Resolution #HSRA 16-28

Designation of the Central Valley Segment as a Usable Segment

Approval of the Central Valley Segment Funding Plan and Associated Independent Consultant Report

Authorization to finalize and 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).

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 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 Streets and Highways 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, the Central Valley Segment qualifies as a usable segment as defined by S&H Code section 2704.01(g);

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

Whereas, in the Budget Act of 2012, the Legislature appropriated federal funds to begin construction of the California high-speed rail system (System) and Prop 1A funds in order to match those federal funds;
Whereas, the Authority has used mostly federal funds for the construction of the high-speed rail system (System) in the Central Valley and now requires availability of Prop 1A to match said funds with Prop 1A funds;

Whereas, in 2013 the High-Speed Passenger Train Finance Committee (Committee) authorized the issuance of Prop 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 findings that the operation of high-speed rail trains by the Authority, or pursuant to its authority, from Silicon Valley to Central Valley section will not require an operating subsidy based upon modeling of projected ridership revenues and operation and maintenance cost estimates;

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

Whereas, the Authority prepared a Funding Plan for the Central Valley Segment 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) ; 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 corresponding independent consultant report to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee.

Therefore, it is resolved:

Effective January 1, 2017:

- The Authority designates the Central Valley Segment as a Usable Segment as defined in S&H Code section 2704.01(g);
- The Authority approves the Central Valley Funding Plan (and the associated independent consultant report that evaluated that Plan) pursuant to S&H Code section 2704.08(d).
- The Authority authorizes the CEO to finalize the Funding Plan and submit it and the independent consultant report to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee.

Vote: 7 – 0
Yes: Curtin; Lowenthal; Paskett; Richard; Richards; Rossi; Schenk
No: N/A
Absent: Correa
Date: 12/13/2016

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