



## Board Report

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### PLANNING AND PROGRAMMING COMMITTEE AUGUST 19, 2020

**SUBJECT: HIGH DESERT INTERCITY RAIL CORRIDOR SERVICE DEVELOPMENT PLAN**  
**ACTION: APPROVE RECOMMENDATIONS**

#### RECOMMENDATION

CONSIDER:

- A. APPROVING programming of \$3 million of Measure M High Desert Multipurpose Corridor (HDMC) funds identified in the Expenditure Plan for Right-of-Way acquisition to be repurposed to develop an intercity rail corridor service development plan.
- B. APPROVING a life of project budget of \$5 million for the High Desert Intercity Rail Corridor Service Development Plan which includes \$375,000 of in-kind contributions by DesertXpress Enterprises, LLC.
- C. DELEGATING authority to the Chief Executive Officer or his designee to enter into a Memorandum of Understanding (MOU) and any subsequent extensions or amendments with the Los Angeles County Department of Public Works to memorialize terms and conditions to advance \$1.5 million of Supervisorial 5<sup>th</sup> District Proposition A Local Return Transit Program discretionary funds to Metro to begin work on the High Desert Intercity Rail Corridor Service Development Plan and for Metro to repay the County of Los Angeles once the funding becomes available (Refer to Attachment C).
- D. AUTHORIZING the Chief Executive Officer to negotiate and execute all agreements to implement the High Desert Intercity Rail Corridor Service Development Plan.

#### ISSUE

The Los Angeles County Metropolitan Transportation Authority (Metro) in partnership with DesertXpress Enterprises, LLC ("DesertXpress") and the California State Transportation Agency (CalSTA), and in coordination with the High Desert Corridor Joint Powers Authority, San Bernardino County Transportation Authority, Victorville, Adelanto, Apple Valley, Palmdale and Lancaster, are developing a new high speed intercity passenger rail service from the Virgin Trains USA Southern California Station in the Victor Valley to the Palmdale Transportation Center, utilizing the 54-mile long east-west rail alignment of the High Desert Multipurpose Corridor (HDMC). Staff is requesting approval of \$5 million of life of project authority to conduct a High Desert Intercity Rail Corridor

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Service Development Plan, of which \$1.5 million will be advanced by the County of Los Angeles Department of Public Works to fund the first year of work in FY 21 and Metro will repay the County of Los Angeles once the Measure M funds are available. The life of project budget of \$5 million for the High Desert Intercity Rail Corridor Service Development Plan includes \$3 million of Measure M HDMC funds and a total of \$2 million in funding contributions from CalSTA and DesertXpress.

## **DISCUSSION**

The High Desert Intercity Rail (HDIR) Corridor Service Development Plan will assess a critical link to connecting the cities of Las Vegas and Los Angeles by way of a new high speed intercity passenger rail service along a 54-mile east-west rail alignment from the future Virgin Trains USA Southern California Station in Victor Valley located in San Bernardino County to the current Palmdale Transportation Center located in Los Angeles County (shown in Attachment A). A new intercity passenger rail service is needed between Las Vegas and Los Angeles to enhance regional, intercity and interstate mobility in one of the most traveled corridors by automobiles. The Interstate 15 freeway (I-15) is a congested two-lane road for most of the California portion of the trip which results in gridlock congestion on the I-15 on weekends and during special events. There are approximately 56 million annual trips by air and automobiles that travel between Las Vegas and Southern California, including 26.3 million trips between Los Angeles and Las Vegas, most of which are automobile trips to/from Las Vegas along the I-15 freeway.

The HDIR Corridor Service Development Plan from Victor Valley to Palmdale will study the operation of a two-seat ride, at speeds of up to 180 miles per hour, linking Las Vegas to the Victor Valley area to Palmdale, with transfers to/from the existing Metrolink Antelope Valley Line commuter rail service to Los Angeles Union Station, in addition to feeder bus services and vehicular access provided at the Palmdale Transportation Center. A future one-seat ride scenario from Las Vegas to Los Angeles Union Station (LAUS) will also be assessed presuming ultimate completion of the California High Speed Rail project segments of Palmdale to Burbank and Burbank to LAUS.

Consistent with the Measure M Expenditure Plan (see footnote q), staff is seeking Board authorization to repurpose and program \$3 million of the Measure M High Desert Multipurpose Corridor (HDMC) funds, identified in the Expenditure Plan for Right-of-Way acquisition, for execution of the HDIR Corridor Service Development Plan.

The HDIR Corridor Service Development Plan will consist of but not be limited to: up to 15 percent preliminary engineering design, third party and legal costs, rail propulsion technologies, financial planning with cost benefit analysis of potential ridership, travel demand forecasting, economic and market analysis and revenue forecasting.

### **DesertXpress Enterprises LLC, an affiliate of Virgin Trains USA**

The HDIR Corridor Service Development plan builds on approximately \$4.8 billion investment by DesertXpress Enterprises LLC, an affiliate of Virgin Trains USA, to build a high-speed rail service along 190 miles from Las Vegas to Victor Valley. Construction for the Las Vegas to Victor Valley line is expected to begin in the second half of 2020 and be completed by 2023 (see Attachment B).

Virgin Trains USA is a majority owner of Virgin Trains USA Florida, formerly known as Brightline, which currently owns and operates an express passenger rail system that runs from Miami to West Palm Beach. Virgin Trains USA is currently building a \$4 billion extension of that line to Orlando International Airport with an estimated completion in 2022.

## **FINANCIAL IMPACT**

The \$1.5 million required in fiscal year 2021 is included in the proposed budget, to be adopted through the September board meeting. The funds for this will be provided by County of Los Angeles from Supervisorial 5th District Proposition A Local Return Transit Program discretionary funds. This is to be ultimately repaid and the terms of which will be detailed in the MOU. Since this is a multi-year project, the cost center manager, project manager, and Chief Program Management Officer is responsible for budgeting future costs.

### Impact to Budget

The life of project budget of \$5 million to develop the HDIR Service Development Plan including up to 15% design will be funded in the following manner: \$1.375 million in 2018 Transit Intercity Rail Capital Plan State grant under the Network Integration category awarded to Metro in April 2018, \$625,000 from DesertXpress (comprising of \$250,000 in cash and \$375,000 of in-kind contributions, refer to Attachment D) and \$3 million in Measure M High Desert Multipurpose Corridor funds, of which \$1.5 million in Supervisorial 5<sup>th</sup> District Proposition A Local Return Transit Program discretionary funds will be advanced by the County of Los Angeles to Metro to begin work in FY 21 on the HDIR Corridor Service Development Plan, and will be repaid by Metro to the County of Los Angeles once the funding becomes available (Refer to Attachment C). With the in-kind contributions by DesertXpress of \$375,000, the total expenditure required is \$4.625 million. These funds are not eligible for Metro operations.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports strategic plan goals 1, 3 and 4. This study supports Metro's partnership with other rail operators to improve service reliability and mobility, provide better transit connections throughout the network and serves to implement the following specific strategic plan goals:

- Goal 1.2: Improve LA Country's overall transit network and assets;
- Goal 3.3: Genuine public and community engagement to achieve better mobility outcomes for the people of LA County; and
- Goal 4.1: Metro will work with partners to build trust and make decisions that support the goals of the Strategic Plan.

## **ALTERNATIVES CONSIDERED**

The alternative would be for the Board to not program funds for the High Desert Intercity Rail Corridor Service Development Plan. This is not recommended as the region would lose an opportunity to advance an important connectivity to the regional rail network with Los Angeles Union Station as the

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destination. Additionally, this study allows for the project to be more competitive for future state and federal grants.

### **NEXT STEPS**

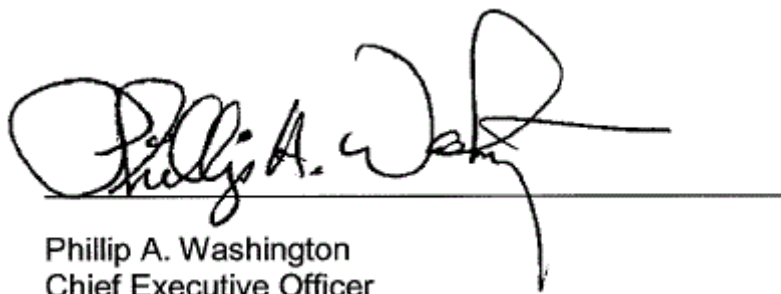
With Board approval of the staff recommendation, staff will issue a task order under the Regional Rail On-call Services by late Summer 2020. The HDMC project as designed is anticipated to be a public-private partnership. Staff may also seek federal and state grants and other funding opportunities for future phases of the project.

### **ATTACHMENTS**

Attachment A - High Desert Intercity Rail Corridor Study Area  
Attachment B - Virgin Trains USA Vicinity Map  
Attachment C - Los Angeles County August 2020 Board Letter  
Attachment D - DesertXpress Letter of Commitment, July 2020

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