

**MEMORANDUM OF AGREEMENT BETWEEN THE INTERMODAL  
CONTAINER FACILITY JOINT POWERS AUTHORITY AND THE SOUTH  
COAST AIR QUALITY MANAGEMENT DISTRICT FOR THE PREPARATION  
OF AN ENVIRONMENTAL IMPACT REPORT SPECIFIC TO THE  
MODERNIZATION OF THE INTERMODAL CONTAINER TRANSFER  
FACILITY**

This Memorandum of Agreement (“Agreement”) is entered into by and between the Intermodal Container Transfer Facility (“ICTF”) Joint Powers Authority (“JPA”) and the South Coast Air Quality Management District (“District”), and is dated and effective as of May 16, 2008. The JPA and the District are collectively referred to herein as the “Parties.”

The intent of this Agreement is to establish an understanding of the Parties for the preparation of an Environmental Impact Report (“EIR”) pursuant to the California Environmental Quality Act (“CEQA”), (Public Resources Code §21000, et seq.) for the proposed modernization of the ICTF (the “Project”) by Union Pacific Railroad (“UP”).

**RECITALS**

**WHEREAS**, the JPA has received and accepted an application from UP for the modernization of the Project, an existing intermodal rail yard; and

**WHEREAS**, the JPA is the lead agency for CEQA evaluations of activities at the ICTF including the proposed Project; and

**WHEREAS**, the JPA has determined that preparation of an EIR is required in order to consider Project approvals; and

**WHEREAS**, pursuant to CEQA Guidelines §15084(d)(2), a lead agency may contract with another entity, public or private, to prepare the EIR; and

**WHEREAS**, CEQA requires that the lead agency “independently review and analyze” the EIR and that the EIR must reflect the independent judgment of the lead agency (Public Resources Code 21082.1(c)(1) & (2); and Guidelines § 15084(5)(e)); and

**WHEREAS**, the lead agency is responsible for the adequacy and objectivity of the EIR (Guidelines § 15084(5)(e)); and

**WHEREAS**, the JPA requires the assistance of a qualified entity to prepare the EIR for the proposed Project for the JPA’s independent review and consideration; and

**WHEREAS**, air quality, health risk, noise, lighting and glare are expected to be significant issues that need to be analyzed; and

**WHEREAS**, the District has specific experience in the preparation of environmental impact reports with emphasis on air quality, noise and lighting impact assessment; and

**WHEREAS**, the District has specific knowledge and experience related to air emission sources associated with rail yards, the conduct of complex dispersion modeling, the conduct of health risk assessments and the application of construction and operation mitigation measures related to air quality impacts; and

**WHEREAS**, the JPA has determined it is appropriate for the District, as the agency with expertise in CEQA document preparation, air quality analysis, air pollution mitigation, and health risks to prepare the EIR; and

**WHEREAS**, the Parties wish to formalize an agreement for the preparation of the EIR by the District for the proposed Project in accordance with CEQA.

**NOW, THEREFORE**, in consideration of the terms, conditions and covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Agency's Independent Judgment.** Pursuant to Public Resources Code 21082.1(c)(1) & (2); and Guidelines § 15084(5)(e), the draft EIR and the final EIR shall reflect the independent judgment of the JPA. Accordingly, JPA will independently review and analyze the draft EIR and the final EIR prior to their distribution to the public. The JPA shall be solely responsible for the adequacy and objectivity of the documents. Accordingly, the final responsibility and final authority on all questions concerning the content and quality of the draft EIR and the final EIR lies within the sole discretion of JPA.
2. **Sub Consultants.** The District, with consultation and consent of the JPA, may retain sub-consultants. Any and all agreements between the District and sub-consultants shall be in writing and contain the express terms in paragraph 1 above. The District shall bear sole responsibility for the activities of any sub-consultants it retains, to the extent those activities are directed by the District and not by the JPA.
3. **Regular Consultation.** The District and the JPA shall confer regularly pursuant to the scope of work attached hereto as Transmittal 2.
4. **Disputed Matters.** The JPA may submit for peer review any disputed matters concerning standards, methods of analysis, conclusions, or other matters affecting the content of the draft EIR and the final EIR to resource area experts.
5. **Project Description.** The proposed Project under consideration is the construction and operation of a modernized intermodal rail facility commonly referred to as the Carson ICTF, located predominantly on City/Port of Los Angeles property, as described in Transmittal 1, attached hereto.

6. **Services to be Provided.** The District shall utilize its staff and consultant resources as necessary to prepare a Notice of Preparation/Initial Study and the draft EIR and the final EIR and any related documents, as provided in the attached scope of work for the proposed Project (Transmittal 2). In carrying out these services, the District shall utilize, the City of Los Angeles Significance Criteria and, to the extent applicable, the environmental impact report protocols recommended for use by the District for other port-related projects. If the District determines that the protocols the District has recommended for other port-related projects in the past are not applicable or appropriate for the Project, the District shall meet and confer with the JPA and provide reasons for such determination. In the preparation of the draft EIR and the final EIR, the District shall select, with the prior approval of the JPA, a traffic and transportation consultant familiar with local and regional intermodal transportation.
7. **Schedule of Deliverables.** The District and the JPA staff agree to use their best efforts to provide interim deliverables culminating in the final EIR for the JPA's review and independent consideration in compliance with the schedule negotiated by the JPA's Executive Director and the District's Executive Officer. Said schedule is attached hereto as Transmittal 3.
8. **Cost of Services.** For the conduct of these CEQA consultant services, the JPA shall reimburse the District for the not-to-exceed amount of \$2.5 Million for preparation of the draft EIR and the final EIR, as identified in Transmittal 2 and 3, for JPA's independent consideration. Reimbursement shall be on "time and materials" basis for the District's services and any sub-consultant services necessary to adequately complete preparation of the draft and the final EIR. District shall submit monthly invoices to the JPA. JPA may retain up to 10% from its payment of each invoice until services are completed or this agreement is terminated.
9. **Term and Termination of Agreement.** The term of this Agreement shall commence upon the Effective Date, and, unless terminated earlier as provided herein, shall remain in effect until satisfactory completion of the proposed services. Prior to satisfactory completion of the proposed services, either party may withdraw in writing from this Agreement. Upon receipt of written notice to withdraw, all project work shall cease within 10 days of notification of termination. District shall provide a final bill for services rendered up to but not beyond 10 days subsequent to notification of termination.
10. **Confidentiality and Work Product.** Except as the District, in its sole discretion, deems necessary to accomplish the purpose of paragraph 11, District agrees that any and all work product prepared in accordance with this Agreement and any studies, data, maps or other related materials, in any format (electronic or hard copy) are the property of the JPA, in accordance with its role as the CEQA lead agency, and shall be held confidential from third parties unless specifically waived by the JPA or unless disclosure is required under the Public Records Act, Government Code § 6250, et seq., or any other law. Notwithstanding the foregoing, the District agrees that any communications, data or other documents or information provided by JPA designated

as confidential shall not be disclosed to third parties, unless disclosure is required under the Public Records Act, Government Code § 6250, et seq., or any other law. All work products, documents, studies, maps, data or related material shall be provided to the JPA prior to certification of the final EIR.

**11. Retention of Authority.** Nothing in this Agreement shall limit the authority of JPA or the District, including, but not limited to the following:

- a. JPA Authorities – as set forth in paragraph 1, above.
- b. District Authorities – to take positions on the project, including, but not limited to, commenting on the draft EIR or the final EIR and participating in litigation regarding any aspect of the project.

**12. Miscellaneous.**

- a. Applicable Law. This Agreement will be governed by and construed under the laws of the State of California without regard to conflicts of laws principles.
- b. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same document, which shall be binding and effective as to each of the parties hereto. A facsimile shall be deemed to be an original.
- c. Legal Capacity. Each individual executing this Agreement hereby represents and warrants that he or she has the capacity set forth on the signature pages hereof with the full power and authority to bind the party on whose behalf he is executing this Agreement to the terms hereof.
- d. Notice. The following addresses shall serve as the locations to which notices and other correspondences between District and JPA shall be sent:

To: DISTRICT:            Barry Wallerstein  
                                 Executive Officer  
                                 South Coast Air Quality Management District  
                                 21865 Copley Drive  
                                 Diamond Bar CA 91765

JPA:                         Sam A. Joumblat  
                                 Executive Director  
                                 ICTF Joint Powers Authority  
                                 Port of Long Beach  
                                 925 Harbor Plaza  
                                 Long Beach, CA 90802

With copy to:

Port of Los Angeles  
Office of the City Attorney, Harbor Division  
425 S. Palos Verdes Street  
San Pedro, CA 90733-0151  
Attn: Thomas A. Russell

WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**THE ICTF JOINT POWERS  
AUTHORITY**

Date: 6/24/08

By: [Signature]  
Print name/Title: SAM JOUARSCHI

Attest: Nancy L. Mitchell  
Print Name/Title: Nancy L. Mitchell, ICTF JP  
Secretary

**THE SOUTH COAST AIR QUALITY  
MANAGEMENT DISTRICT**

Date: 5/16/08

By: [Signature]  
Print Name/Title: Barry R. Wallerstein / Executive  
Director

Attest: [Signature]  
Print Name/Title: Sandra McDaniel  
Clerk of the Board

**Approved as to Form**

By: [Signature]  
Thomas A. Russell  
ICTF General Counsel

Date: 6/24/08

By: [Signature]  
Kurt R. Wiese  
District Counsel

Date: 5/16/08

# Transmittal 1

## Overview of Project

The Intermodal Container Transfer facility (ICTF) currently transfers containerized cargo from the terminals of the Port of Los Angeles (the "POLA") and the Port of Long Beach (the "POLB") (collectively, the "San Pedro Bay Ports" or "Ports") to trains for distribution throughout the region and the United States. The facility is operated by Union Pacific Railroad (UP) under an operating agreement with the ICTF Joint Powers Authority (JPA) comprising the Ports of Los Angeles and Long Beach. UP is proposing to expand the capacity of the existing facility to accommodate anticipated increases in intermodal cargo expansion (i.e., the Project) and has submitted an Application for Development Project Approval (ADAP) to the JPA which is included herein by reference.

The ICTF is located approximately 5 miles from POLA and POLB at the terminus of State Highway 103, known as the "Terminal Island Freeway" (see Figure 1). The ICTF's operational core is located on 148 acres of POLA land sub-leased by Union Pacific from the JPA within the City of Los Angeles. That core parcel is supported by two adjacent parcels to the west within the City of Carson, which provide wheeled container storage and include (1) an approximately 15-acre Union Pacific-owned parcel; and (2) an approximately 74-acre Watson Land Company-owned parcel also within the City of Carson. Union Pacific leases the 74-acre Watson Land Company parcel for storage and handling of freight and cargo containers and truck chassis in conjunction with the ICTF operations.

The Project vicinity includes heavy industrial uses, industrial refining facilities, and container and truck parking and servicing facilities extending southward toward POLA (see Figure 3).

The ICTF operations are bounded by:

*North:* East 223<sup>rd</sup> Street and the I-405. Heavy industrial land uses extend beyond these roadways.

*Northeast:* Medium-density, single family residential neighborhoods exist on Hesperian Avenue and East 223<sup>rd</sup> Street in the City of Long Beach.

*East:* Land owned by SCE, containing agricultural row crops, to the north and south of an SCE substation, are farmed under high voltage transmission power lines associated with the SCE substation. An agricultural truck loading facility also exists to the south of the SCE substation.

*South:* East Sepulveda Boulevard and the Terminal Island Freeway are located directly south of the Facility. Industrial uses associated with warehousing, container storage, and truck trailer parking and servicing are located further to the south.

*West:* A vacant structure, formerly housing a gun club, is located on the far west side of the Watson Land Company property, adjacent to Alameda Street. The Watson Land Company parcel and the Desser parcel, located immediately to its north, are largely underlain by an organic refuse landfill. The Watson Land Company parcel is currently used for the storage and handling of cargo containers and truck chassis, to support Facility operations.

# Transmittal 1

## Overview of Project

The proposed project construction/operation (see Figure 5) includes:

- The replacement of existing diesel-fueled RTG cranes with electric WSG cranes (39).
- Construct WSG loading tracks in the east WSG module, leaving existing tracks 801 and 802 in place. Two additional tracks will be constructed west of existing track 802 to complete the first WSG module. The second WSG module includes realignment of existing track 809 to the east; the existing track 810 will remain in place. Construction of two new tracks west of existing track 810 will complete the center WSG module. The westerly WSG module will not align with existing railroad track, but includes four new loading tracks constructed just west of the center WSG module, creating a back-to-back or mirrored WSG configuration.
- Construct additional railroad track in the easterly two thirds of the ICTF site. Adding track will require partial reconstruction of the north and south lead tracks.
- Build a paved roadway system to allow truck movements and container loading under the WSGs.
- Retain all existing structures, with the exceptions of the service building and the fueling station.
- Add the following new structures:
  - Crane Repair/Parts Storage Building located at the terminus of Intermodal Way.
  - Alameda Street Gate including gate house, offices, restrooms, and canopies providing truck ingress/egress via Alameda Street.
- Remove over 60 high-mounted light poles 100-feet tall and replace with approximately 160 poles with a reduced 60-foot and 40-foot height.
- Construct new air compressors and new air pits to provide adequate air pressure and outlets for proposed additional tracks and trains.

# Transmittal 1

## Overview of Project

### Project Throughput Comparison (Estimated)

	<i>Existing (2006)</i>	<i>Project (Year 2016)</i>
ICTF Operations Acreage	233	177
Container Lifts/Year (average)	725,832 <sup>1</sup>	1,500,000
TEU Lifts/Year	1,353,677	2,797,500
Average Daily/Year One-way Truck Trips	3,020/1,087,086	6,300/2,268,000
Train Departures/Day	5.5	11.0
Train Arrivals/Day	7.8	15.6
Storage	3,500 40-foot Wheeled Spots	8,400 40-Foot Stacked Spots
Employee numbers	478	398

### Project Summary Matrix

	<i>Existing Baseline (2006)</i>	<i>Project (2016)</i>
<b>CONSTRUCTION</b>		
Project Area Gross Acres	233	177 (est.)
Grading in cubic yards (CY)	N.A.	439,000 CY (312,000 CY export)
Structures	Control Tower Administration Building Inspection Building Customs Office Entrance Office Terminal Contractor Building North-End Gate Emergency Supply Building Emergency Storage Area Hostler Maintenance Equipment Building Crane Maintenance Pad	Control Tower Administration Building Inspection Building Customs Office Entrance Office Terminal Contractor Building North-End Gate Emergency Supply Building Emergency Storage Area <b>Six electrical substations</b> <b>Crane Parts Building and Service Center</b> <b>Gate house including offices, restrooms, canopies</b>
Railroad Tracks	6 loading, 1 support	12 loading
<b>OPERATIONS</b>		
Yard Hostlers (diesel-fueled)	73	2
Rubber Tire Gantry Crane (RTG) (diesel-fueled)	10	0
Wide Span Gantry Crane (WSG) (electric-powered)	0	39
Side loaders (incl. piggy-packers, top picks and Reach Stackers)	3	1
Annual One-Way Truck Trips	1,087,086	2,268,000
Annual Rail Trips	4,745	9,490
Total Number of Access Gates	1	2



## Transmittal 2

### Scope of Work/Services

The scope of work includes preparation of an Environmental Impact Report and supporting services for the Union Pacific (UP) Intermodal Container Transfer Facility (ICTF) Expansion/Modernization Project ("Project").

#### Assumptions

Work performed under this scope of work shall be the property of the JPA and be treated as confidential unless directed otherwise by the JPA

1. Utilize the City of Los Angeles City CEQA Guidelines and Significance Thresholds
2. To the extent applicable, utilize the attached EIR format (TOC from SCIG)
3. To the extent applicable, utilize the HRA protocols generally approved for Port projects.
4. Utilize a traffic and transportation consultant acceptable to JPA.

#### Tasks

1. Meetings: Attend the following as-needed meetings and prepare materials in support of JPA staff:
  - a. Internal coordination meetings to discuss carrying out this scope of work;
  - b. Attendance/support at EIR-specific meetings including: scoping meeting, draft EIR public meeting, and Final EIR meeting(s)/hearing;
  - c. Attendance/support at public meetings and JPA Board meetings;
  - d. Attendance/support at meetings with interested parties and groups.
  - e. Prepare public participation materials including but not limited to fact sheets and power point presentations.
2. Project Description: Prior to beginning environmental analysis, District shall provide a project description (EIR Chapters 1 and 2) for review and approval by JPA staff.
3. Notice of Preparation (NOP). District shall prepare a draft NOP for review by JPA staff and provide a final NOP for distribution with includes changes requested by JPA staff. District shall distribute notices of release of NOP including date of scoping meeting to approved mailing list. ICTF Staff will sign all notices.
4. Technical Studies Draft Environmental Impact Report. Prepare necessary technical studies and an administrative Draft EIR for JPA review and approval. The technical areas to be covered will be based on results of preparation of an Initial Study and the scoping (NOP) process. The project will require preparation of Transportation

Analyses and Air Quality assessment including preparation of a Health Risk Assessment. Other areas requiring detailed analysis include but are not limited to lighting and noise. The document should also include the appropriate CEQA alternatives analysis based on coordination with JPA and results of NOP.

5. Final Environmental Impact Report. Prepare necessary response to comments, technical/sensitivity analyses leading to an administrative Draft EIR for JPA staff review and approval.
6. Findings. With JPA staff oversight and approval, prepare parts or all of the CEQA Findings for consideration by the JPA Board. This will include submittal of administrative draft Findings and final version of findings for consideration by JPA Board.
7. Format. To the extent practicable, the EIR Format shall lend itself to comparison with the EIR being prepared for the Southern California International Gateway Project (SCIG) in order for the Public to be able to compare the results of the analyses. An outline of the Table of Contents for that EIR shall be provided for District use.
8. Document Publication. JPA shall be responsible for document copying, mailing, publishing, and other related activities. District shall cooperate with JPA in accomplishing these tasks.
9. CEQA Notification. JPA staff shall be responsible for filing of all CEQA public notices with the Clerk and OPR including but not limited to the Notice of Preparation, Notices of Availability, Notices of Completion and Notice of Determination.

Quality assurance: District shall provide for peer review of the health risk assessment.

**Proposed Schedule for ICTF EIR\***

	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	
<b>Interagency Technical Consultation - Bi-Weekly</b>																														
<b>Project Assessment Preparation</b>																														
<i>Kickoff Meeting</i>																														
<i>Project Determination</i>																														
<i>Project Team Formation</i>																														
<b>NOI/Initial Study (Public Rev Mid Sep 08-Oct 08)</b>																														
<i>Prepare NOP/IS</i>																														
<i>Review Administrative Draft (Peer, Legal, JPA Review)</i>																														
<i>Incorporate Changes</i>																														
<i>Public Review Period - 30-45 Days</i>																														
<b>Public Scoping Meeting</b>																														
<i>Public Scoping Meeting</i>																														
<i>AQMD Summarize Comments from Scoping Meeting</i>																														
<i>ICTF JPA Board Review Comments</i>																														
<i>Post Comments on Web Site</i>																														
<b>Prepare Admin Draft EIR</b>																														
<i>AQMD Identify Data Needs</i>																														
<i>Special Studies</i>																														
<b>Prepare Intro and Proj Desc (Ch 1 &amp; 2)</b>																														
<i>Review Admin Draft (Peer, Legal, JPA) (Ch 1&amp;2)</i>																														
<b>Prepare Environmental Analyses (Ch 3)</b>																														
<i>Prepare Impacts Found Not Significant (Ch 3 Partial)</i>																														
<i>Review Admin Draft (Peer, Legal, JPA) (Ch 3 Partial)</i>																														
<i>Prepare Impacts Potentially Sig (Ch 3 Partial)</i>																														
<i>Review Admin Draft (Peer, Legal, JPA) (Ch 3)</i>																														
<b>Prepare Cumulative Imp, Growth Inducing (Ch 4, 6)</b>																														
<i>Review Admin Draft (Peer, Legal, JPA) (Ch 4, 6)</i>																														
<b>Alternatives Analyses (Ch 5)</b>																														
<i>Review Admin Draft (Peer, Legal, JPA) (Ch 5)</i>																														
<b>Appendices</b>																														
<i>Review Admin Draft (Peer, Legal, JPA) (Appendices)</i>																														
<b>Complete DEIR, Exec Summary, Ref, Acronyms</b>																														
<i>Review Admin Draft (Peer, Legal, JPA) (DEIR)</i>																														
<b>Publish Draft EIR (Public Review Jun-Jul 09)</b>																														
<i>Document Production, Incorporate Changes</i>																														
<i>Public Review Period - 45 -60 Days</i>																														
<b>DEIR Public Meeting</b>																														
<i>Public Hearing on DEIR</i>																														
<i>AQMD Summarize Comments from Scoping Meeting</i>																														
<i>ICTF JPA Board Review Comments</i>																														
<i>Post Comments on Web Site</i>																														
<b>Prepare Admin Draft Final EIR</b>																														
<i>Response to Comments</i>																														

Transmittal 3

Proposed Schedule for ICTF EIR\*

	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10		
Review Admin Draft (Peer, Legal, JPA) (Resp to Com)																															
Revisions to DEIR/Prepare FEIR																															
Review Admin Draft (Peer, Legal, JPA) (Final)																															
Statement of Findings and Overriding Considerations																															
Review Admin Draft (Peer, Legal, JPA) (Statement)																															
<b>Publish Final EIR</b>																															
Legal CEQA Review																															
Document Production, Incorporate Changes																															
Publish Final EIR																															
Public Agency FEIR/Resp to Comments																															
<b>ICTF JPA Board Consideration of Final EIR &amp; Project (Hearing Sep 2010)</b>																															

\* The schedule represents the best estimate of JPA and the District regarding the time schedule for accomplishing the tasks listed above. Nothing in this Transmittal, or in any other transmittal or provision of the Agreement creates an enforceable right in JPA, the District, or Union Pacific to require performance on the dates listed in Transmittal 3. The District and JPA agree to use their best efforts to accomplish the tasks listed below on the earliest possible dates.

- Duration of Task
- Joint AQMD and Non-AQMD Task
- AQMD Task
- Non-AQMD Task
- Public Review
- Meetings, Hearings