

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 26-27, 2011

Reference No.: 2.1c.(5a)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Sharon Scherzinger
Division Chief
Transportation Planning

Subject: TRADE CORRIDORS IMPROVEMENT FUND-PROJECT BASELINE AMENDMENT
RESOLUTION TCIF-P-1112-10

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) amend the Trade Corridors Improvement Fund (TCIF) Project Baseline Agreement for Project 14, Sacramento River Deep Water Channel (PPNO 3195). The Northern California Consensus Group concurs with this amendment and the requested changes.

ISSUE:

The Port of West Sacramento proposes to amend the TCIF Project Baseline Agreement for Project 14, Sacramento River Deep Water Channel to update the project delivery schedule, cost and funding plan.

BACKGROUND:

The Sacramento River Deep Water Channel project will enable ships of greater tonnage to transport freight from the San Francisco Bay area to the Sacramento regions, thereby reducing the number of freight trucks on the I-80 corridor. The existing depth of 30 feet is inadequate for the current fleet of today's cargo ships. By dredging an additional five feet for a total of 35 feet, the Port of West Sacramento estimates that their current volume of cargo will increase by 40 percent to 1.4 million metric tons, provide jobs and reduce truck transportation and air emissions. Approximately 6.4 million cubic yards of the dredged material will be used for Delta flood levees, to help prevent the loss of land and to protect property and drinking water.

The project was adopted in the TCIF Program by the Commission on April 10, 2008. The Baseline Agreement was executed between the Port of Sacramento (now known as the Port of West Sacramento), the Department, and the Commission; and approved by the Commission on August 28, 2008, under Resolution TCIF-P-0809-01B.

This amendment will update the project schedule and cost. Currently, the project is in the Environmental component and is one year and two months behind schedule. The United States Army Corps of Engineer (Corps) is leading the environmental component delivery. The Corps originally anticipated the release of the Supplemental Environmental Impact Statement/Report (SEIS/R) in December 2009, and certification by the local agency in July 2010. Due to funding cuts at the federal level, the SEIS/R took longer than originally anticipated and was not released until February 2011. The SEIS/R was deemed to be incomplete and the updated draft SEIS/R will be released in March 2012, followed by an anticipated Record of Decision in September 2012. Subsequently, the Construction component will be delayed by approximately two years. During the preparation of the SEIS/R, it was determined that construction can only take place during the normal dredge windows in the channel. Therefore the construction period will be extended from three years to four years. The updated project schedule is summarized below.

Project Milestone	Current Approved	Proposed	Change
Begin Environmental Phase	06/01/08		No Change
End Environmental Phase	07/31/10	08/31/12	2 years, 1 month
Begin Design Phase	06/01/08		No Change
End Design Phase	04/30/09	09/30/12	3 years, 5 months
Begin Right of Way Phase	N/A	01/01/08	N/A
End Right of Way Phase	N/A	09/30/12	Completed
Begin Construction Phase	08/01/10	10/15/12	2 years, 2 months
End Construction Phase	06/30/13	12/31/16	3 years, 6 months
Begin Close Out Phase	07/01/13	01/01/17	3 years, 6 months
End Close Out Phase	12/31/13	06/01/17	3 years, 6 months

The cost of the project has increased significantly, from \$84,634,000 to \$157,464,000. The Environmental component cost has gone up by \$8,912,000 due to the length of time it has taken the Corps to prepare the SEIS/R and the additional costs to re-circulate the document and obtain final approval. Construction cost has increased from \$50,000,000 to \$97,633,000 due to having to fit construction into the allowable dredge seasons. These limited construction windows increase mobilization costs as opposed to continuing construction, so the Port anticipates awarding contracts individually to fit the windows. The total programmed TCIF amount of \$10,000,000 has remained unchanged, except that the programming year is to be pushed to Fiscal Year 2012-13 due to the timing of the construction contract award. The Corps has provided an additional \$41,251,000, and the Port an additional \$31,579,000, to cover these increases. The updated funding plan for the project is as follows:

(DOLLARS IN THOUSANDS) Sacramento River Deep Water Channel Project											
FUND SOURCE	TOTAL	Totals by Fiscal Year						Totals by Project Phase			
		Prior	11/12	12/13	13/14	14/15	15/16	PA&ED	PS&E	R/W	CONST
State Funds (TCIF)											
Current Approved	10,000	10,000		0							10,000
Change	0	(10,000)		10,000							0
Proposed	10,000	0		10,000							10,000
Federal funds (Army Corps)											
Current Approved	42,134	42,134	0	0	0	0	0	4,634			37,500
Change	41,251	(36,645)	2,571	16,745	19,526	19,527	19,527	5,526			35,725
Proposed	83,385	5,489	2,571	16,745	19,526	19,527	19,527	10,160			73,225
Local Funds- Port of West Sacramento											
Current Approved	32,500	32,500	0	0	0	0	0	0		30,000	2,500
Change	31,579	(10,671)	857	2,700	12,897	12,898	12,898	3,386		16,285	11,908
Proposed	64,079	21,829	857	2,700	12,897	12,898	12,898	3,386		46,285	14,408
TOTAL											
Current Approved	84,634	84,634	0	0	0	0	0	4,634		30,000	50,000
Change	72,830	(57,316)	3,428	29,445	32,423	32,425	32,425	8,912		16,285	47,633
Proposed	157,464	27,318	3,428	29,445	32,423	32,425	32,425	13,546		46,285	97,633

RESOLUTION TCIF-P-1112-10

Be it Resolved, that the California Transportation Commission does hereby amend the Trade Corridors Improvement Fund Baseline Agreement for Project 14, Sacramento River Deep Water Channel (PPNO 3195), in accordance with the changes described and illustrated.

Attachment



METROPOLITAN
TRANSPORTATION
COMMISSION

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Adrienne J. Tissier, Chair
San Mateo County

September 29, 2011

Amy Rein Worth, Vice Chair
Cities of Contra Costa County

Ms. Bimla Rhinehart, Executive Director
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

Tom Azambrodo
U.S. Department of Housing
and Urban Development

Tom Bates
Cities of Alameda County

Dear Ms. Rhinehart:

Daniel Campos
City and County of San Francisco

The Northern California Trade Corridors Coalition (Coalition) is in support of the Port of West Sacramento's baseline agreement amendments submitted to the Trade Corridor Improvement Fund (TCIF) program for the Sacramento River Deep Water Channel project, sponsored by the Port of West Sacramento.

Dave Cortese
Santa Clara County

Bill Dodd
Napa County and Cities

Sacramento River Deep Water Channel ("Project"):

Dorene M. Giacopini
U.S. Department of Transportation

The Project received \$10 million in TCIF programming in 2008. In the original baseline agreement, the environmental document and construction start milestones listed as mid-2010.

Federal D. Glover
Contra Costa County

Unfortunately, the US Army Corps of Engineers, the federal environmental lead on the project, underestimated the resources necessary to complete the environmental document, leading to substantial delays. Additionally, additional costs for environmental, right-of-way, and construction were identified as a part of the environmental process.

Mark Green
Association of Bay Area Governments

Scott Haggerty
Alameda County

Anne W. Halsted
San Francisco Bay Conservation
and Development Commission

The Coalition supports the proposed baseline agreement amendments to extend the Begin Construction Phase (Contract Award Milestone) to October 2012, and to update the project cost. All cost increases are funded with local funds, and the TCIF amount stays at \$10 million. We respectfully request your concurrence with this change.

Steve Kinsey
Marin County and Cities

Sam Liccardo
Cities of Santa Clara County

Should you have any questions or comments, please contact Kenneth Kao of my staff at (510) 817-5768 or kkao@mtc.ca.gov.

Jake Mackenzie
Sonoma County and Cities

Sincerely,

Kevin Mullin
Cities of San Mateo County

Bijan Sartipi
State Business, Transportation
and Housing Agency

Alix A. Bockelman
Director, Programming and Allocations

James P. Sperring
Solano County and Cities

cc: Northern California Coalition agencies
Maura Twomey, CTC
Dawn Cheser, Caltrans HQ

Scott Wiener
San Francisco Mayor's Appointee

Steve Heminger
Executive Director

AAB:KK

Ann Flemer
Deputy Executive Director, Policy

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Andrew B. Fremier
Deputy Executive Director, Operations