

Memorandum

To: Chair and Commissioners

Date: January 13, 2010

From: BIMLA G. RHINEHART
Executive Director

Reference No. 4.2
Information

Ref: Proposition 1A Draft High Speed Train Bond Program Guidelines

Issue:

Attached to this book item are the Proposition 1A Draft Guidelines for the High Speed Train Bond Program. The presentation of the Draft Guidelines to the Commission provides an opportunity for eligible agencies and interested parties to provide comment. The Commission's own review and comment on the Draft Guidelines, as well as any specific guidance, will be used in preparing the final Guidelines for Commission consideration.

Background:

Under AB 3034 (Galgiani, 2008), the Commission, upon appropriation by the Legislature, shall allocate the net proceeds from the sale of \$950 million of bonds for capital improvements to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system, or that provide capacity enhancements and safety improvements. Under AB 3034, the Commission shall develop guidelines in consultation with the High-Speed Rail Authority to implement the requirements of the program for eligible agencies. Twenty percent of the net proceeds shall be programmed to the intercity rail program and eighty percent to the commuter and urban rail program.

Commission staff posted the draft guidelines on the Commission's website on December 17, 2009. Staff also scheduled a conference call with eligible agencies, the Department of Transportation and other interested parties on January 6, 2010. Staff will provide the Commission an update on the comments received from the conference call and other sources.

If consensus is reached on the Draft Guidelines, Commission staff proposes to have the Commission consider adoption of the High Speed Train Bond Program Guidelines at its February 2010 meeting. Concurrently, staff will also recommend a schedule for eligible agencies to submit their project lists, as well as information on individual proposed projects. The goal is to have the Commission consider adopting a High Speed Train Bond Program at its May 2010 meeting.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

DRAFT High-Speed Passenger Train Bond Program Guidelines

General Program Policy

1. Authority and purpose of guidelines. The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century approved by the voters as Proposition 1A on November 4, 2008, authorized the California Transportation Commission (Commission) upon appropriation by the Legislature to allocate funds for capital improvements to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system as set forth in Streets and Highways Code, Division 3, Chapter 20, Section 2704.04, subdivision (b) or that provide capacity enhancements and safety improvements. Section 2704.095 requires the Commission to program and allocate the net proceeds received from the sale of \$950 million in bonds authorized under Proposition 1A for the High-Speed Passenger Train Bond (HSPTB) Program.
2. Program of Projects. The Commission will adopt the Intercity Rail Program and the Commuter and Urban Rail Program as follows:
 - For the Intercity Rail Program, the program will consist of eligible project applications submitted by the Department of Transportation (Department) in two parts: A) (Formula) the Commission will program in each of the three intercity rail corridors a minimum of \$47,500,000 in eligible projects for a combined total of \$142,500,000 and B) (Competitive) the Commission, upon finding that the projects are consistent with the criteria identified under Section 11 shall program up to another \$47,500,000 in projects to any of the three intercity rail corridors.
 - For the Commuter and Urban Rail Program, a total of \$760,000,000 will be divided among eligible applicants using a formula distribution which incorporates the following factors: track miles, vehicle miles and passenger trips.
3. Program Schedule. The Commission expects to adopt a program at its May 20, 2010 regularly scheduled Commission meeting. As appropriate, if programming capacity remains, the Commission will adopt an annual program of projects for the HSPTB Program each fiscal year.
4. Administration. The Commission will set aside up to two percent of the total amount appropriated each year for the program as a reserve for bond administrative expenses. In the absence of an enacted state budget, the Commission may make an estimate of the amount that the Legislature will appropriate to the HSPTB Bond Fund and available for allocation, subject to adjustment based on the final appropriation in the Budget Act. The Department shall administer the Program and provide semi-annual progress reports to the Commission at regularly scheduled Commission meetings.

General Intercity Rail and Commuter and Urban Rail Eligibility

5. Usable Project/Segments. Projects considered for funding by the Commission for either the Intercity Rail Program or the Commuter and Urban Rail Program are expected to be usable or provide usable segments and be a reasonable expenditure, even if the high-speed train system as identified in the Streets and Highway Code, Division 3, Chapter 20, Section 2704.04, subdivision (b) is delayed, postponed or cancelled.
6. Useful Life. The useful life of a project under the HSPTB Program shall not be less than the required useful life (15 years or more) for capital assets pursuant to the State General Obligation Bond Law, specifically subdivision (a) of Section 16727 of the Government Code.
7. Programming and Full Funding. The Commission will program and allocate funding to projects rounded to the nearest thousands and will include a project only if it is fully funded from a combination of HSPTB Program and other committed funding. The Commission will not program or allocate HSPTB Program funds to match funding for preconstruction or right-of-way phases of work. The Commission will regard funds as committed when HSPTB Program funds are programmed by the Commission and when the agency with discretionary authority over non- HSPTB Program funds has made its commitment to the project by ordinance or resolution of its governing board to the Commission.
8. Amendments to Program of Projects. The Commission may approve an amendment of the HSPTB Program of projects. An amendment need only appear on the agenda published 10 days in advance of the Commission meeting.
9. Allocation from the HSPTB Program. The Commission will consider the allocation of funds from the HSPTB Program for a project when it receives an allocation request and recommendation from the Department. The recommendation will include determining the availability of appropriated funding from the HSPTB Program account and the availability of all identified and committed matching and supplementary funding.

The Commission will approve the allocation if the funds are available, the allocation is necessary to implement the project as included in the adopted HSPTB Program, and the project has the required environmental clearance. Expenditures made prior to the adoption of the project into the program and allocations by the Commission are not eligible for reimbursement.

Intercity Rail Program – Project Eligibility

10. Intercity Rail Formula. The Department shall present to the Commission the list of projects for the formula portion up to the minimum allowed per corridor.

11. Intercity Rail Competitive. The Department shall select the projects within each of the three corridors for the remaining twenty-five percent (\$47.5 million). The Commission expects the following factors are met for selecting the projects:
 - Project must be eligible under the Guidelines' General Intercity Rail and Commuter and Urban Rail Eligibility with priority given to those projects that provide direct connectivity to the high-speed train system.
 - Projects will be given priority if those projects are eligible or have committed federal funds.
 - Priority will be given to those projects that will promote increased ridership and increases On Time Performance and decreases running times.
12. Loans. Each corridor may loan up to \$47.5 million to another corridor once through the life of this program if programming capacity is available. All approved loans are expected to be repaid within 5 years. A request shall be made to the Commission and the Commission may approve such a loan, providing programming capacity is available and the following criteria are met:
 - Projects to be funded with the loaned amount must meet eligibility requirements for the Intercity Rail Program outlined in these guidelines.
 - The request must identify the amount of the loan and the repayment schedule and whether programming capacity is available in the corridor receiving the loan to repay the loan obligation.
 - Request must be signed by the Director of the Department.

Commuter and Urban Rail Program – Project Eligibility

13. Funding Share. The target totals for each eligible agency shall be determined using the distribution factors gathered from the most current available data in the National Transit Database, Federal Transit Administration (See Attachment I).

The Commission expects that connectivity to the high-speed train system will be made a priority by each eligible agency in their list of projects presented to the Commission.

14. Project Applications. The Commission will accept from each eligible agency their priority list of projects up to their target amounts. The Commission expects the project applications from each eligible recipient to meet the criteria set forth in Section 2704.095 (c) through (j) of the Streets and Highway Code.

Project Application – Intercity Rail and Commuter and Urban Rail Programs

15. Maximum Programming Allowed: The Commission's program of projects will not exceed the maximum allowed per program. The list of projects for each of the programs shall include the appropriate signatures including: the Director of the Department, Chief Executive Officer or other officer authorized by the applicant's

governing board and the signature of an authorized officer of the respective regional agency.

16. Project Information: The State Transportation Improvement Program (STIP) Project Programming Request (PPR) form will be used for each project application. In addition the information required in the PPR, eligible applicants shall include the following:

- An assessment of the project's useful life.
- A Governing Board Resolution documenting commitment of funding and all other requirements of these Guidelines, and the Streets and Highways Code Section 2704.095 that pertain to the HSPTB Program funds.

The list of projects and applications should be mailed or delivered to:

Bimla Rhinehart, Executive Director
California Transportation Commission
1120 N Street, Mail Station 52, Suite 2122
Sacramento, CA 95814

Attachment I

**FORMULA SHARES FOR COMMUTER AND URBAN RAIL AGENCIES
High-Speed Rail Passenger Train Bond Act**

Commuter and Urban Rail Formula Program	Distribution Factors			Percentages			Share Distribution	
	Track Miles	Vehicle Miles	Pass Trips	Track Miles	Vehicle Miles	Pass Trips	Percentage	Amount
Altamont Commuter Express	90.0	781.3	706,858	5.2%	0.6%	0.2%	2.0%	\$14,974
Los Angeles County Metropolitan Transportation Authority	150.4	14,996.6	82,228,672	8.6%	12.3%	25.3%	15.4%	114,874
North County Transit District	97.7	1,325.5	1,560,729	5.6%	1.1%	0.5%	2.4%	17,833
Peninsula Corridor Joint Powers Board	136.7	6,717.9	10,264,225	7.9%	5.5%	3.2%	5.5%	41,026
Sacramento Regional Transit District	73.1	4,251.3	14,489,691	4.2%	3.5%	4.5%	4.1%	30,165
San Diego Trolley, Inc.	102.6	8,038.0	35,114,385	5.9%	6.6%	10.8%	7.8%	57,855
San Francisco Bay Area Rapid Transit District	267.6	66,387.3	109,019,696	15.4%	54.4%	33.6%	34.5%	256,639
San Francisco Municipal Railway	88.6	5,549.1	48,858,450	5.1%	4.5%	15.1%	8.2%	61,308
Santa Clara Valley Transportation Authority	79.6	3,537.7	10,278,460	4.6%	2.9%	3.2%	3.5%	26,419
Southern California Regional Rail Authority	653.4	10,454.9	12,018,859	37.6%	8.6%	3.7%	16.6%	123,707
Total, Eligible Rail Agencies	1,739.7	122,039.6	324,540,025	100.0%	100.0%	100.0%	100.0%	744,800
Bond Administration (2%)								15,200
Total Bond Authorization								\$760,000

Data source: National Transit Database, Federal Transit Administration, 2007 Data Tables
 Vehicle miles are annual miles in thousands.
 Dollars in thousands.