DATE: 1/14/2019

TO: Board of Harbor Commissioners

FROM: Thomas Z. Baldwin, P.E., Director of Program Management

SUBJECT: Terminal Island Wye Track Realignment
Authorize Spending and Approve a Baseline Project Budget
Specification HD-S2542, CWO HA1373

Executive Summary
The Terminal Island Wye Track Realignment Project (Project) consists of constructing a second lead track to service the Pier T Terminal on-dock rail yard and two storage tracks on Pier S. These improvements are planned to alleviate a bottleneck in the rail system at the Pier T lead track and dramatically improve rail efficiency. The preliminary design phase is now complete, and in accordance with the Department’s Program/Project Budget Approval and Accounting Policy, staff is requesting spending authorization to advance the Project through design and bidding, and approval of a Baseline Project Budget.

Key Points
- The Project reduces switching conflicts between the Pier T on-dock rail yard and other train movements on Terminal Island.
- These improvements are projected to enable the Pier T Container Terminal to increase movement of cargo via on-dock rail by approximately 400,000 TEU per year.
- The Project is included in the Port-wide Project Labor Agreement.

Recommendation
It is recommended that the Board of Harbor Commissioners (Board):
- Authorize spending in the amount of $4,000,000 to complete the design, right-of-way (ROW), and bid and award phases of the Project.
- Approve a Baseline Project Budget of $40,000,000 with a scheduled substantial completion in the second quarter of Fiscal Year 2022.

Financial Impact
Spending authorization is requested in the amount of $4,000,000 to complete the design, ROW, and bid and award. If approved, it would bring the total authorized spending to $8,000,000. Approval of a Baseline Project Budget of $40,000,000 is also being requested. Funding for the Project is included in approved Fiscal Year 2019 Capital Program Budget.

Background
The 2006 San Pedro Bay Rail Study (Study) modeled the performance of the intermodal rail network serving
the Ports of Los Angeles (POLA) and Long Beach (POLB) at the 2006 rail volumes and the project 2035 volumes. Terminal Island has five of the largest marine terminals at POLA and POLB, representing fifty percent of the container terminal capacity and over sixty percent of the on-dock intermodal capacity of the total port complex. These five terminals share the same two main lines, Main Line No. 1 and No. 2. The Terminal Island Railroad Wye junction connects the Pier S lead track to Main Line No. 2 and the Pier T East lead track to the Pier T terminal. The Study has shown operationally the Pier S and Pier T East Lead tracks are often used to stage rail cars off the main lines and for Pier T intermodal rail yard switching creating a bottleneck and congestion on these lead tracks. The Study also evaluated alternatives to alleviate this congestion and increase the network capacity for the Port to achieve the goal of moving thirty-five percent of its cargo by on-dock rail.

This Project will add a second Pier T East lead track and two storage tracks north of the Pier T East Lead track, which will reduce conflicts between the operations on main lines and improve utilization of the Pier T Container Terminal on-dock rail yard. Long trains can be assembled for Pier T on the new track while other train movements occur simultaneously. Staff estimates that this improvement will allow increased movement of cargo by on-dock rail for Pier T by up to 400,000 TEUs annually. This Project is one of the recommended rail infrastructure projects identified in the 2006 Study.

**Detailed Discussion of Current Issues**

The preliminary design phase of the Project is now completed and in accordance with Port of Long Beach’s Program/Project Budget and Accounting Policy, staff is requesting approval of a Baseline Project Budget and Schedule. In addition, spending authorization is requested to complete the design, ROW, and bid phases for the Project. Once the design is complete, staff will return to Board to request authorization to advertise this Project for construction bids, which is anticipated in the beginning of 2020.

Attachment: Project Vicinity Map