



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

Board of Harbor Commissioners

DATE: SEPTEMBER 2, 2021

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP) BASELINE AGREEMENT FOR THE BERTHS 302-305 ON-DOCK RAILYARD PROJECT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT (LAHD) AND THE CALIFORNIA TRANSPORTATION COMMISSION (CTC) AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a funding agreement (referred herein as the Baseline Agreement (BA) – Transmittal 1) with the California Transportation Commission (CTC) and California Department of Transportation (Caltrans) for \$19,194,000 of Trade Corridor Enhancement Program (TCEP) funds for the Berths 302-305 On-Dock Railyard Project.

To receive the TCEP funds, the Harbor Department must enter into the proposed BA with the CTC and Caltrans. Upon approval by the Board, the Harbor Department will transmit the BA to the CTC for final approval, which is expected to occur at its December 2021 meeting. The Harbor Department is financially responsible for matching funds as part of the BA.

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 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;
- 2) Approve the Berths 302-305 On-Dock Railyard Project Baseline Agreement;
- 3) Authorize the Executive Director to execute and the Board Secretary to attest to said agreement, for and on behalf of the Board;

SUBJECT: TCEP BASELINE AGREEMENT FOR B.302-305

- 4) Authorize the Executive Director to execute future Baseline Agreement Amendments to account for revised project schedules, and/or reduced 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 December 3, 2020 the CTC awarded \$19,194,000 TCEP funds for the Harbor Department's Berths 302-305 On-Dock Railyard Project. To receive the TCEP funds, the Harbor Department must enter into a BA with the CTC.

Once approved by the Board, the Harbor Department will transmit the BA to the CTC for further processing. Approval by the CTC is expected to occur at its December 2021 meeting. The BA is needed in advance of obtaining the actual allocation of the funds which requires another CTC approval, and is required before the Harbor Department can advertise for construction. The BA sets forth the project scope, expected benefits, schedule, cost, and funding plan. If there are future changes in the project's schedules and/or costs, the BA will need to be amended prior to the allocation of funds. Thus, the Executive Director also seeks approval from the Board to execute subsequent amended agreements in the future to account for changes in schedules and project cost decreases. The table below summarizes the project cost (including pre-construction costs) and funding sources for the project.

Project	Total Cost	TCEP	USDOT	Harbor Funds
Berths 302-305 On-Dock Railyard Project	\$52,355,000	\$19,194,000	\$18,184,000	\$14,977,000

The Project Programming Request (PPR) attachment to the BA provides annual cash flow/source of fund details. Following project approval by the Board of Harbor Commissioners, construction of this project is expected to commence as follows:

Project	Construction Advertise	Construction Completion
Berths 302-305 On-Dock Railyard Project	1/1/2023	6/30/2025

ENVIRONMENTAL ASSESSMENT:

On June 7, 2012, the Board certified the Berths 302-306 Container Terminal Project Final Environmental Impact Statement/Environmental Impact Report (Final EIS/EIR). The First Addendum, considered by the Board on October 24, 2016, evaluated a smaller version of the Project that continued prior operations with minor modifications, and extended the

SUBJECT: TCEP BASELINE AGREEMENT FOR B.302-305

term of its existing lease. Subsequently, on May 20, 2021, the Harbor Department prepared another Addendum to the Berths 302-306 Container Terminal Project Final EIS/EIR (Addendum #2) that among several elements, including the expansion of the existing on-dock railyard, for which the aforementioned funds will be used. Based on the findings of Addendum #2, the proposed action would create no potential adverse impacts or substantial changes to impact areas previously analyzed in the Final EIS/EIR. Addendum #2 was posted on the Port's website for public disclosure and a Notice of Determination was filed with the Los Angeles County Clerk and State Clearinghouse.

In addition, because the rail project will utilize federal funding, federal environmental review in accordance with the National Environmental Policy Act (NEPA) will be required by the federal lead agency, the United States Department of Transportation Maritime Administration (MARAD). An environmental document (Environmental Assessment) is currently being prepared for the Berths 302-306 Container Terminal Intermodal Railyard Project by MARAD in accordance with the requirements of NEPA.

The proposed action is approval of the project baseline agreement for the Berths 302-306 Container Terminal Intermodal Railyard 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 the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The TCEP funds are paid on a monthly reimbursement basis for construction costs which requires the Harbor Department to fund project costs first, and then seek reimbursement. After completion of the project, the tenant will be responsible for on-going operations and maintenance (O&M) costs for the Berths 302-305 On-Dock Railyard Project.

The table below summarizes the cash flow needs for the Harbor Department project:

	Prior FY	FY2020/2021	FY2021/2022	Future FY	Total
Inflows:					
TCEP	-	-	-	19,194,000	19,194,000
USDOT	-	-	-	18,184,000	18,184,000
Outflows:					
Harbor - Capital	(171,930)	(526,772)	(1,196,350)	(50,459,948)	(52,355,000)
				POLA's Total Cost	(14,977,000)

DATE: SEPTEMBER 2, 2021

PAGE 4 OF 4

SUBJECT: TCEP BASELINE AGREEMENT FOR B.302-305

Funding detail (including source of funding) for the projects will be detailed in future Board actions requesting approval of the construction contracts. At this time, the \$1,196,350 expected to be incurred by the Harbor Department in FY 2021/2022 for the Berths 302-305 On-Dock Railyard Project is anticipated to be derived from the Capital Improvement Fund, Division No. 1134, Project No. 2562200.

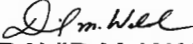
CITY ATTORNEY:

The office of the City Attorney has reviewed and approved the Baseline Agreement as to form and legality.

TRANSMITTALS:

- 1) TCEP Baseline Agreement for the Berths 302-305 On-Dock Railyard Project

FIS Approval: MB (initials)
CA Approval: SO (initials)


DAVID M. WALSH, P.E.
Chief Harbor Engineer


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

APPROVED:

 For

EUGENE D. SEROKA
Executive Director

AN:aw
25622b1