

# High Desert Corridor Joint Powers Authority

September 28, 2016

## Meeting Materials

### Item 4

**Recommend action to advance the High Desert Corridor as a Public-Private Partnership (P3):**

- a. Authorize receipt of \$835,000 from Los Angeles County in accordance with the FY 2016-17 Budget for programming/ expenditure of the funds;
- b. Amend the Transportation Solutions (TS) Professional Services Agreement to:
  - i. Rename the TS Agreement: Public-Private Advancement for Rail Connector Implementation, Highway, Bikeway, Green Corridor and Land Use;
  - ii. Extend the term of the agreement to December 31, 2018;
  - iii. Increase the TS contract amount by \$745,000 and amend the TS Scope of Work, as attached;
  - iv. Authorize the Chief Administrative Officer of the JPA, with concurrence of HDCJPA Counsel, to authorize subcontracts by TS not to exceed \$320,000, in addition to the compensation of TS, for collateral publications, media placement or special services, including Advocacy, Financial, Engineering and Legal services to be supervised by Transportation Solutions in collaboration with HDCJPA staff as needed to implement the TS Scope of Work.



# High Desert Corridor Joint Powers Authority



## E-220 HIGH DESERT CORRIDOR

### HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY

#### AMENDMENT NO. 3 TO

#### PROFESSIONAL SERVICES AGREEMENT FOR

### Public-Private Partnership (P3) Advancement

- **Rail Connector Implementation**
- **Highway**
- **Green Corridor**
- **Land Use**
- **Bikeway**

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This Amendment No. 3 ("Amendment") to the Professional Services Agreement for Rail Connector Implementation Study and Public Private Partnership Advancement, dated as of \_\_\_\_\_ is made and entered into by and between the High Desert Corridor Joint Powers Authority ("JPA") and Transportation Solutions ("Consultant").

## **I. Background**

On June 2, 2015, the JPA entered into a Professional Services Agreement for Rail Connector Implementation Study with Consultant for the purpose of obtaining the services of Consultant to lay out a path forward to expedite the Rail Connector which would address specific institutional, procurement, scheduling, scope, funding and risk issues identified in the Scope of Work described in the Agreement. The Parties now wish to expand the scope to include Professional Services related to Public Private Partnership Advancement.

## **II. Previous Term of Agreement**

Section III of Amendment No. 2 to the Agreement provided that the Term of the Agreement period was to commence upon issuance of a written Notice to Proceed issued by the JPA, and was to continue in full force and effect through September 30, 2016, unless extended by the Parties by written amendment.

## **III. Extension of Term of Agreement**

As a result of completion of the previous Scope of Work and the draft Rail Ridership and Revenue Study, the finalization by the JPA of a contract with Steer, Davies Gleave to perform a ridership and revenue study, the Metro Tolling Study, and the need to prepare information needed for the implementation of a P3 (Private-Public Partnership) in the right-of-way cleared by the HDC EIS/R, the Parties have agreed to extend the Term of the Agreement to December 31, 2018, or upon completion of the final Transportation Solutions interim report, whichever is sooner.

## **IV. Scope of Work**

Paragraph V. of the original Agreement contained a Scope of Work set forth in Exhibit A. Paragraph V. of the original Agreement is hereby amended to expand the Scope of Work as set forth in Exhibit B, in accordance with the schedule set forth therein.

## **V. COMPENSATION AND INVOICING**

Paragraph VI. Of the original Agreement set forth the compensation and invoicing for the original Scope of Work. Paragraph VI. is hereby amended to add the following:

The method of payment for the expanded Scope of Work set forth in this Amendment will be based on a total sum. The total not to exceed price paid to Consultant will be \$455,000, which shall include all Work and deliverables of Consultant's work. In addition, Consultant will also be authorized to subcontract for Financial, Legal, Engineering, Media Relations and Advocacy Consultants up to a not to exceed amount of \$320,000, upon approval of the JPA Chief Administrative Officer. Progress payments may be made monthly in arrears based on the percentage of Work completed by Consultant or subcontractors. Consultant shall submit progress reports with its invoices.

Payments to Consultant shall be made within thirty (30) calendar days after receipt and approval by the JPA.

**VI. Other Terms of the Agreement**

All other terms of the Agreement remain in full force and effect.

**IN WITNESS WHEREOF**, the High Desert Corridor Joint Powers Authority (“JPA”) and Transportation Solutions (“Consultant”) have each caused this Amendment to be subscribed by its respective duly authorized officers, on its behalf.

**HIGH DESERT CORRIDOR  
JOINT POWERS AUTHORITY**

**TRANSPORTATION SOLUTIONS**

\_\_\_\_\_  
Robert A. Lovingood, Chairman

\_\_\_\_\_  
Neil C. Peterson

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

## Tasks and Deliverables

Set forth below are tasks, schedule and deliverables for Scope of Work authorized under this Agreement, as amended effective September 28, 2016.

### Task 1 Ridership and Revenue Study and Request for Expressions of Interest

- 1.1 Continue interfacing with the SDG firm on behalf of the HDC JPA, as required to finalize the investment grade Ridership and Revenue Study (Study) and accept the product of the study, including coordinating receipt of comments from stakeholders and responses by SDG.
- 1.2 Continue meeting with Metrolink, transit agencies and local governments to develop the interim connections (rail, bus and secure Park & Ride) to the Palmdale station prior to the CHSRA high speed rail service.
- 1.3 Following the issuance in October/November of the final Study, participate in presentation of Study results to meeting of HDC JPA.
- 1.4 Assist the HDCJPA in the issuance of a Request for Expressions of Interest (RFEI) to potential developer and financing entities, including:
  - drafting the RFEI, including information regarding the Project, development plans of California High Speed Rail Authority (CHSRA) and XpressWest (XpW), the Final Environmental Impact Study and the Ridership and Revenue Study;
  - outlining questions and collateral issues to be explored in confidential meetings with respondents;
  - developing protocol for confidential meetings with the stakeholders to answer questions, discuss the implications of the Study projections, and identify further issues to be examined;
  - assisting in arranging for and conducting meetings with respondents;
  - preparing summaries of information received in the confidential meetings.
- 1.5 Communicate project progress with trade journals and other media, subject to approval by the offices of the Supervisors of District 5 and District 1.

Schedule: Weeks 1-16

Deliverable: Draft Request for Expressions of Interest

PowerPoint Presentation of Results of confidential meetings with Respondents

<u>Budget:</u> TS	\$ 110,000
Media Advisor	\$ 20,000
Financial Advisor	\$ 10,000
Legal Advisor	\$ 10,000
Engineering	\$ 10,000

## Task 2 Phasing and Financing

- 2.1 Based on outcomes of RFEI, meet with representatives of CHSRA, SANBAG, Metro, XpW and State Transportation Agency (STA) to discuss potential options and timing for development and financing of the project.
- 2.2 If it is necessary to postpone final development activities, determine what interim steps need to be taken to preserve the future viability of the project, including ROW acquisition, permitting and financing.
- 2.3 Given that early ROW Acquisition has been identified by both the highway and rail components of the HDC project as a valuable initial step, identify alternative approaches (including purchasing the Rail ROW prior to the Highway ROW) and the scope, timing and cost implications.
  - Continue working for inclusion/eligibility of funds for the HDC project in the proposed LA County Measure.
  - Explore additional funding opportunities with CalSTA, Metro, SANBAG and other stakeholders.
  - Meet with representatives, including legal counsel, for CHSRA, HDC, XpW, Metro, SANBAG and Caltrans regarding authorities to acquire ROW for the project by condemnation or negotiation, including consideration of CHSRA funding limitations.
  - Review of status of ROW design, and available estimates of ROW acquisition costs.
- 2.4 Given the release of the HDC project's final environmental document, determine what further work is needed, and if so, its scope, timing and cost.
  - Assist in development of financial plan to support (FRA and FHWA) ROD.
  - Continue to review CHSRA Burbank to Palmdale (and Bakersfield to Palmdale) environmental process and its potential implications for the HDC project.
- 2.5 Assist the HDC JPA and other stakeholders in the identification and application for potential local, state and federal funding opportunities, including value capture with EIFD's, Cap and Trade, Goods Movement, Department of Energy, TIFIA and RRIF.
- 2.6 Identify key preconditions to project development and financing, including equity, debt, RRIF loans and other potential local, state and federal funding.
- 2.7 Meet with USDOT to discuss potential grant and loan funding, including:
  - obtaining a commitment for future RRIF financing under the new Master Credit Agreement facility authorized by the FAST Act, and
  - grant funding by FTA under New Starts for commuter uses of the project, and USDOT under the FASTLANES program for projects that enhance good movement.

Schedule: Weeks 9-36

Deliverable: PowerPoint outline of each task and an in person or "GoToMeeting" presentation to HDC Staff Coordinator.

<u>Budget:</u> TS	\$ 140,000
Financial Advisors	\$ 40,000
Legal Advisors	\$ 30,000
Engineering	\$ 5,000

### **Task 3 Procurement Strategy**

- 3.1 Continue meetings with representatives, including legal counsel, for CHSRA, HDC, XpW, Metro, SANBAG and Caltrans regarding procurement of final design, construction and operation of the project, including authorities to grant “concession rights” and required processes for soliciting proposals.
- 3.2 Review of abilities and interest of both public and private parties to serve as “lead developer” of the project either as project sponsor under existing authorities and/or under a concession arrangement from a governmental authority.
- 3.3 Based on outcomes of Task 2 and Tasks 3.1 and 3.2, develop strategy and timeline for issuance of RFP for development of the high speed rail line from Victorville to Palmdale.

Schedule: Weeks 9-36

Deliverable: PowerPoint outline of each task and an in person or “GoToMeeting” presentation to HDC Staff Coordinator.

<u>Budget:</u> TS	\$ 90,000
Financial Advisors	\$ 35,000
Legal Advisors	\$ 30,000
Engineer Advisors	\$ 10,000

### **Task 4 Advocacy/Outreach**

- 4.1 Implement the relevant tasks identified in the HDC Advocacy/Outreach Plan, including:
  - arrange and participate in meetings with various project participants, stakeholders, governmental officials and potential funding and financing agencies.
- 4.2 Revise the HDC Advocacy/Outreach Plan as needed.

Schedule: Weeks 1-36

<u>Budget:</u> TS	\$ 40,000
Advocacy Consultant	\$ 90,000
Financial Advisor	\$ 5,000
Legal Advisors	\$ 5,000

## Task 5 Green Energy Development

5.1 Identify the best case and most likely case for renewable energy corridor:

- Coordinate with private sector stakeholders regarding energy development opportunities.
- Identify State and Federal grant opportunities, and estimate revenues anticipated from Green Energy development.
- Meet with local utilities regarding transmission line accessibility and grid impacts.
- Identify development opportunities for fueling (hydrogen or electric) stations on freeway off ramps.
- Coordinate with local air quality management district and identify funding opportunities, including grant opportunities.

Schedule: Weeks 1-44

Deliverable: Update green energy revenue study to identify most likely and best case revenue for the development of a green energy corridor.

<u>Budget:</u> TS	\$ 40,000
Legal Advisor	\$ 5,000
Engineering Advisor	\$ 5,000

## Task 6 Land Use Strategy

6.1 Identify and propose land use opportunities for private sector investment within HDC.

- Determine land use zoning impact on land price (for tax increment financing) and EIFEs.

Schedule: Weeks 36-44

Deliverable: Deliver report on potential land use investment opportunities.

<u>Budget:</u> TS	\$ 20,000
Legal	\$ 5,000
Engineering	\$ 5,000

## Task 7 Goods Movement Strategy

7.1 Coordinate with FHWA, Metro, SANBAG, Port Hueneme and freight rail companies to identify goods movement impacts and improvements from the development of HDC.

- Identify strategy to leverage portion of USDOT \$800 million annual budget for goods movement.

7.2 Insert HDC into State, Federal and local goods movement plans.



