



CALIFORNIA HIGH-SPEED RAIL **RESOLUTION #HSRA 20-01**

Designation of Usable Segments

Approval of the Funding Plan and the Associated Independent Consultant Report for the Link Union Station (Link US) Project, a major capital investment in the Burbank to Los Angeles and the Los Angeles to Anaheim Usable Segments

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 Begin Negotiations of a Project Management and Funding Agreement (per Senate Bill 1029) and Any Other Needed Agreements Consistent with the Funding Plan

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 (2012 MOU) to implement early investments that would provide near-term benefits but that ultimately would be required for Authority operations in the future, and the Link US Project at Los Angeles Union Station (was the highest priority project listed in the 2012 MOU due to its tremendous mobility and connectivity benefits for Southern California;

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

Whereas, the Authority, pursuant to the requirements of Proposition 1A and SB 1029 and consistent with the 2012 MOU, committed \$76.655 million towards the costs of the Rosecrans/Marquardt Grade Separation Project;

Whereas, SB 1029 requires Authority and Department of Finance (DOF) 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, which the Authority submitted to DOF in June 2017 and which DOF approved in April 2018;

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, the Authority's 2018 Business Plan stated an intent to direct the remaining \$423.335 million in 2012 MOU SB 1029 funding to the Link US Project, as the highest priority early investment project in the region;

Whereas, in September 2019, the Authority entered into a Memorandum of Understanding with the Los Angeles County Metropolitan Transportation Authority (Metro), the lead agency implementing the Link US Project, and the California State Transportation Agency to work cooperatively to access Proposition 1A funds for the Link US Project and to enter into a Project Management Funding Agreement;

Whereas, the Burbank to Los Angeles corridor (BLA Corridor) and the Los Angeles to Anaheim corridor (LAA Corridor) each qualify as a usable segment as defined by S&H Code section 2704.01(g), and the Authority designated the LAA Corridor as a usable segment in Resolution #HSRA 17-13 (collectively, the BLA Corridor and LAA Corridor are the "Corridor");

Whereas, the Link US Project at Los Angeles Union Station will be the connecting point between, and used by both, the BLA Corridor and LAA Corridor;

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, 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 Prop 1A bond proceeds;

Whereas, the Authority prepared a Funding Plan for the Link US Project (Incremental Capital Investment (#2) within the Burbank to Los Angeles and Los Angeles to Anaheim 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 \$423.335 million towards the costs of the Link US Project (Phase A) to complete final design, right-of-way acquisition, and construction activities;

Whereas, in the future the Authority will need to enter into an associated Project Management and Funding Agreement (as required by SB 1029) with Metro;

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 BLA Corridor, and the BLA Corridor combined with the LAA Corridor, each as a Usable Segment as defined in S&H Code section 2704.01(g);
- The Authority approves the Link US Project (Incremental Capital Investment #2) 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; and
- The CEO is authorized to begin to negotiate with Metro a Project Management and Funding Agreement (per Senate Bill 1029), and any other needed agreements, and to return to the Authority Board for authorization to enter into such agreements. The CEO is directed to ensure that the recommendations made by the Authority's independent consultant are addressed in the Project Management and Funding Agreement.

Vote: 8

Yes: Richards; Schenk; Camacho; Ghielmetti; Miller; Boutros; Perea; Escutia

No: 0

Absent: N/A

Date: 4/21/2020

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