



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: SEPTEMBER 12, 2013

FROM: ENGINEERING

**SUBJECT: RESOLUTION NO. _____ - PROPOSED TRADE CORRIDORS
IMPROVEMENT FUND (TCIF) AGREEMENT CARGO
TRANSPORTATION IMPROVEMENTS – EMISSION REDUCTION
PROGRAM – PHASE 1 (TCIF NO. 87.1) BETWEEN THE CITY OF LOS
ANGELES HARBOR DEPARTMENT AND THE STATE OF
CALIFORNIA (AGREEMENT NO. 75A0386)**

SUMMARY:

In February 2012, the California Transportation Commission (CTC) approved programming of \$12.705 million of State Proposition 1B Trade Corridors Improvement Fund (TCIF) program funds for the construction phase of the TCIF No. 87.1 Port of Los Angeles (Port) Cargo Transportation Improvement-Emission Reduction Program – Phase 1 (TraPac Terminal-Automated Component).

On December 6, 2012, CTC approved the financial allocation of \$12.705 million for TCIF No. 87.1. Additionally, the CTC requires the City of Los Angeles Harbor Department (Harbor Department) to fully execute an Allocation Agreement (Agreement) for which the Harbor Department will seek reimbursement in the amount of \$12.705 million. CTC has submitted five copies to the Harbor Department, the TCIF Agreement Cargo Transportation Improvements – Emission Reduction Program – Phase 1 (TCIF No. 87.1) Agreement No. 75A0386 for signatures, as part of the reimbursement grant funding allocation process.

RECOMMENDATION:

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

1. Approve the Trade Corridors Improvement Fund Agreement Cargo Transportation Improvements – Emission Reduction Program – Phase 1 (TCIF No. 87.1) Agreement No. 75A0386;
2. Authorize the Executive Director to sign and execute, and the Board Secretary to attest to, Agreement No. 75A0386 for and on behalf of the Board; and
3. Adopt Resolution No. _____.

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SUBJECT: RESOLUTION NO. _____ - PROPOSED TRADE CORRIDORS
IMPROVEMENT FUND (TCIF) NO. 87.1 AGREEMENT

DISCUSSION:

Background/Context – The TraPac Expansion Program consists of multiple projects and will provide wharves, automated backlands, rail facilities, buildings, gates, and a grade separated access for the Port of Los Angeles' (Port) first automated container terminal at Berths 136-147. The TCIF No. 87.1 project, also known as Berths 144-145 Backland Improvements (Phase 1C), is part of this program and will provide a portion of the automated backland, specifically the first four fully automated stacking blocks.

On July 19, 2012, the Board of Harbor Commissioners adopted Resolution No. 12-7364 and Agreement No. 12-3080, which include TCIF Nos. 87.1 and 87.2 (Berths 142-143 Backland Improvements, Phases 2-4). On August 23, 2012, the CTC, Caltrans, and the Harbor Department entered into this Project Baseline Agreement (Agreement No. 12-3080) to document project costs, schedules, scopes of work, and benefits; and to certify that the funding sources cited are committed, which include the total amount of \$35.869 million in reimbursement grants (\$12.705 million for TCIF No. 87.1 and \$23.164 million for TCIF No. 87.2). Harbor Department staff will submit quarterly reports as required in the baseline agreement.

On December 6, 2012, the CTC authorized the financial allocation of \$12.705 million as a reimbursement grant for TCIF No. 87.1. On June 6, 2013, the Board of Harbor Commissioners approved the first amendment to Agreement No. 12-3080 to increase the reimbursement grant for TCIF No. 87.2 by \$3.5 million for a total of \$26.664 million. On June 11, 2013, the CTC amended the TCIF Baseline Agreement for Project 87.1, Cargo Transportation Improvement Emission Reduction Program – Phase 2 (Trapac Automation).

On February 21, 2013, the Board of Harbor Commissioners awarded and approved the construction contract for Berths 144-145 Backland Improvements (TCIF No. 87.1 Port of Los Angeles Cargo Transportation Improvement-Emission Reduction Program – Phase 1) in the amount of \$42,239,494. The total project cost, including design and construction, is \$50,034,494. The total reimbursement grant funding approved is \$12,705,000. The Harbor Department's cost share is therefore \$37,329,494.

Construction Notice to Proceed was issued on April 15, 2013.

As part of the reimbursement grant funding process, signatures are required on the Allocation Agreement. Enclosed are five signature pages and Agreement No. 75A0386 (Transmittal 1).

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IMPROVEMENT FUND (TCIF) NO. 87.1 AGREEMENT

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of TCIF Agreement No. 75A0386 for the Cargo Transportation Improvements – Emission Reduction Program – Phase 1. The funding would pay for construction of a portion of the automated backlands within the TraPac terminal. Construction of automated backlands at the TraPac terminal was analyzed in a June 2012 Addendum to the Berths 136-147 [TraPac] Container Terminal Project Environmental Impact Statement/Environmental Impact Report which was certified by the Board on December 6, 2007. Therefore, as an administrative activity for which the underlying project had previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2 (i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

The construction phase of the entire TraPac terminal is estimated to support approximately 5,300 one-year equivalent direct, indirect, and induced jobs in the five-county southern California region.

FINANCIAL IMPACT:

Approval of this Agreement will affirm commitment by the Harbor Department to fund the project discussed herein. The CTC allocation was approved on December 6, 2012, and grant reimbursement payments must be made within four years of project allocation date or the undisbursed grant balance will revert to the CTC and the Harbor Department will fully bear any costs not grant reimbursed.

The total project cost is \$50,034,494. The total reimbursement grant funding approved is \$12,705,000. The Harbor Department's cost share is therefore \$37,329,494.

The amount spent as of June 30, 2013 is \$8,711,026. The remaining Harbor Department funds needed for the project have been accounted for in the five-year capital improvement program.

Fiscal Year	Through 12/13	13/14 (estimated)	14/15 (estimated)	Total
Amount	\$8,711,026	\$40,674,135	\$649,333	\$50,034,494

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The amount the Harbor Department has budgeted in FY 13-14 for this project is \$40,674,135 (Center No. 1103, Program No. 000, Account No. 54510). Project funding for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval.


The operating and maintenance costs of the project, subsequent to completion, are the responsibility of the tenant.

CITY ATTORNEY:

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

TRANSMITTAL:

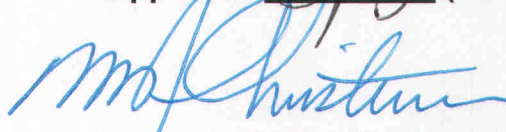
1. Trade Corridors Improvement Fund (TCIF) Agreement with five signature pages

FIS Approval:  (initials)

CA Approval:  (initials)



ANTONIO V. GIOIELLO, P.E.
Chief Harbor Engineer



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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