

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 22-23, 2011

Reference No.: 2.1c.(5a)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Sharon Scherzinger
Division Chief
Transportation Planning

Subject: **TRADE CORRIDORS IMPROVEMENT FUND-PROJECT BASELINE AMENDMENT
RESOLUTION TCIF-P-1011-23**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) amend the Trade Corridors Improvement Fund (TCIF) Project Baseline Agreement for Project 32, Ports Rail System – Tier 1 (West Basin Road Rail Access Improvements) project (PPNO TC32). The Southern California Consensus Group concurs with this amendment and the requested changes. A concurrent Request for Future Consideration of Funding is also being presented at the June 2011 Commission meeting.

ISSUE:

The City of Los Angeles Harbor Department - Port of Los Angeles (Port) proposes to amend the TCIF Project Baseline Agreement for Project 32, Ports Rail System – Tier 1 (West Basin Road Rail Access Improvements), to revise the project cost, and schedule for design and construction.

BACKGROUND:

The Ports Rail System – Tier 1 (West Basin Road Rail Access Improvements) project was programmed with \$51,230,000 of TCIF funds, under the TCIF Program of Projects, adopted by the Commission on April 10, 2008 under Resolution TCIF-P-0708-01. A Project Baseline Agreement executed by the Department, the Commission, and the Port was approved on October 29, 2008 under Resolution TCIF-P-0809-04B.

The project is located in the West Basin district of the Port and accessed via Alameda Street, which is the eastern boundary of the Wilmington community (Alameda Street/Harry Bridges Boulevard is also a federally designated National Highway System Intermodal Connector Route). The project includes the following elements: receiving/departures, storage, and repair tracks; removal of two at-grade rail-highway crossings, which have been an impediment between the community and the waterfront; relocation of an existing railroad switching/classification yard

(Pier A Railyard); and a 3,200 foot long - 25 foot wide landscaped public access area that consists of a 16 foot wide bike/pedestrian path along a portion of the California Coastal Trail.

The Port is requesting to extend the completion date by approximately two years for the design component, and one year and eight months for the construction component. The schedule changes are primarily due to additional time needed for utility relocation design. The cost increase is due to a refined cost estimate from when the TCIF Baseline Agreement was executed in 2008, and therefore increases the overall project cost by \$4,891,000 from \$125,340,000 to \$130,231,000. The revised funding plan also reflects additional commitment of U.S. Department of Transportation TIGER II funds and federal Regional Surface Transportation Program funds. TCIF funding remains as originally programmed at \$51,230,000.

The TCIF Project Benefits Form indicates the project will maximize the use of on-dock rail by reducing 2,300 daily truck trips; improve safety by truck trip reductions on I-710; remove two at-grade rail-roadway crossings; and reduce emissions by 43,140 tons per year of combined particulate matter, reactive organic gases, sulfur oxides, nitrogen oxides, and carbon monoxide.

The tables below lists project milestones with the current approved and proposed delivery schedules:

| Project Milestone | Current Approved | Proposed | Change |
|---------------------------|-------------------------|-----------------|----------------------|
| Begin Environmental Phase | 07/01/05 | 07/01/05 | No Change |
| End Environmental Phase | 03/01/08 | 03/01/08 | No Change (Complete) |
| Begin Design Phase | 04/01/08 | 04/01/08 | No Change |
| End Design Phase | 09/01/09 | 08/01/11 | 1 Year, 11 Months |
| Begin Right of Way Phase | N/A | N/A | N/A |
| End Right of Way Phase | N/A | N/A | N/A |
| Begin Construction Phase | 04/01/10 | 01/01/12 | 1 Year, 8 Months |
| End Construction Phase | 03/01/12 | 07/01/14 | 2 Years, 4 Months |
| Begin Closeout Phase | 04/01/12 | 07/01/14 | 2 Years, 3 Months |
| End Closeout Phase | 03/01/13 | 07/01/15 | 2 Years, 4 Months |

Changes proposed to the funding plan reflect more accurate estimates of project costs and availability of funding sources than were available when the baseline agreement was originally adopted.

| Ports Rail System – Tier 1 (West Basin Road Rail Access Improvements) (DOLLARS IN THOUSANDS) | | | | | | | | | | | |
|---|----------|-----------------------|----------|----------|---------|--------|-------|-------------------------|---------|-----|----------|
| FUND SOURCE | TOTAL | Totals by Fiscal Year | | | | | | Totals by Project Phase | | | |
| | | Prior | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | PA&ED | PS&E | R/W | CONST |
| State Funds (TCIF) | | | | | | | | | | | |
| Existing | 51,230 | | 23,050 | 28,180 | | | | | | | 51,230 |
| Change | 0 | | (23,050) | 23,050 | | | | | | | 0 |
| Proposed | 51,230 | | 0 | 51,230 | | | | | | | 51,230 |
| Local Funds (POLA Infrastructure Cargo Fees) | | | | | | | | | | | |
| Existing | 71,603 | 4,841 | 37,071 | 28,613 | 1,078 | | | | 2,640 | | 68,963 |
| Change | (71,603) | (4,841) | (37,071) | (28,613) | (1,078) | | | | (2,640) | | (68,963) |
| Proposed | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 0 |
| Local Funds (POLA Harbor Revenue Funds) | | | | | | | | | | | |
| Existing | 2,507 | 2,507 | 0 | 0 | 0 | | | 6 | 2,501 | | 0 |
| Change | 51,910 | 3,625 | 1,176 | 1,127 | 23,735 | 19,985 | 2,262 | 0 | 5,928 | | 45,982 |
| Proposed | 54,417 | 6,132 | 1,176 | 1,127 | 23,735 | 19,985 | 2,262 | 6 | 8,429 | | 45,982 |
| Local Funds (Metro USDOT RSTP) | | | | | | | | | | | |
| Existing | 0 | | | | 0 | 0 | | | | | 0 |
| Change | 8,584 | | | | 2,417 | 6,167 | | | | | 8,584 |
| Proposed | 8,584 | | | | 2,417 | 6,167 | | | | | 8,584 |
| Federal Funds (USDOT TIGER II) | | | | | | | | | | | |
| Existing | 0 | | | | 0 | 0 | | | | | 0 |
| Change | 16,000 | | | | 8,000 | 8,000 | | | | | 16,000 |
| Proposed | 16,000 | | | | 8,000 | 8,000 | | | | | 16,000 |
| TOTAL | | | | | | | | | | | |
| Existing | 125,340 | 7,348 | 60,121 | 56,793 | 1,078 | 0 | 0 | 6 | 5,141 | | 120,193 |
| Change | 4,891 | (1,216) | (58,945) | (4,436) | 33,074 | 34,152 | 2,262 | 0 | 3,288 | | 10,038 |
| Proposed | 130,231 | 6,132 | 1,176 | 52,357 | 34,152 | 34,152 | 2,262 | 6 | 8,429 | | 121,796 |

RESOLUTION TCIF-P-1011-23

Be it Resolved, that the California Transportation Commission does hereby amend the Trade Corridors Improvement Fund baseline agreement for Project 32, Ports Rail System – Tier 1 (West Basin Road Rail Access Improvements) project (PPNO TC32), in accordance with the changes described and illustrated above.

Attachments



Metro

March 21, 2011

Ms. Bimla G. Rhinehart
Executive Director
California Transportation Commission
1120 "N" Street, Mail Stop: 52
Sacramento, CA 94273-0001

Dear Ms. Rhinehart:

The Southern California Consensus Group has discussed and approved the changes requested by our partner agency. It is our understanding that the Port of Los Angeles is requesting approval of an amendment of their Baseline Agreement for TCIF project #32, West Basin Railyard. The amendment requested impacts the project schedule and total cost, and does not modify \$51.23 million in TCIF funds for the project.

Please see the attached letter from POLA detailing the requested changes. Please direct any questions or comments regarding this issue to me at (213) 922-3061. We appreciate the ongoing support and guidance provided by you and your staff.

Sincerely,

Shahrzad Amiri
Deputy Executive Director

cc: Southern California Consensus Group
Andre Boutros
Maura Twomey



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Executive Director

March 17, 2011

Bimla Rhinehart
Executive Director
California Transportation Commission
1120 N Street, Room 2221, Mail Stop 52
Sacramento, CA 95814

Dear Ms. Rhinehart:

**SUBJECT: PROPOSITION 1B TRADE CORRIDORS IMPROVEMENT FUND (TCIF)
– BASELINE AGREEMENT AMENDMENT REQUEST FOR PROJECT
#32, PORT OF LOS ANGELES WEST BASIN RAILYARD**

The City of Los Angeles Harbor Department (Harbor Department or Port of Los Angeles) is requesting approval of an amendment of the Baseline Agreement for TCIF project #32, West Basin Railyard. The amendment is required to account for a revised project schedule and total cost, for which \$51.23 million in TCIF funds were approved in 2008. The schedule change is primarily due to additional time needed for utility relocation design. The Port of Los Angeles is fully committed to this project and the Harbor Department General Revenue funds identified in the attached Project Programming Request form. These funds are contained in our current FY10-11 and planned FY11-12 budgets, as well as our approved five-year capital improvement plan. As additional evidence of our full commitment to the project, the Port of Los Angeles has executed a funding agreement with the United States Department of Transportation for the TIGER II funds, and will be executing a similar agreement with both the State Department of Transportation and Los Angeles County Metropolitan Transportation Authority (METRO) for the federal Regional Surface Transportation program funds previously awarded by METRO. The Port of Los Angeles anticipates seeking a TCIF allocation and "Letter of No Prejudice" at the June 2011 California Transportation Commission (CTC) meeting. The Southern California Consensus Group supports this request for the baseline agreement amendment.

The West Basin Railyard has already received State and federal environmental clearance via the TraPac Container Terminal Project Environmental Impact Statement/Environmental Impact Report that was approved and certified by the Board of Harbor Commissioners in December 2007 (the West Basin Railyard was an element of the TraPac terminal project). Additionally, the State Department of Transportation (Caltrans) issued a Categorical Exclusion for the West Basin Railyard element on

December 21, 2010, which is needed for obligating the aforementioned federal TIGER II and RSTP funds. The environmental documentation and clearance will be brought to the CTC for their review and concurrence at their May 2011 meeting. We have transmitted this documentation to CTC staff.

No agreements are required with the railroads for this project. The Port of Los Angeles owns all rail infrastructures in and around the Port, and will own the West Basin Railyard. For operations and maintenance (O&M), the Port of Los Angeles has a comprehensive O&M agreement with a short-line railroad, Pacific Harbor Line, which will operate and maintain the railyard in conjunction with the UP Railroad and BNSF Railway.

We greatly appreciate all the support and efforts by the CTC since the inception of the TCIF program, and your consideration of the specific request. If you have any questions or need additional information, please contact our Director of Goods Movement, Kerry Cartwright (310-732-7702; kcartwright@portla.org).

Sincerely,



GERALDINE KNATZ, Ph.D.
Executive Director

KC:jb

Enclosures:

- Signed support letter from Southern California Consensus Group
- Baseline Agreement Exhibit A – Revised Project Programming Request form
- Baseline Agreement Exhibit B – Project Study Report Equivalent
- Baseline Agreement Exhibit C – Updated Project Benefits