

Long Beach Business Journal

Port Staff Working To Reduce Risks Associated With On-Dock Rail Project

By Denny Cristales, Staff Writer- August 26, 2019

After the Long Beach Board of Harbor Commissioners approved two contracts in early July to help facilitate program management and design for the Pier B On-Dock Rail Support Facility, work is underway to mitigate risks associated with the project, according to a Port of Long Beach official.

The Pier B On-Dock Rail Support Facility project is intended to expand and enhance the existing Pier B rail facility, which is bordered by Anaheim Street and the 710 Freeway. The current facility serves as a component of the port's rail network and as a storage and staging area for trains. Last September, the harbor commission approved the project's \$870 million budget.

Sean Gamette, managing director of engineering services for the Port of Long Beach, said the project will reduce environmental impacts to the community, enable the port to transfer cargo more efficiently and reconfigure existing cargo tracks while adding additional ones to the site.

To complete the future 171-acre facility, port staff separated the project into phases. By 2021, port staff aim to mitigate all potential risks associated with the project that may delay its schedule and increase costs. Gamette said some of these risks include utility and oilfield relocation. Staff will also work with two firms to complete preliminary designs within two years in an effort to reduce project escalation costs. Gamette dubbed this part of the project the "program level design phase."

In 2024, work on the first phase of rail improvements at Pier B – including completing rail property acquisition, finalizing street and utility design work, and renewing contracts with design and program management teams – will be completed. Operations for arrival, departure and storage tracks are set for completion during this time, as well.

Gamette said the completion of Phase 2 and Phase 3 rail improvements are projected for 2030 and 2032, respectively. The second phase will feature additional cargo tracks. The entire facility will be completed in the third phase.

At its July 8 meeting, the harbor commission approved two separate contracts with construction and engineering firms to assist with the goals of the program level design phase. Hill International, Inc. will work on program management, design review, risk management and permitting, among other duties. HDR Engineering, Inc. will focus on utility analysis, facility design and program planning.

Hill International, Inc. has a five-year, \$17.5 million contract with the Port of Long Beach, while HDR Engineering, Inc. has a five-year, \$38.75 million contract. In addition to the contracts, port staff will solicit an additional \$21 million worth of resources from the firms to assist with the project, Gamette said. "This is a project that will be managed by harbor department staff, but we will have additional resources from both of these consulting firms that are brought in to work alongside our staff and provide quite a bit of extra horsepower," he said.

When these contracts were awarded on July 8, documentation presented to the harbor commission indicated that the cost to complete design work in this phase was \$21 million greater than originally anticipated. However, staff feel that the additional funds will help mitigate future risks associated with the project, resulting in cost savings. Thus, the overall budget of \$870 million remains unchanged at this time.

Potential risks that could impact the project's cost and schedule include: utility and oil field relocation efforts; existing conditions, such as potential contamination in soil; and business relocation.

Some businesses in Westside Long Beach are in the direct path of the Pier B On-Dock Rail Support Facility project, including LAN Logistics, an import and export company. Others, like custom sign manufacturer Superior Electrical Advertising, are located directly next to the project.

John Donaldson is the owner of LAN Logistics, which is located at 1520 W. 11th St. Since his business falls under the direct path of the project, he said he has taken a proactive approach to contact port staff to determine what can be done to save his business. "We've had that communication back and forth but nothing specific," Donaldson said, adding that time will tell how the port staff will proceed in communicating with affected businesses.

Stan Janocha, chief operating officer of Superior Electrical, said the new rail tracks will essentially be in the company's backyard. The proximity of the on-dock rail facility has Janocha concerned about his company's future. "You know, we're not happy with it. We don't know if we're going to be able to exist," he said. Superior Electrical is located at 1700 W. Anaheim St.

To fulfill the expansion of the on-dock facility, project officials have proposed eliminating the existing railroad crossing at the intersection of 9th Street and Pico Avenue. Moreover, implementing additional tracks, rail car storage and staging will require additional land to the north of the existing Pier B rail facility – which could be as far as 12th Street, according to a project fact sheet. Gamette said the two consulting firms will help determine precise geographical boundaries for the project.

One of the components of the project also includes removing the ramps that connect 9th Street and the Shoemaker Bridge, a change that Janocha said will greatly impede the Westside's ability to access Downtown Long Beach. "That's going to be a big deal," he said. "That's going to affect all the businesses here." Janocha said communication with port staff has been minimal.

Gamette said port staff will work to contact business owners to find a separate solution for each entity. "There are good businesses that are working in this area," he said. "We plan to work alongside those businesses to try and [sort] out a relocation plan."