

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 10-11, 2011

Reference No.: 2.1c.(10d)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: William D. Bronte, Chief
Division of Rail

Subject: **TRADE CORRIDORS IMPROVEMENT FUND-LETTER OF NO PREJUDICE
RESOLUTION LONP1B-A-1112-03**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve Letters of No Prejudice (LONP), available under Assembly Bill (AB) 672 for the Trade Corridors Improvement Fund (TCIF) Project 24, Ports Rail System – Tier 1, Pier F Support Yard project (PPNO TC24) and Project 25, Ports Rail System – Tier 1, Track Realignment at Ocean Boulevard project (PPNO TC25).

ISSUE:

TCIF Project 24 (Pier F Support Yard) and TCIF Project 25 (Track Realignment at Ocean Boulevard) are programmed under the TCIF Program of Projects, adopted by the Commission on April 10, 2008, and are scheduled to begin construction in January 2012.

TCIF Project 24 will construct two storage tracks on the existing Pier F Avenue easement, south of Pico Avenue and north of Harbor Plaza. This project will relocate the existing utilities and roadway and will allow for more efficient on-dock rail operations at the Middle Harbor Container Terminal. By facilitating more container shipping by rail transportation, this project will eliminate 70,000 truck trips per year.

TCIF Project 25 will create improved lead tracks to the Metropolitan Stevedoring Company (Metro) Rail Yard and the Pier F On-Dock Rail Yard. This project will relocate the existing utilities and roadway and construct an additional mainline track dedicated to Pier G-Metro Storage yard. This will allow the removal of derails on the existing mainline track and optimize rail traffic flow from Pier B to Pier J. The project will also eliminate conflicting movements of the Metro switch engines on the main tracks. These improvements will provide for greater capacity for shipping of containers and bulk goods by rail rather than by trucks on the local roads and highways and eliminate 500,000 truck trips per year.

Concurrent Allocation Requests are being presented at the August 2011 Commission meeting.

The Port of Long Beach (Port) requests AB 672 authority to substitute the total \$35,745,000 TCIF funds programmed for both projects with Local Port Revenue to keep the projects on schedule due to the unavailability of Proposition 1B TCIF funds.

BACKGROUND:

Government Code Section 14556.33 allows an applicant agency that is either a regional or local entity to seek approval of a LONP. If approved by the Commission, the LONP allows the applicant agency to expend its own funds for any component of the transportation project, and seek allocation reimbursement from the TCIF program in the future.

RESOLUTION LONP1B-A-1112-03

Resolved, with all conditions stipulated still in effect, that the Commission hereby approved a Letter of No Prejudice (LONP) for Project 24, Ports Rail System – Tier 1, Pier F Support Yard project (PPNO TC24) and Project 25, Ports Rail System – Tier 1, Track Realignment at Ocean Boulevard project (PPNO TC25) programmed in, or otherwise funded from, the Proposition 1B Trade Corridors Improvement Fund (TCIF); and

Be it Further Resolved, that Port of Long Beach (Port) understands that they proceed at their own risk, as reimbursement is dependent on future availability of TCIF funding; and

Be it Further Resolved, that the project component covered by an approved LONP should be ready to proceed to contract award (or equivalent) once the LONP is approved; and

Be it Further Resolved, that Port shall report to the Department within four months following LONP approval on progress in executing agreements and third-party contracts needed to execute the work.