



THE PORT  
OF LOS ANGELES  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: APRIL 24, 2008**

**FROM: ENVIRONMENTAL MANAGEMENT DIVISION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED SECOND AMENDMENT TO AGREEMENT NO. 2467 WITH ENVIRON INTERNATIONAL CORPORATION FOR COMPLETION OF THE SOUTHERN CALIFORNIA INTERNATIONAL GATEWAY (SCIG) ENVIRONMENTAL IMPACT REPORT (EIR) AND PROPOSED COST SHARE AGREEMENT WITH BNSF**

**SUMMARY:**

*Environ International Corporation is currently under contract with the Port of Los Angeles to provide air quality consulting services and preparation of the Environmental Impact Report (EIR) for the Southern California International Gateway (SCIG) Project. Under the existing scope of work, Environ has already performed some services in this regards. The SCIG Project is a proposed near-dock intermodal rail facility that would be located on Port property bordered by Dominguez Channel, State Route 47, Pacific Coast Highway and El Segundo Blvd. Staff recommends amending Agreement No. 2467 with Environ to complete preparation of the EIR and increase the not-to-exceed dollar amount of Agreement No. 2467 by \$1,500,000 thereby increasing the total contract amount to \$3,300,000 without a change in the term.*

Additionally, the project Applicant, Burlington Northern Santa Fe Railway (BNSF), will pay half of the EIR preparation costs. Staff recommends the approval of the BNSF Cost Share Agreement.

**RECOMMENDATIONS:**

It is recommended that the Board of Harbor Commissioners:

1. Approve Resolution No. \_\_\_\_\_ for Amendment No. 2 to Agreement No. 2467 and the Cost Share Agreement with BNSF;
2. Approve Amendment No. 2 to Agreement No. 2467 with Environ to increase the total contract from \$1,800,000 to \$3,300,000 to complete preparation of the SCIG EIR;
3. Approve the Cost Share Agreement with BNSF; and

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4. Authorize the Executive Director and the Board Secretary to execute and attest to said amendment and cost share agreement for and on behalf of the Board.

### DISCUSSION:

1. Background. The Southern California International Gateway (SCIG) Project is a near-dock intermodal rail facility that would receive containerized cargo from the Ports for placement on unit trains and distribution throughout the United States. The proposed project location is bordered by the Dominguez Channel, SR-47, Pacific Coast Highway and Sepulveda Blvd.

Work to date on the EIR has included: a public Notice of Preparation (NOP) on September 19, 2005 announcing commencement of the SCIG EIR process; public scoping meetings in Long Beach and Wilmington in October 2005 to receive initial public input on the proposed project; a Supplemental NOP in late October 2005 announcing changes made to the proposed Project; baseline field investigations for noise, traffic, cultural resources, biology, aesthetics, and air; draft EIR sections describing existing conditions for all sixteen resource areas prepared; initial screening of alternatives; multiple screening air assessments and Phase 1 hazardous materials investigations of the project site.

An incomplete project description has not allowed staff to continue/complete the environmental evaluation and publication of a Draft EIR. Due to the protracted schedule, work completed to date, and complexity of the project evaluation, additional funds are required to complete the environmental evaluation. As examples, the scope of the alternative development has been expanded and additional screening level and traffic and air analyses have been conducted.

2. Contract Amendment. Due to the extensive work completed to date, the protracted schedule, project modifications, and a general escalation of costs required to complete the EIR, an additional \$1.5 Million will be required. This will change the not-to-exceed value of the Environ Agreement 2467 with the Port from \$1.8 Million to \$3.3 Million and to include completion of the SCIG EIR scope of services. The anticipated cost to prepare the environmental assessment is consistent with other EIRs being prepared. To-date, we've spend \$3.8 Million on the China Shipping EIR and \$3.5 Million on the Trapac EIR. The Environ contract expires April 27, 2009 so no extension of term is required.

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3. Services to be Performed. Under this Amendment, Environ will prepare and finalize the SCIG EIR. Air Quality, health risk noise and lighting are among the central environmental issues posed by the proposed SCIG Project. The Draft EIR will be released in Fall 2008. Environ's performance under existing contracts has been acceptable.
4. Cost Share Agreement. Lead agencies may charge an applicant for evaluation of project applications and preparation of environmental assessments/documents. BNSF will pay half of past and future costs of EIR preparation. A copy of the proposed cost share agreement is attached as Transmittal 2.
5. Subconsultant Participation. As of February 29, 2008 the Port has spent \$1,685,932 on the SCIG EIR Project. Of this amount, 31.6% (\$532,196) has been spent on subconsultants as follows:

MBE	WBE	OBE	TOTAL*
16.9%	3.0%	11.8	31.6%

\*Transmittal 3 provides a detail breakdown of the subconsultant participation.

### **ENVIRONMENTAL ASSESSMENT:**

The proposed action is an amendment to an existing contract to add \$1,500,000 and to include completion of the SCIG EIR scope of services. The amendment will provide the additional funding necessary to complete the SCIG EIR. As such, the Director of Environmental Management has determined that the Board action on the proposed amended agreements is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

### **FINANCIAL IMPACT:**

Approval of Amendment No. 2 to Agreement No. 2467 would authorize an additional \$1.5 million to fund the Agreement, bringing the total Agreement amount to \$3.3 million. Approval of the cost sharing contract between the Port and BNSF would result in BNSF reimbursing the Port up to \$1.65 million (\$900,000 for EIR costs to date and \$750,000 for anticipated costs under the amendment).

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Funds in the amount of \$375,000 are available in the current FY 07/08 budget in Account No. 54260, Center 1189, Program 651, Work Order 24760, Job No. 635-00 whereas funds for the remaining \$1,125,000 will be requested to be budgeted as part of the annual budget adoption process.

**ECONOMIC IMPACT:**

Spending under this amendment is estimated to support the equivalent of 30 one-year jobs in the 5-county region.

**CITY ATTORNEY:**

The Office of the City Attorney has approved the Second Amendment and Cost Share Agreement as to form.

**TRANSMITTALS:**

1. Second Amendment to Agreement No. 2467 with Environ International Corporation
2. Cost Share Agreement with BNSF
3. Subconsultant Participation Levels

  
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Director of Environmental Management

  
MICHAEL R. CHRISTENSEN  
Deputy Executive Director

APPROVED:

  
GERALDINE KNATZ, Ph.D.  
Executive Director