

High Desert Corridor
Joint Powers Authority

October 11, 2017

Meeting Materials

Item 4

Approval of Minutes of May 3, 2017

**HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY
BOARD OF DIRECTORS MEETING**

Wednesday, May 3, 2017

1:00 p.m.

City of Palmdale
City Council Chambers
38300 Sierra Highway, Suite B
Palmdale, CA 93550

	Directors Present	Robert A. Lovingood , Supervisor, San Bernardino County First District (Chairman); Kathryn Barger , City of Los Angeles Fifth District (Vice Chairman); Dave Perry , Deputy to Supervisor Kathryn Barger, Los Angeles County Supervisor; Fred S. “Scott” Nassif , Town of Apple Valley; Raj Malhi , City of Lancaster; Richard Kerr , City of Adelanto
	Alternates Present	Steven Hofbauer , City of Palmdale
	Directors Absent	James Ledford , City of Palmdale
1.	Call to Order	Chairman Robert Lovingood called the meeting to order at 1:25 p.m.
2.	Board Member Announcements	Vice Chairman Barger presented a Commendation from the County of Los Angeles to Special Projects Coordinator Laurie Hunter for her service to the High Desert Corridor Joint Powers Authority over the last ten years. She stated Michael Cano wanted to be here today, but was unable to attend. Ms. Hunter will be retiring from the County of San Bernardino in June 2017.
3.	Correspondence	Director Lovingood referenced the correspondence to President Trump, The Honorable Elaine Chao and Gary Cohn regarding XpressWest High Speed Rail Services, which is included in the Board member’s packets.
4.	Approval of Minutes <u>Recommended Action:</u> <u>Approve Minutes of September 28, 2016</u>	On motion of Director Barger, seconded by Director Kerr, the Board approved the September 28, 2016 minutes by unanimous vote of all members present with Director Hofbauer abstaining.
5.	HDC Rail Ridership and Revenue Forecast Results: Presentation/Board Briefing on the findings, and the March 2, 2017 Webinar Release to the Public (Access Executive Summary of Report and Webinar Video at http://cms.sbcounty.gov/HDC)	Neil Peterson, Transportation Solutions, presented a review of the High Desert Corridor Rail Ridership and Revenue Forecast results. <i>(PowerPoint on file).</i> Vice Chairman Barger asked Mr. Peterson if he is discussing the P3s for the entire project or the Desert Express. Mr. Peterson stated the RRIF loan was put on hold and he understands they are interested in bringing that back but no official announcement has been made. Andrew Mack was called forward and stated regarding the RRIF (Railroad Rehabilitation and Improvement Financing – a federal loan program administered by the FRA) loan that they are looking at

		<p>engaging in discussions with Build America Bureau and US DOT regarding options that may be available.</p> <p>Mr. Peterson further stated their thought is that the project, for a variety of reasons, should be done in segments so they are hoping, subject to direction of the Board, that the first segment is not just Las Vegas to Victorville but is Las Vegas to Victorville to Palmdale. He stated it is to be determined and added this would clearly be a segment prior to going to Burbank or L.A. Union Station.</p> <p>Director Hoffbauer asked what they are looking at far as P3 investment options.</p> <p>Mr. Peterson stated there is a reason it is called the Public/Private partnership of P3 because these projects will not work just solely by the private sector. He stated what these numbers in our study suggest is that for the first time in America we may have enough revenues to cover the operating and maintenance costs from Southern California to Las Vegas which would be a significant step to have a rail line be able to do that. He stated the \$64,000 question, though is how much will these revenues help support amortizing the capital costs to get to that number he is asking for? He stated essentially what is being asked is what is the extent of the public sector investment that will be required to stimulate the private sector investment so that we've got a complete project. He stated he cannot answer that question today, but that is their next step to talk to the private sector in using their own analysis to try to determine what that number is and figure out how they can make that work.</p> <p>Director Hofbauer inquired about the highway "side".</p> <p>Mr. Peterson stated in terms of the revenues to support the rail component, they have assumed no assistance from the highway side. He stated Metro is doing the same kind of study they did on the rail side, on the highway side, and they don't have the results of that yet, but he said they should be presenting that in the next few months. He said they've assumed they would not need assistance from the highway side on the railway side. He also stated the way they intertwine is they were both dealt with simultaneously in the environmental document and in the right of way and as they will see as they get through the agenda today, they think the single most important thing they as a Board could do at this point in time is try to help preserve the right of way so that options do exist going forward. He stated a presentation is coming up in that regard.</p>
6.	LA Metro Toll Study Status and Measure M Funding for HDC	<p>Isidro Panuco of L.A. Metro, stated last month they provided a "receive and file" Board report to the Metro Board discussing steps done to date and where they are with this project. He stated, as the Board members are aware, last June they completed the environmental document. He said subsequent to that there was the passage of Measure M which outlined \$274 million for right of way which can also be used for the other purposes with the Metro Board's approval and now they are under way with the traffic and revenue study which should be completed this month. To provide more detail on each "receive and file reports" to the Metro Board,</p>

they took no action. All they did was describe what they have done to date; completed the EIR and identified the immediate sources of funds that were available through Measure M. He stated some of their next steps outlined in the “receive and file” report were to work closely with all of the stakeholders to establish next steps. As Neil just mentioned, he stated they just concluded their rail and ridership study for the rail component. He said they shortly will be finishing their traffic and revenue study and at that point, they will be reaching out to all parties to discuss where they can move forward with resources. Touching on the traffic and revenue study where they are today, he stated they have had two stakeholder meetings with all parties on the corridor – San Bernardino, Palmdale, Lancaster and Adelanto. He stated they have done some fact finding in terms of looking at recent reports, assessments and what the economic assumptions are for the region and they are crunching all of the numbers. He said they also did traffic studies, traffic counts and additional traffic studies for the corridor. As he mentioned, he said they are wrapping up those things now and hope to have it set up this month.

Director Kerr asked, regarding the \$274 million, if this study is from Los Angeles County to the San Bernardino County line.

Mr. Panuco stated the traffic and revenue study looked at the whole High Desert Corridor alignment.

Director Kerr asked if stakeholders are already in place.

Mr. Panuco stated their goal with that is to really give a bench mark of looking at the numbers, potentially how traffic is now and what it might be in the future and what their baseline could be for potential traffic at North County. So at this point, he stated they are not going to engage with any private partners. They are giving an assessment of what this independent analysis is providing for this project.

Director Hofbauer asked for clarification regarding the \$274 million as it relates to right of way acquisitions.

Isidro stated it is \$274 million, however, there is a caveat that says it is dedicated at least for this time for right-of-way, contingent upon the Metro Board adopting it for other purposes.

Director Hofbauer asked how they are handling the Los Angeles/San Bernardino County line and if there is a companion funding source to deal with that on the other side of the County line?

Isidro stated for the San Bernardino side, they would need some funding partners for that. On the Metro side they would need to identify some funding for the rail component and would need to see where they can use their resources now to advance this project.

Director Malhi asked if they have total costs for all rail modes.

Mr. Panuco stated the total is about \$6 billion for the 500 foot right

		<p>of way, the rail, the green energy, the bikeway and it is 63 miles, so that is why they are trying to identify next steps in this large scale project.</p> <p>Vice Chairman Barger asks for clarification about Measure M funding.</p> <p>Isidro stated Measure M funding for right of way unless voted by the Metro Board for other purposes would be the potential leverage for next steps on the project.</p> <p>Director Perry asked to what level are freight and goods movement modeling playing a role in the tolling study.</p> <p>Ysidro stated in terms of the traffic study, they have done it for different types of vehicles, different size axels (2, 4 and 6) so he said they are trying to get a broad assessment of what the existing demand is on the corridor from the I-15 to the I-5 and I-395 so they had a couple of counts at different locations throughout the County to make that assessment.</p> <p>Director Perry asked if it only exists or if it is 40 years build out.</p> <p>Mr. Panuco stated the existing numbers would be fed into economic assumptions through the SCAG. He said the existing counts provide a baseline of what the demand is, the use is and how they travel throughout the corridor and those would be fed through the SCAG model that would give an output of a future toll facility that would be utilized.</p>
7.	<p>Presentation on Transportation Solutions P3 Workplan: Progress Report on TS Outreach and Interaction with Private Sector, Right-of-Way Research, Green Energy Report, State and Federal Report</p>	<p>Mr. Peterson introduced Edgar Gutierrez with Arrellano & Associates, consultant on outreach and communication. He stated Arrelano did a lot of work for the High Desert Corridor on the environmental documents and also worked for most of the jurisdictions as well.</p> <p>Mr. Gutierrez presented a brief video as well as an overview of branding developed for the event, the live webinar approach for maximized exposure/reach, how/who they notified, participants and how they are continuing to reach other audiences after the webinar (<i>Point Point and video on file</i>).</p> <p>Mr. Peterson said he would forward the link for the video to the Board members.</p> <p>Karen Hedlund presented on outreach/private sector discussions (<i>PowerPoint on file</i>).</p> <p>Neil Peterson presented the State Report (<i>PowerPoint on file</i>).</p> <p>Director Hofbauer requested Bill numbers from Mr. Peterson, which he indicated he would provide.</p> <p>Chris Margaronis, Transportation Solutions, provided a report on green energy, land use and goods movement. (<i>PowerPoint on file</i>)</p>

		<p>Jim Overcamp, Epic Land Solutions, Inc., introduced colleague BJ Swanner to provide a right of way report. <i>(PowerPoint on file)</i></p> <p>Director Nassif asked why not move forward with acquiring the full 500 foot wide land area rather than just the 100 feet they are proposing now.</p> <p>Mr. Swanner indicated this was to just get the project started.</p> <p>Jim Overcamp presented preliminary observations from the right of way perspective and next steps.</p>
8.	<p>Announcement of Southern California Association of Governments (SCAG) EIFD Workshop for HDCJPA Counties/Cities: Information on a future SCAG Workshop on Enhanced Infrastructure Finance Districts (EIFDs) for JPA Board Member Counties and Cities</p>	<p>Laurie Hunter, JPA Staff Coordinator, made an announcement that SCAG and Kosmont and Associates will conduct a workshop for JPA Counties and cities about the implementation of a new infrastructure financing tool: Enhanced Infrastructure Finance Districts. The legislation was crafted using the HDC as a model infrastructure project that could use this new tax increment financing tool to help finance the highway. The JPA cannot administer a District, a county or city must form one on behalf of the JPA. At the workshop, staff from the cities and counties can attend a 1-1/2 - 2 hour workshop where Kosmont and Associates will explain how to set up a District, with or without interjurisdictional coordination. She requested, when a date has been ascertained, that each Board Member invite and encourage the county and city managers attend with their economic development, government relations, and finance staffs to help stress the importance of this tool to the HDC (and other projects).</p>
9.	<p>Recommended Action:</p> <p>a. <u>Approve County of San Bernardino to act as JPA administrator, with appropriate individual to be appointed by the County Chief Executive Officer</u></p> <p>b. <u>Adopt High Desert Corridor JPA Fiscal Year 2017-18 Recommended Budget</u></p>	<p>Gerry Newcombe, JPA Administrator, presents Items 9.a. and 9.b.</p> <p>On motion by Director Nassif, seconded by Director Perry, the Board approved Item 9.a. by unanimous vote of all members present.</p> <p>On motion by Director Kerr, seconded by Director Hoffbauer, the Board approved Item 9.b. by unanimous vote of all members present.</p>
10.	<p>Recommended Action:</p> <p>Advance the High Desert Corridor as a Public Private Partnership (P3):</p> <p>a. <u>Authorize receipt of \$719,921 from San Bernardino County Transportation Authority (SBCTA) in accordance with the FY 2016-17 and FY 2017-18 Budget for Programming/Expenditure of Funds;</u></p> <p>b. <u>Amend the Transportation Solutions (TS) Professional</u></p>	<p>Gerry Newcombe, JPA Administrator, presents Items 10.a., 10.b. and 10.b.i.</p> <p>On motion by Director Barger, seconded by Director Malhi, the Board approved Recommendation 10.a. by unanimous vote of all members present.</p> <p>On motion by Director Kerr, seconded by Director Malhi, the Board approved Recommendation 10.b. and 10.b.i. by unanimous vote of all members present.</p>

	<u>Services Agreement for P3 Advancement of the Rail Connector Implementation, Highway, Bikeway, Green Corridor and Land Use;</u> i. <u>Increase the TS Contract and Subcontract amount by \$360,000 and amend the TS Scope of Work, as attached</u>	
11.	Public Comment	None
12.	Adjourn	There being no further business, the meeting is adjourned at 2:53 p.m.