

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 21-22, 2015

Reference No.: 4.14
Action

From: WILL KEMPTON
Executive Director

Subject: **TRADE CORRIDORS IMPROVEMENT FUND (TCIF) PROGRAM AMENDMENT
RESOLUTION TCIF-P-1516-02**

ISSUE:

Should the California Transportation Commission (Commission) amend the TCIF Program to add the *Cool Port Oakland Project* in Alameda County and the *Control Point Mole Rail Improvement Project* in Los Angeles County as TCIF Projects 115 and 116 at a cost of \$5 million and \$12.6 million respectively in TCIF funds?

RECOMMENDATION:

Commission staff recommends the Commission approve the proposed TCIF Program Amendment to add into the TCIF Program projects 115 and 116, the *Cool Port Oakland Project* and the *Control Point Mole Rail Improvement Project*.

BACKGROUND:**Project 115**

The Northern California Trade Corridors Coalition (NCTCC) and the Port of Oakland (Port) propose to amend the TCIF program by including the Cool Port Oakland Project as Project 115 in the Northern California Corridor element of the TCIF Program and program \$5 million of TCIF funds to the project.

The proposed project proposes to construct a state of the art refrigerated warehouse and distribution facility and supporting rail infrastructure. The project will be constructed in two segments. Segment one is the rail infrastructure to be developed to service the new temperature controlled transload facility and other Maritime Support Center tenants. It will include an at-grade railroad crossing and the development of 11,200 linear feet of new track connecting from a new UPPR lead track to the new facility. Segment 2 will construct a 364,000 square foot state-of-the-art refrigerated warehouse and distribution facility on approximately 25 acres of port land located within the Port's Maritime Support Center, north of Middle Harbor Road and adjacent to the Joint Intermodal Terminal. The project is estimated to generate additional cargo coming in and out of the Port and center the Port as a premier hub for the import and export of refrigerated cargo. The new rail is estimated to eliminate 238,530 truck miles and increase speed of freight traffic moving through the distribution system.

Since award savings in TCIF funds were realized in the Northern California Corridor, NCCTC and the Port propose to place TCIF savings on Segment 1 of this project with Segment 2 providing the additional match required. Segments 1 and 2 are estimated to cost \$8.605 million and \$82.7 million respectively, with a total project cost of \$91.305 million. Construction is expected to begin in April 2016.

Project 116

The Southern California Consensus Group (SCCG) and the Port of Long Beach (POLB) propose to amend the TCIF program by including the Control Point Mole Rail Improvement Project as Project 116 in the Los Angeles/Inland Corridor element of the TCIF Program and program \$12.6 million of TCIF funds to the project.

The proposed project will reconfigure and extend tracks by adding a new control point at the Mole. The track reconfiguration and new Centralized Train Control system will enable increased train speeds, reduce train delays caused by manual switch operations, and improve the safety of rail operations. Since award savings in TCIF funds were realized in the Los Angeles/Inland Corridor, SCCG and POLB propose to place TCIF savings on this project. The total cost of the project is estimated at \$29 million. Construction is expected to begin in June 2016.

RESOLUTION TCIF-P-1516-02

Be it Resolved, that the California Transportation Commission does hereby amend the TCIF program by adding the Cool Port Oakland Project as TCIF Project 115 and the Control Point Mole Rail Improvement Project as TCIF Project 116.

Attachments

- Letters of Support



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Santa Clara County

August 28, 2015

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Deputy Executive Director, Policy

Andrew B. Freeman
Deputy Executive Director, Operations

Mr. Will Kempton, Executive Director
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

Dear Mr. Kempton:

The Northern California Trade Corridors Coalition (Coalition) is in support of the Port of Oakland's Cool Port Oakland project in Alameda County.

Port of Oakland Cool Port Oakland Project ("Project")

The Port of Oakland requests programming the Cool Port Oakland project in the Proposition 1B Trade Corridors Improvement Fund (TCIF) Northern California program. The Project will develop cold storage operations at the Port of Oakland. Specifically, the TCIF funds would match private and Port funds to construct a direct rail link to the cold storage facility. The cold storage facility, once operational in Spring 2017, will enable transloading of refrigerated rail cargo to containers. The Project will be ready to list in Summer 2016.

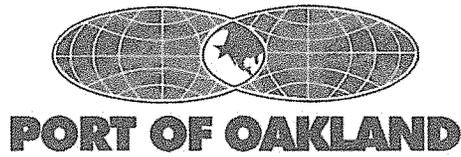
The Coalition met via teleconference on August 11, 2015, and supports programming \$5 million in Proposition 1B Trade Corridors Improvement Fund (TCIF) bond monies to the Project. The Coalition recommends that the Port work with the CTC to develop a baseline agreement for CTC consideration at the December 2015 or January 2016 CTC meeting.

Should you have any questions regarding the Coalition's position, please contact Kenneth Kao, Coalition Coordinator, at (510) 817-5768, or via email at kkao@mtc.ca.gov.

Sincerely,

Anne Richman
Director, Programming and Allocations

AR: KK



October 2, 2015

Will Kempton
Executive Director
California Transportation Commission
1120 N Street - MS-52
Sacramento, California 94273-0001

Dear Mr. Kempton:

I'm writing on behalf of the Port of Oakland ("Port") to formally approve and authorize Metropolitan Transportation Commission's ("MTC") nomination, dated August 28, 2015, requesting \$5 million in programming within the Proposition 1B TCIF Northern California Program for the "Cool Port Oakland" project. The project follows requirements set forth in the California Transportation Commission's ("CTC") TCIF Guidelines, Resolution TCIF-G-0708-001.

Cool Port Oakland entails the development, under Phase I, of an approximately 34,000 square foot state-of-the-art temperature controlled transload and logistics facility on 25 acres at the Seaport in an area referred to as the Maritime Support Center ("MSC"). The TCIF funds will be an integral component to bridging the gap between public and private investment, with the grant specifically dedicated to the development of a direct rail link (roughly 11,200 s.f. of linear track) that will serve the new Cool Port Oakland facility, as well as other tenants within the MSC. The development will improve Port rail operations by reducing congestion and improving service levels for the two Class I railroads currently serving the Port.

The project as a whole is projected to generate significant economic benefits to the region through increased cargo volume, permanent and temporary job growth, attracting new Port tenants, and positioning the Port as a hub for refrigerated cargo imports and exports.

We look forward to inclusion of Cool Port Oakland on the CTC's October 2015 programming calendar.

Sincerely,



J. Christopher Lytle
Executive Director

cc: John C. Driscoll, Port of Oakland
Pia Franzese, Port of Oakland
Teresa Favila, CTC
Kenneth Kao, MTC



Port of
LONG BEACH

The Green Port

September 17, 2015

Mr. Will Kempton, Executive Director
California Transportation Commission
1120 N Street, Room 2233 (MS-52)
Sacramento, CA 95814

**RE: Trade Corridor Improvement Fund (TCIF) Application for Control Point (CP)
Mole Rail Improvement Project**

Dear Mr. Kempton,

In accordance with the Trade Corridor Improvement Fund (TCIF) guidelines, the Port of Long Beach (POLB) is pleased to submit the Control Point (CP) Mole Rail Improvement Project for the Commission's consideration for TCIF programming. This Project meets all TCIF requirements and will provide critical improvements to the San Pedro Bay Ports' rail operations. The Project and funding request for \$12.6 million have received concurrence from the Southern California TCIF Consensus Group (see Attachment 1) for submission to the CTC.

Background

In 2008, the CP Mole Rail Improvement Project was awarded \$10 million in TCIF funding under the Port's Tier I Rail Improvements (see Attachment 2). In 2009/2010, the Port voluntarily withdrew the allocation and redirected the funding to another critical bridge project in the harbor district. Two other projects identified in the 2008 TCIF program advanced with TCIF funding, but in their development, the Port returned \$12.6 million due to projects' cost savings. These two projects have since reached substantial completion with TCIF support. POLB requests that those cost savings be reprogrammed to the CP Mole Rail Improvement Project. While this Project was formally withdrawn from the TCIF Tier I list, it still meets all TCIF requirements and remains an important project for the San Pedro Bay Ports' rail operations.

About the Project: Centralized Traffic Control and Track Reconfiguration at CP Mole
(Estimated Construction to Start in June 2016)

This Project will extend centralized traffic control (CTC) to CP Mole, which will enable increased train speeds and reduce train delays caused by manual switch operations. CTC eliminates the need for a train to stop for a brakeman to align the switches. Improved rail operations increase the effective rail capacity and reduce locomotive idling on the rail network. These factors create opportunities for shifting more freight to trains, and thus

reduce the number of potential truck trips operating in the area (estimated at 150,000 fewer truck trips per year). The Project also will reconfigure tracks to provide additional crossovers and signals at CP Mole to increase train operating efficiencies and improve the safety of rail operations. The Track Reconfiguration of CP Mole serves both POLB and Port of Los Angeles (POLA) facilities on Terminal Island, and provides enhancements to the rail network that will benefit the region and state.

Submission of the TCIF Application

Transmitted with this letter is our formal TCIF application, which includes a project description and statement of benefits, the project financial plan (Project Programming Request Form), and a one-page fact sheet describing our project.

- Estimated total cost of project: \$29 million
- Estimated construction cost (including construction support): \$25.2 million
- TCIF request: \$12.6 million
- Local responsibility: \$12.6 million
- Environmental Status – Approved – Categorical Exemption

Thank you for the opportunity to participate in this vital program. Should you have any additional questions, please feel free to contact Dr. Allison Yoh by emailing allison.yoh@polb.com or calling (562) 283-7175.

Sincerely,



Jon W. Slangerup
Chief Executive

Attachment 1: Letter from Southern California TCIF Consensus Group

Attachment 2: 2008 Tier 1 Submission Letter for CP Mole Rail Improvement Project

Enclosure: TCIF Grant Application for CP Mole Rail Improvement Project

cc: Rick Cameron, Managing Director of Planning and Environmental Affairs, POLB
Theresa Dau-Ngo, Transportation Development Manager, POLB
Sean Gamette, Senior Director, Program Delivery/Chief Harbor Engineer, POLB
Steve Rubin, Managing Director of Finance and Administration, POLB
Doug Sereno, Director of Program Management, POLB
Doug Thiessen, Managing Director of Engineering, POLB
Dr. Allison Yoh, Transportation Policy Manager, POLB



Metro

June 4, 2015

Mr. Wil Kempton
Executive Director
California Transportation Commission
1120 "N" Street, Mail Stop: 52
Sacramento, CA 94273-0001

Dear Mr. Kempton:

The Southern California Consensus Group has discussed and is in agreement with the TCIF programming requested by our partner agency. It is our understanding that the Port of Long Beach is requesting to seek funding of \$12,600,000 in Trade Corridor Improvement Funds (TCIF) for a new project; the construction of the Control Point (CP) Mole Rail Improvement Project. This request replaces the prior Port of Long Beach request to use the \$12,600,000 for the Pier G South Rail Yard Renovation Project per the Southern California Consensus Group letter dated October 10, 2014.

Please see the attached letter detailing the programming request. We understand they intend to submit a formal application to the CTC for action in August 2015. Please direct any questions or comments regarding this issue to me at (213) 922-2887.

We appreciate the ongoing support and guidance provided by you and your staff.

Sincerely,

Wil Ridder
Executive Officer

cc: Southern California Consensus Group
Stephen Maller