>Provisions:</u>	<u>Descriptions:</u>
Design	UP will the provide the design for the construction for the crossover
Construction	ACTA will construct portions of the project and UP will construct certain portions, with each delineated by specific geographic boundaries in relation to the location of the Alameda Corridor and Dolores Yard
Costs	All costs associated with the Project will be borne by UP
Use and Operations	UP will use and operate the crossover
Maintenance and Security	UP and ACTA will be responsible for maintaining and securing the crossover at UP's sole cost
Indemnification	UP will indemnify all parties to the MOA for any liabilities arising from the Project and the crossover operations

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a MOA among the Ports, UP, Railroads, and ACTA for the Dolores Yard Crossover Project, which is an activity involving operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use; replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced; construction and location of limited numbers of new, small facilities or structures, installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure; minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes; and construction, or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Section 15301, Section 15302, Section 15303, Section 15304, and Section 15311 of the State CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed MOA formalizes the UP and ACTA responsibilities on the Project. UP will be responsible for all costs associated with the Project, which will have no impact to the Harbor Department’s revenue or expenses.

CITY ATTORNEY:

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

TRANSMITTALS:

- 1. Project Area Map
- 2. Memorandum of Agreement

Marisa L. Katnich

MARISA L. KATNICH
Director, Cargo & Industrial Real Estate

FIS Approval: MB
CA Approval: JS

Michael DiBernardo
for MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director