



Resolution #HSRA 17-13

**Designation of the Los Angeles to Anaheim
Segment as a Usable Segment**

**Approval of the Rosecrans/Marquardt Grade Separation Project (Incremental Capital
Investment #1) Funding Plan and the Associated Independent Consultant Report**

**Authorization to Submit the Funding Plan and the Independent Consultant Report to the
Director of Finance and the Chairperson of the Joint Legislative Budget Committee as
Required by Streets & Highways Code section 2704.08(d)**

**Authorization to Execute Project Management and Funding Agreement (per Senate Bill
1029) and Any Other Needed Agreements Consistent with the Funding Plan**

**Authorization to Finalize and Submit to the Department of Finance Accountability Plans
(per Senate Bill 1029)**

Whereas, the California High-Speed Rail Authority (Authority) is responsible for the development and implementation of intercity high-speed rail service pursuant to California Public Utilities Code sections 185030 *et seq.*;

Whereas, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, chapter 20 (commencing with section 2704) of Division 3 of the Streets & Highways (S&H) Code (the "Bond Act") was approved by the voters of the State in November 2008;

Whereas, the Bond Act authorized bonds for purposes of developing a high-speed train system (as defined in the Bond Act);

Whereas, the Bond Act added section 2704.08, subdivision (f), to the S&H Code, which requires the Authority consider certain criteria in designating for construction corridors or usable segments (each as defined in the Bond Act) of the high-speed train system;

Whereas, the Authority was presented with information and reports bearing on each required criterion and such other criteria, if any, the Authority has deemed appropriate to consider;

Whereas, the Authority has considered such information and reports and evaluated such criteria in accordance with Streets and Highways Code section 2704.08, subdivision (f);

Whereas, in 2012 the Authority entered into a Memorandum of Understanding with various other agencies in Southern California (MOU) to implement early investments that would provide near-term benefits but that ultimately would be required for Authority operations in the future;

Whereas, in the Budget Act of 2012 (Senate Bill (SB) 1029), based on that MOU, the Legislature appropriated \$500 million in Proposition 1A bond proceeds to fund the types of early investments identified in the MOU;

Whereas, SB 1029 requires Authority and Department of Finance approval of accountability plans, under Executive Order S-02-07, to ensure the \$500 million (and another \$600 million appropriated to support electrification of the Caltrain corridor) appropriated in SB 1029 is tracked, spent efficiently and results in production of the intended outcome;

Whereas, in 2013 the High-Speed Passenger Train Finance Committee (Committee) authorized the issuance of Proposition 1A bond funds in the amount of \$8.6 billion and, in 2015, the Sacramento Superior Court entered judgment validating that authorization;

Whereas, in April 2016 the Authority adopted the 2016 Business Plan which included the Rosecrans/Marquardt Grade Separation Project as part of the package of projects that can be advanced quickly, provide immediate benefits and is integral to sequencing in high-speed rail service in Southern California, including in the Los Angeles to Anaheim corridor;

Whereas, California S&H Code section 2704.08(d) requires a detailed funding plan (Funding Plan) and preparation of a corresponding independent consultant report for a corridor or usable segment thereof prior to expenditure of the \$500 million in Prop 1A bond proceeds;

Whereas, the Los Angeles to Anaheim corridor (Corridor) qualifies as a usable segment as defined by S&H Code section 2704.01(g);

Whereas, the Corridor satisfies the criteria required for designating corridors or usable segments for construction as specified in S&H Code section 2704.08(f);

Whereas, the Authority prepared a Funding Plan for the Corridor pursuant to S&H Code section 2704.08(d), and engaged an independent consultant that prepared a report to the Authority Board pursuant to S&H Code section 2704.08(d)(2);

Whereas, the Funding Plan calls for an Authority contribution of \$76.655 million towards the costs of the Rosecrans/Marquardt Grade Separation Project, and Authority staff is negotiating an associated project management and funding agreement (as required by SB 1029) with the implementing lead agency (Los Angeles County Metropolitan Transportation Authority (LA Metro));

Whereas, staff has reviewed the Rosecrans/Marquardt Grade Separation Project and determined that it is statutorily exempt from CEQA pursuant to Public Resources Code section 21080.13; and,

Whereas, S&H Code section 2704.08 (d) requires the Authority to approve the Funding Plan and corresponding independent consultant report and then to submit the approved Funding Plan

and its corresponding independent consultant report to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee.

Therefore, it is resolved:

- The Authority designates the Los Angeles to Anaheim Corridor Segment as a Usable Segment as defined in S&H Code section 2704.01(g);
- The Authority approves the Rosecrans/Marquardt Grade Separation Project (Incremental Capital Investment #1) Funding Plan and the associated independent consultant report that evaluated that Plan pursuant to S&H Code section 2704.08(d);
- The Chief Executive Officer (CEO) is hereby authorized to finalize the Funding Plan and submit it, and the independent consultant report (unchanged from what the consultant submitted), to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee;
- The CEO is hereby authorized to execute one or more agreements with the entity(ies) carrying out the Rosecrans/Marquardt Grade Separation Project to provide no more than \$76.655 million out of the \$500 million in Proposition 1A funds appropriated in SB 1029 towards implementation and placement into service of the Rosecrans/Marquardt Grade Separation Project; and,
- The CEO is hereby authorized to prepare, finalize and submit to the Department of Finance the Accountability Plan(s) consistent with Executive Order S-02-07 as required by SB 1029, Section 3, for the \$1.1 billion in Proposition 1A funds appropriated in SB 1029 for “bookend” early investments such as the Rosecrans/Marquardt Grade Separation Project and the previously-approved Caltrain electrification.

Vote: 6 – 0

Yes: Camacho; Lowenthal; Paskett; Richard; Richards; Schenk

No: N/A

Absent: Curtin; Rossi

Date: 06/14/2017

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