



DATE: September 11, 2019

TO: Governing Board, Intermodal Container Transfer Facility Joint Powers Authority

FROM: Richard D. Cameron, Executive Director *RC*

SUBJECT: Update on the City of Carson Sepulveda Boulevard Widening Project Funding

### **Current Status**

On August 29, 2019, ICTF JPA staff received a brief update from the City of Carson on the status of the City of Carson Sepulveda Boulevard Widening Project. According to Mr. Raymond Velasco, the Project has been put on hold due to a lack of funding. At this time, it is unknown when proper funding will be secured to advance the Project.

The following provides background information on the agreement between the City of Carson and the ICTF JPA; outlines the remaining financial responsibility of the ICTF JPA; and outlines the reimbursement process in which the City of Carson will request funding from the ICTF JPA.

### **Background**

#### ***Initial Agreement - December 1984***

On December 3, 1984, an Agreement was signed between the City of Carson (City), the Intermodal Container Transfer Facility (ICTF) Joint Powers Authority (JPA), and the Southern Pacific Transportation Company (now and henceforth referred to as Union Pacific) related to financing, construction, and development of the ICTF. Approximately 15 acres of the ICTF acreage is leased within the City. As part of the Agreement, the JPA and Union Pacific are responsible for funding two phases of infrastructure improvements within the City in exchange for right-of-ways in the vicinity of ICTF.

Phase I included a number of City streets, landscaping, signing, and flood control channel improvements, which have already been completed and reimbursed.

Phase II consists of improvements related to the widening of Sepulveda Boulevard, a City street, which has yet to be completed. The improvements



are listed as acquisition and improvement of a 100-foot right of way, including the following:

- Widening of the roadway for six lanes of traffic;
- Widening the bridge over Dominguez Channel for six lanes of traffic;
- Constructing additional asphalt pavement;
- Constructing concrete curbs, gutters, and sidewalks;
- Modifications to the storm drain system; and,
- Necessary traffic channelization.

The above-listed improvements are required by the City's Director of Public Works.

The combined responsibility of the JPA and Union Pacific for the Sepulveda Boulevard widening project is listed as not to exceed \$2,500,000. The Agreement anticipated that the widening would occur many years later. Therefore, the amount to be paid by the JPA and Union Pacific is to be increased from the original \$2,500,000 based on the Producer Price Index (PPI) until a construction contract for the widening project is issued.

### ***First Amendment to Agreement - April 1994***

An Amendment was made to the initial Agreement, dated April 5, 1994 and signed by the City, JPA, and Union Pacific. The Amendment accounted for a \$300,000 prepayment by JPA and Union Pacific for initiated project work and revised some of the language related to the PPI adjustment of JPA and Union Pacific's financial responsibilities for Phase II improvements.

### **Remaining Financial Responsibility**

The total remaining responsibility associated with Phase II adjusted to the July 2019 PPI of 201 is \$4,351,144. Per the Agreement, the JPA is responsible for 50 percent of the fee, with Union Pacific responsible for the remainder. JPA's remaining liability is \$2,175,572.

According to Mr. Raymond Velasco with the City, the project design is complete, and the City is now focusing on compiling the necessary funding for the project. In addition to funding from the JPA and Union Pacific, the City is also pursuing funding from the California Department of Transportation, Los Angeles County Metropolitan Transportation Authority, and GATX Corporation via agreements not directly related to the JPA.



## Reimbursement

The Agreement also provides a framework for disbursement of the Phase II funds to the City. Per the Agreement, upon awarding the first construction contract for the Sepulveda Blvd. improvement, the City will initiate billing the JPA and Union Pacific monthly in advance a “reasonable estimate” of costs to be incurred the following month and to be paid within 30 days. After the actual costs have been incurred, any remainder will be billed in arrears or any balance will be credited to the JPA and Union Pacific to be paid within 90 days. All statements, invoices, and other documentation will be submitted to the JPA and Union Pacific one month in arrears. JPA and Union Pacific have the right to comment (not right of approval) upon proposed contract awards and change orders exceeding \$50,000.00. Progress reports on all work will be submitted to JPA and Union Pacific quarterly unless requested monthly.

## Attachments:

- December 3, 1984 Agreement between City of Carson, Intermodal Container Transfer Facility Joint Powers Authority, and Southern Pacific Transportation Company.
- First Amendment to December 3, 1984 Agreement, dated April 5, 1994.