



Board Report

File #: 2023-0099, File Type: Program

Agenda Number: 6.

PLANNING AND PROGRAMMING COMMITTEE
MAY 17, 2023

SUBJECT: HIGH DESERT CORRIDOR FY24 WORK PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING \$1,947,500 in Measure M High Desert Multipurpose Corridor (HDMC) funds identified in the Expenditure Plan for Right-Of-Way acquisition to be repurposed to the High Desert Corridor (HDC) Joint Powers Agency (JPA) for the FY 24 work program; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to negotiate and execute all necessary funding agreements with the HDC JPA.

ISSUE

The HDC JPA has requested that Metro provide funding for the FY 24 HDC work program, which includes mobilization costs leading toward 30% design of the HDC (See Attachment A).

BACKGROUND

The HDMC project, a Measure M Expenditure Plan project, comprises a High Speed Rail (HSR) component project, which will implement a new 54-mile east-west rail alignment between the future Palmdale Multimodal HSR Station and the Brightline West Station in Victor Valley. The HDMC HSR Project (Project) will link the Metrolink Antelope Valley Line (AVL) with two future HSR lines-California HSR and Brightline West. At Palmdale, Project riders will be able to transfer to AVL for connections south to Los Angeles and to the north with the planned California HSR service to the Bay Area (see Attachment B). Brightline West is a new privately funded HSR service that will connect Las Vegas with Victor Valley and, ultimately, Rancho Cucamonga, where riders can connect to the Metrolink San Bernardino Line for connections to Los Angeles.

The Project is consistent with the State Rail Plan’s overall objective to improve the connectivity of California’s planned rail network. The Project also supports the State’s ambitious greenhouse gas reduction efforts and provides economic development and mobility benefits for a region that includes many historically underserved, low-income, and disadvantaged communities.

In 2016, the California Department of Transportation (Caltrans) completed the California Environmental Quality Act (CEQA) review of the Project. The Locally Preferred Alternative (LPA) included the construction of a four-lane freeway and HSR service between Palmdale and Victorville. In December 2020, Caltrans informed FHWA that the “no build” option was selected for the Freeway/Tollway element of the HDMC. In April 2021, the HDC JPA requested that the HSR Project move forward with the Federal Railroad Administration (FRA) as the lead agency for National Environmental Protection Act (NEPA) review. In February 2023, the FRA launched the final review of the NEPA process.

Board Actions to Date

In August 2020, the Metro Board approved a Life-of-Project (LOP) budget of \$5 million to develop a High Desert Intercity Rail Corridor Service Development Plan (SDP). Metro, in partnership with the California State Transportation Agency (CalSTA) and Brightline West, developed the SDP in coordination with the HDC JPA and other stakeholders, including Los Angeles County Public Works Department, Palmdale, Lancaster, San Bernardino County Transportation Authority, San Bernardino County Public Works Department, Victorville, Adelanto, Apple Valley, California HSR Authority, Southern California Regional Rail Authority (SCRRA), and others.

In April 2022, the Metro Board approved an increase of \$500,000 in the LOP budget to complete the HDC SDP to develop additional engineering analysis, rail operation analysis, operations and maintenance plans, and coordinate with stakeholders. In addition, the Metro Board approved \$1,236,500 for the FY 23 HDC JPA work program.

In August 2022, the Metro Board approved Metro’s participation in the new HDC JPA, replacing the previous HDC JPA after the decision from San Bernardino County to withdraw from the HDC JPA.

In January 2023, the Metro Board programmed \$8,500,000 to the HDC JPA as local match for a State Transit and Intercity Rail Capital Program (TIRCP) grant and for the FRA Corridor Identification and Development (ID) Program for project development and to advance the HDMC HSR Project towards 30% design.

Draft Service Development Plan (SDP)

The Draft SDP is a planning-level document that provides Metro and project stakeholders with the information needed to assess the utility of establishing HSR service along the HDMC, the costs of implementation, and the next steps to advance the Project. Three service scenarios were considered, including a “one-seat ride” scenario from Los Angeles Union Station (LAUS) to Las Vegas, with connectivity to the California HSR network in 2035. With the one-seat ride scenario, LAUS - Las Vegas, there is a 3-fold increase in ridership, and the net revenues can exceed the net operating costs. Some of the key highlights of the Draft SDP are as follows:

HIGH DESERT CORRIDOR DRAFT SERVICE DEVELOPMENT PLAN			
	One-Seat Ride Palmdale - Las Vegas	One-Seat Ride LAUS - Las Vegas	Two-Seat Ride Palmdale - Las Vegas
Los Angeles Union Station – Las Vegas Trip Time	4:32	2:54	4:32
Total Annual Ridership (2035)	2,485,000	9,206,000	2,374,000
CHSR assumed to be operational to LAUS?	No	Yes	No
Total Operating Costs (2035)	\$64M	\$159M	\$61M
Total Operating Revenues (2035)	\$34M	\$390M	\$14M
Projected Annual Net Revenue/(Subsidy) (2035)	(\$30M)	\$231M	(\$47)
Capital Costs (Year Of Expenditure \$\$\$)	\$5.8B	\$6.6B	\$5.5B
Annual Greenhouse Gas Reductions - Metric Tons (2035)	2,105	34,403	703

DISCUSSION

On April 20, 2023, the HDC JPA Board approved the proposed FY 24 budget and work program, subject to Metro Board approval. The FY 24 work program consists primarily of completing the NEPA process, managing the HDC JPA, and obtaining project management and financial advisory services as the HDC JPA mobilizes towards 30% design (see Attachment C).

30% Design and Grants Funding Strategy

With the completion of the NEPA process anticipated to occur in 2024, the next step for the HDC JPA is to advance the design of the HDMC HSR Project. The advance to 30% design for the 54-mile Project is estimated to cost \$70M. This estimate was identified in the Draft SDP and includes additional contingency and escalation costs. The \$70M cost estimate is consistent with Metro and rail industry standards.

In January 2023, the Metro Board programmed \$8,000,000 to the HDC JPA as a local match for a TIRCP grant request and \$500,000 as a match for an FRA Corridor ID Program grant request for HDMC HSR project development. In April 2023, CalSTA announced the award of \$8,000,000 to the HDC JPA for the Project. This brings the total amount of funding anticipated for the HSR Project to \$17,000,000 as summarized in Attachment D. The HDC JPA intends to leverage the \$17,000,000 so far to the Project as a match towards future grant requests, such as the Federal-State Partnership for Intercity Passenger Rail Grant Program, to provide additional funding to advance the Project to 30% design.

DETERMINATION OF SAFETY IMPACT

The advancement of the Project will be done in accordance with all applicable FRA, CPUC, CHSRA, Brightline and SCRRRA design and engineering standards, which will maximize Americans with Disabilities Act (ADA) and safety benefits to the public.

FINANCIAL IMPACT

The Measure M Expenditure Plan includes \$170M for the Project for right-of-way (ROW) acquisition or other project uses. Recommendation A will program and repurpose the funds from ROW acquisition to 30% design. Currently, there is approximately \$153M available which could be used by the HDC JPA to fund the FY 24 work program and mobilize towards 30% design.

Measure M Funding Plan for HSR Project ROW Acquisition	\$ 170.0M
- Service Development Plan (Metro Board 8/2020)	(\$ 5.0M)
- HDC JPA FY 23 Work Program (Metro Board 4/2022)	(\$ 1.7M)
- Match to TIRCP/FRA Grant Requests (Metro Board 1/2023)	(\$ 8.5M)
Subtotal:	\$ 154.8M
- FY 24 Work Program Request (Metro Board 5/2023)	(\$ 1.9M)
Projected Measure M Balance for HDC	\$ 152.9M

Impact to Budget

\$2,000,000 has been included in the FY24 Proposed Metro Budget for the HDC JPA FY 24 work program under project number 475499. This is in addition to the \$8,500,000 approved by the Metro Board in January 2023 as a match for the TIRCP and FRA Corridor ID Program grant applications. It will be the responsibility of the Chief Planning Officer to program funds in future years for the HDC JPA for this multi-year program. Annual funding agreements between Metro and the HDC JPA will be audited and reconciled each year for cash flow needs. These funds are not operating eligible funds.

EQUITY PLATFORM

Recommendation A will enable the Project environmental process to be finalized plus mobilize the HDC JPA towards 30% design, and eventual construction of the Project, subject to funding availability. The Project will improve mobility for residents in the North Los Angeles County by providing a high quality, environmentally friendly, safe, and efficient transportation option to the communities to access jobs, health care, education, other services, and economic opportunities offered at major urban and employment centers in Los Angeles and Las Vegas.

The entire Project area falls within the low-income communities and households as defined by AB 1550. A significant portion also falls within the disadvantaged and low-income communities as defined by SB 535. The Project also traverses through Metro's Equity Focus Communities in the Antelope Valley. In addition, residents within the Project area are predominantly from minority

populations, between 61% and 77%, with the highest percentage of minority populations in the City of Palmdale. Many of the minority populations include people with limited English proficiency.

The cities of Adelanto and Victorville in San Bernardino County are designated as high poverty areas. The multi-modal Palmdale High Speed Rail station will be designed to meet the latest ADA requirements along with commuter rail, bus transit, Access Services, rideshare, and active transportation needs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation A supports the Metro Vision 2028 Strategic Plan goals 1, 4 and 5 as follows:

- Goal 1.2: Invest in a world-class transit system that is reliable, convenient, and attractive to more users for more trips;
- Goal 4.1 Work with partners to build trust and make decisions that support the goals of the Vision 2028 Plan;
- Goal 5.2 Exercise good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

An alternative is that the Board does not approve Recommendation A. This is not advised since Metro has completed the Draft SDP, which has identified strong environmental and ridership benefits for the HSR Project. The HDC JPA also recently received an \$8,000,000 State TIRCP grant plus \$500,000 anticipated from the FRA to advance the Project, indicating strong support from state and federal partners that this project has merit and provides value to the Southern California rail network.

NEXT STEPS

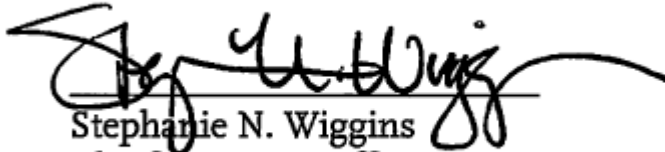
Subject to Board approval of the recommendations, Metro will execute a funding agreement with the HDC JPA to implement the FY 24 work program. The HDC JPA will continue efforts toward environmental clearance, with a Record of Decision (ROD) expected in Spring 2024. Concurrently, the HDC JPA will hire program management, financial advisory services, and additional contract staff in anticipation of the release of a Request for Proposals (RFP) for 30% design, expected to occur in FY 25. Staff will return to the Board with periodic updates as needed.

ATTACHMENTS

- Attachment A - HDC JPA Funding Request
- Attachment B - HDMC Corridor Map
- Attachment C - HDC JPA FY 24 Work Program
- Attachment D - HDC JPA Grants Funding Strategy

Prepared by: Jay Fuhrman, Manager, Transportation Planning, (213) 547-44381
Michael Cano, Executive Officer, Countywide Planning and Development (213)
418-3010
Ray Sosa, Deputy Chief Planning Officer (213) 547-4274

Reviewed by: James de la Loza, Chief Planning Officer (213) 922-2920



Stephanie N. Wiggins
Chief Executive Officer