

Memorandum

To: Chair and Commissioners

Date: October 12, 2007

From: JOHN F. BARNA, JR.
Executive Director

File No:
Book Item 2.1f.(2)
Action

Ref: PROPOSITION 116 RAIL PROGRAM APPLICATION – FOR THE HIGH SPEED RAIL PROJECT FROM THE DEPARTMENT OF TRANSPORTATION

ISSUE

Should the California Transportation Commission (Commission) approve the Department of Transportation's (Department) application for the High Speed Rail Project, including \$15,563,000 in Proposition 116 funds?

RECOMMENDATION

Commission staff has reviewed the Proposition 116 application, as well as subsequent clarifications, and recommends that the Commission approve the attached resolution, which would grant approval of the Department's application for \$15,563,000 in Proposition 116 funds.

Due to State budget funding constraints, the California High Speed Rail Authority was forced to seek alternate sources of funds to continue preliminary activities on the Los Angeles-Fresno-San Francisco Bay Area passenger rail corridor for the High Speed Rail Project. Shifting the Proposition 116 funds will allow this work to continue without interruption.

BACKGROUND

In September 2007, Commission staff received an application for the High Speed Rail Project requesting \$15,563,000 in Proposition 116 funds, including \$14,563,000 available for new programming from PUC Section 99622(a) and \$1,000,000 available under PUC Section 99655.

The Department's application is consistent with approved legislation which repealed PUC Section 99621 (\$1,000,000 for statewide survey of Rail Rights-of-Way) and added PUC Section 99655, assigning the \$1,000,000 to the Department for the High Speed Rail Project.

Along with \$14,563,000 available for new programming from Section 99622(a), a total of \$15,563,000 is available to the Department for the High Speed Rail Project.

In summary, the approval of the attached resolution will authorize \$15,563,000 in Proposition 116 funds (PUC Section 99622(a) and PUC Section 99655) for the High Speed Rail Project.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

Project Approval
Proposition 116 Rail Program
Department of Transportation Application for the
High Speed Rail Project

Resolution PA-07-05

- 1.1 WHEREAS, in June 1990 the voters approved Proposition 116, the Clean Air and Transportation Improvement Act, for \$1.99 billion for rail and mass transportation purposes; and
- 1.2 WHEREAS, the California Transportation Commission is designated in Proposition 116 to oversee the five grant programs over the 20-year term of the Proposition; and
- 1.3 WHEREAS, Proposition 116 calls for the Commission to establish an application process and to develop and adopt guidelines to implement those programs; and
- 1.4 WHEREAS, Proposition 116 establishes as a purpose of the application process that it "facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features"; and
- 1.5 WHEREAS, Proposition 116 requires applications to specify full and complete capital plans, financial plans, and operating plans, including schedules and funding sources; and
- 1.6 WHEREAS, the financial plans include a back-up funding plan, should the project exceed the cost approved by the Commission the increased cost shall be covered by funds other than Proposition 116; and
- 1.7 WHEREAS, the Commission has established a Hazardous Waste Identification and Clean-up Policy (#G-91-2) that requires the local agency to have performed full due diligence in identifying the hazardous waste in the right-of-way and easements and properties as well as clean-up, and that the state has been indemnified from clean-up liability of damages, both present and future; and
- 1.8 WHEREAS, in December 1990 the Commission adopted policy and application guidelines (#G-90-23) for the Proposition 116 rail program; and
- 1.9 WHEREAS, Proposition 116 (PUC Section 99621) authorized \$1,000,000 to the Department of Transportation to conduct a statewide survey of Rail Rights-of-Way; and
- 1.10 WHEREAS, the Department conducted the statewide survey using other funds; and

- 1.11 WHEREAS, legislation repealed PUC Section 99621 and added PUC Section 99655, assigning the \$1,000,000 to the Department for the High Speed Rail project; and
 - 1.12 WHEREAS, Proposition 116 PUC Section 99622(a) authorizes \$140,000,000 to the Department of Transportation for improvements to the Los Angeles-Fresno-San Francisco Bay Area passenger rail corridor and extensions of the corridor to Sacramento (known as the San Joaquin Corridor); and
 - 1.13 WHEREAS, Commission staff reviewed the status of PUC Section 99622(a) and \$14,563,000 is available for new programming from Section 99622(a), which along with the \$1,000,000 assigned by PUC Section 99655, makes a total of \$15,563,000 available to the Department for the High Speed Rail project; and
 - 1.14 WHEREAS, in September 2007, the Department of Transportation submitted an application requesting that the \$15,563,000 be programmed for the High Speed Rail project; and
 - 1.15 WHEREAS, the Department's High Speed Rail project application, including all supplemental information, has been reviewed by Commission staff and it appears to meet all basic requirements as specified in Proposition 116 and the Commission's policies and guidelines.
- 2.1 NOW, THEREFORE BE IT RESOLVED, that the Commission hereby approves the project application from the Department of Transportation for the High Speed Rail project for \$15,563,000 in Proposition 116 funds; and
 - 2.2 BE IT FURTHER RESOLVED, that a Proposition 116 project approval by the Commission reserves the State funding within the Program, and allows project development work to be undertaken by the applicant agency, which will be subject to state reimbursement pursuant to the Commission's "Guidelines for Allocating, Monitoring, and Auditing Funds for Local Assistance Projects" and subsequent fund transfer agreement.