



## Board Report

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### PLANNING AND PROGRAMMING COMMITTEE APRIL 20, 2022

**SUBJECT: HIGH DESERT CORRIDOR RAIL PROJECT**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. APPROVING \$1,236,500 for Fiscal Year 2023 to complete the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) environmental document for the High Desert Corridor (HDC) Rail Project and other related activities as further described in Attachment A;
- B. APPROVING an increase of \$500,000 in Life-of-Project (LOP) budget for the High Desert Intercity Rail Corridor Service Development Plan for a new total LOP budget of \$5,125,000;
- C. REPURPOSING \$1,736,500 of Measure M High Desert Multipurpose Corridor (HDMC) funds identified in the Expenditure Plan for Right-of-Way acquisition for the High Desert Corridor High Speed Rail Project and the Service Development Plan to fund the above two recommendations; and
- D. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary funding agreements with HDC JPA.

#### **ISSUE**

The HDC Rail Project requires additional funds to complete the CEQA/NEPA environmental document, Surface Transportation Board process, other HDC JPA related work and the HDC Service Development Plan.

#### **BACKGROUND**

The High Desert Corridor Rail Project will provide 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 Brightline West Station in Victor Valley in San Bernardino County to the future Palmdale Multi-Modal High Speed Rail Station in Palmdale in Los Angeles County with

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rail transit connection to Los Angeles Union Station via Metrolink Antelope Valley Line, Antelope Valley Transit Authority Bus and future California High Speed Rail (HSR). A new intercity passenger HSR 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, resulting in gridlock congestion on the I-15 on weekends and during special events.

### HDC Project EIR/EIS Documents

The original HDC Project included the construction of a four-lane freeway and HSR service between Palmdale and Victorville, linking the two future HSR systems: California HSR and Brightline West HSR. The California Department of Transportation (Caltrans) originally developed the HDC Project in cooperation with several state and federal agencies, including the Federal Railroad Administration (FRA) and the Surface Transportation Board (STB). Caltrans District 7 conducted the environmental review of the HDC Project, including the preparation of the HDC Environmental Impact Report/Environmental Impact Statement (EIR/EIS). Caltrans District 7 prepared a draft EIR/EIS in September 2014 and approved a final EIR/EIS and a Section 4(f) Evaluation in June 2016. Currently, only the HDC Rail Project is moving forward.

### Brightline West

DesertXpress, also known as Brightline West, a Brightline affiliated company, is a new privately-funded HSR service connecting the 260 miles between Las Vegas and Los Angeles with planned stations in Las Vegas, Victor Valley (in the town of Apple Valley), and Rancho Cucamonga with connections to Metrolink.

## **DISCUSSION**

The HDC Rail Project is currently in the NEPA environmental phase with the FRA as the NEPA lead agency. The FRA has been reviewing the Draft NEPA Re-evaluation and Revalidation documents submitted by the HDC JPA in April 2021. HDC JPA is requesting a not-to-exceed amount of \$1,236,500 to allow the HDC JPA to continue and complete the NEPA Re-evaluation/Revalidation process to attain a Record of Decision (ROD) from the FRA along with the CEQA concurrence letter for the HDC Rail Project. Due to a recent action taken by the San Bernardino County Board of Supervisors to withdraw from the current JPA, the HDC JPA will coordinate with the cities along the HDC corridor cities to identify a successor for the HDC JPA.

### CEQA/NEPA Process

In March 2021, Metro and the HDC JPA entered into a funding agreement to contribute up to \$400,000 in Proposition C funds for additional NEPA environmental work for the HDC Rail project to address changes to the rail alignment, station location and other related infrastructure changes. In April 2021, HDC JPA requested that the FRA act as the lead agency for NEPA compliance and the FRA issue a Record of Decision (ROD) for the HDC Rail project. The HDC JPA also submitted the NEPA Re-evaluation documents to the FRA to demonstrate that the prior results set forth in the 2016 HDC EIR/EIS remain valid. In February 2022, the FRA agreed to become the NEPA lead agency for the HDC Rail Project and subsequently began tribal consultations under the Section 106 NEPA process in March 2022. The FRA also requested that the NEPA environmental document closely align with the Service Development Plan, requiring additional engineering analysis.

### Restructuring of the HDC JPA

On March 1, 2022, the San Bernardino County Board of Supervisors approved the withdrawal from membership and participation in the HDC Joint Powers Authority (JPA), effective on July 1, 2022. Since the HDC JPA consists of only two members, Los Angeles County and San Bernardino County, the withdrawal from San Bernardino County will dissolve the current HDC JPA effective June 30, 2022. HDC JPA will also continue their work on coordinating with the cities along the HDC corridor to identify a successor for the HDC JPA and develop the new JPA agreement for the Metro Board's consideration by end of 2022.

HDC JPA is requesting up to \$1,236,500 in FY 23, beginning on July 1, 2022, and ending on June 30, 2023, to allow the HDC JPA to complete the following: a) the NEPA Re-evaluation and Revalidation process to attain a Record of Decision (ROD) from the FRA including continued coordination with the FRA to address comments on the Re-evaluation package; b) participation in the Section 106 process including tribal consultation and coordination with HDC stakeholders; c) work on a CEQA concurrence letter; d) the STB process; e) Grant funding application and other related work as stated in Attachment A.

### High Desert Intercity Rail Service Development Plan

In August 2020, Metro Board approved a Life-of-Project (LOP) budget of \$5 million, including the \$375,000 in-kind contribution from Brightline West, for the High Desert Intercity Rail Corridor Service Development Plan (SDP). This is funded with \$3 million of repurposed Measure M HDMC funds, \$1.375 million in California State Transportation Agency (CalSTA) 2018 Transit Intercity Rail Capital Plan (TIRCP) grant, \$625,000 from Brightline West (comprising of \$250,000 in cash and \$375,000 of in-kind contributions). Metro, in partnership with CalSTA and Brightline West, has been developing the SDP in coordination with the HDC JPA, Los Angeles County Public Works Department, Palmdale, Lancaster, San Bernardino County Transportation Authority, San Bernardino County Public Works Department, Victorville, Adelanto, Apple Valley, CHSRA, SCRRRA, AVTA and others. In close coordination with funding partners and stakeholders, staff began work on the High Desert Intercity Rail Corridor Service Development Plan (SDP) in early 2021. Thus far, Metro has held three virtual meetings in April, August and December of 2021 with stakeholders to report on work progress and request feedback. In addition, the FRA requested participation as a stakeholder and has provided feedback to Metro on the development of the SDP to closely align the HDC SDP with the NEPA environmental process.

Due to feedback staff has received from the stakeholders, additional work is needed to the HDC SDP, such as engineering analysis, rail operation analysis, operations and maintenance plans (in coordination with Brightline West), and additional coordination meeting with stakeholders, including incorporating comments received by the FRA. The requested increase of \$500,000 in the LOP budget is needed to complete the SDP in coordination with all the stakeholders with an anticipated date by June 2022, and if additional feedback is received from the stakeholders, the final study will be completed no later than July 2022.

### **DETERMINATION OF SAFETY IMPACT**

The HDC Rail project will provide a high-quality high-speed rail alternative to automobiles and is intended to reduce automobile trips to/from Las Vegas along the I-15 and other freeways in Southern California, which will reduce vehicular accidents and improve safety. The HDC Rail project will be designed in accordance with safety standards established by the FRA and other regulatory agencies.

### **FINANCIAL IMPACT**

Funds required in FY22 for High Desert Intercity Rail SDP is within the Board adopted budget. Upon Board approval of the recommendations, staff will ensure HDC JPA and SDP funding requirements are included in the FY23 budget request for Board adoption in May 2022.

#### **Impact to Budget**

The funding source for these efforts is Measure M 17% Highway funds which are not eligible for transit operation. Board approval of Recommendation 3 will provide the necessary funding for both the HDC environmental clearance and restructuring of the JPA efforts as well as to wrap up the High Desert Intercity Rail SDP.

### **EQUITY PLATFORM**

The HDC Rail 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 in Las Vegas.

Over 90% of the corridor is rural and the Cities of Adelanto and Victorville in San Bernardino County are designated as high poverty areas with two high speed rail stations, one in the City of Palmdale and the Town of Apple Valley. The multi-modal Palmdale High Speed Rail station will be designed to meet the latest American Disability Act along with commuter rail, bus transit, access service, ride share and active transportation. 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. In addition, residents within the High Desert Corridor project area consist of between 61 and 77% in minority populations, with the highest percentage of minority populations in the City of Palmdale. Many of the minority populations include people with limited English proficiency (LEP).

The proposed 54-mile HDC Rail Project corridor is in rural undeveloped areas of Los Angeles County with very limited impact to the displacement of residential housing and businesses. The HDC Rail Project has the potential to uplift low-income communities in the rural areas of Los Angeles County with a high-quality rail service with improved access to jobs and opportunities. It has the potential to attract more businesses and residential development. The travel time between Los Angeles and Las Vegas will be dramatically reduced, diverting millions of automobiles from freeways and highways in Southern California. The infrastructure investments are expected to stimulate private investments that will further stimulate the local economy.

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## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The 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 to contribute to the HDC JPA for NEPA environmental work and HDC JPA restructuring efforts. This is not recommended as significant progress has been made by the HDC JPA to complete the NEPA environmental process with the FRA and receive the ROD from the FRA which will allow the project to be eligible for future Federal grants.

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 it would not be consistent with prior Board actions, and the region would lose an opportunity to advance important connectivity to the regional rail network with Los Angeles Union Station as the destination. Additionally, this study allows for the HDC Rail project to be more competitive for future State and Federal grants.

## **NEXT STEPS**

Following Board approval of the staff recommendations,

- 1) Staff will work with the HDC JPA to negotiate and execute a funding agreement for \$1.2365 million by June 2022
- 2) HDC JPA will develop a new JPA agreement for Board consideration by summer of 2022 and will work with stakeholders and potential funding partners to advance the project forward.
- 3) Staff will complete the High Desert Intercity Rail SDP by summer of 2022

## **ATTACHMENTS**

Attachment A - High Desert Corridor Joint Powers Authority Budget Request

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## ATTACHMENT A: High Desert Corridor Joint Powers Authority Budget Request

			Cash Flow by Quarter			
Category	Description	Total FY 23	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4
1	Complete NEPA Re-evaluation/RE-validation and Record of Decision (ROD)	\$ 625,000	\$ 375,000	\$ 250,000		
2	Conclude Surface Transportation Board	\$ 20,000	\$ 15,000	\$ 5,000		
3	Grant Funding Application Assistance/CEQA Concurrence	\$ 55,000	\$ 40,000	\$ 15,000		
4	Coordination Meetings for NEPA Environmental Review and Service Development Plan	\$ 45,000	\$ 35,000	\$ 10,000		
5	HDC JPA Management: Executive Management, Equity Focused Planning and Engagement, and JPA Restructuring and Outreach					
5.1	Executive Management, Equity Focused Planning and Administration	\$ 275,000	\$ 68,750	\$ 68,750	\$ 68,750	\$ 68,750
5.2	Equity Focus Stakeholder Engagement	\$ 125,000	\$ 25,000	\$ 25,000	\$ 12,500	\$ 12,500
5.3	Planning & Administration Staff Support	\$ 91,500	\$ 25,000	\$ 25,000	\$ 28,250	\$ 28,250
	<b>Total Budget Request</b>	<b>\$ 1,236,500</b>	<b>\$ 601,250</b>	<b>\$ 416,250</b>	<b>\$ 109,500</b>	<b>\$ 109,500</b>