

High Desert Corridor
Joint Powers Authority

May 3, 2017

Meeting Materials

Item 10.b.i

Increase Transportation Solutions (TS)
Contract and Subcontract amount by
\$360,000 and amend TS Scope of Work

Tasks and Deliverables

Tasks and Deliverables October 1, 2017- September 30, 2018

Set forth below are tasks, schedule and deliverables for Scope of Work authorized under this Agreement, as amended effective October 1, 2017.

Built into this detailed schedule of work are regular reports to the **HDCJPA Board**. The Chair and Vice Chair will be able to monitor and consider the research and information provided, and call the Board together for decisions, to give direction on next steps and project continuation.

Task 1: Preserve Future Project Viability

Determine what interim steps need to be taken to preserve the future viability of the project, including right of way (ROW) acquisition, additional environmental clearances, permitting, and financing.

1.1 ROW Acquisition

- Identify alternative approaches to protecting the ROW for the project, especially for the rail and green energy components of the project.
- Explore additional funding opportunities with SBCTA, Metro, CalSTA and other stakeholders.
- As necessary, develop and refine ROW design and engineering.
- Develop strategy for acquiring and estimates of ROW acquisition costs.
- Develop, inform and recommend to the **HDCJPA Board** what steps would need to be taken to protect the ROW for use by the Project.

1.2 Environmental Clearances and Permits

- When directed by the **HDCJPA Board**, initiate action to receive a US Department of Transportation, Federal Rail Administration (FRA) Record of Decision (ROD).
- Continue to review CHSRA Burbank to Palmdale (and Bakersfield to Palmdale) environmental process and its potential implications to the HDC project.
- Determine what, if any, further environmental work is needed, and if so, its scope, timing and cost and recommend to the **HDCJPA Board** steps to be taken.

Schedule: October- September 12 months

Deliverable: PowerPoint outline of each task and an in person or “GoToMeeting” presentation to HDC Staff Coordinator. Regularly report on ROW and Environmental options to **HDCJPA Board** at their meetings.

Budget: \$140,000

Task 2: Identify and secure key preconditions to achieving financial viability for the project including identification of potential revenues and phasing of the highway, rail and other components

2.1 Meet with interested private sector parties to:

- discuss implications of the Ridership and Revenue Study results.
- identify potential capital and operating costs.
- impacts of other project issues.

- 2.2 As a result of the nature of P3 project, identify the following:
 - Role of public sector for the project development and project management.
 - Assess potential risk sharing between public and private entities in the case of a P3.
- 2.3 Depending upon the extent of public funding and financing required, meet with USDOT to discuss potential federal grant and loan funding, including:
 - Railroad Rehabilitation and Improvement Financing (RRIF) or Transportation Infrastructure Finance and Innovation Act (TIFIA) financing from USDOT.
 - Grant funding by Federal Transit Administration (FTA) under New Starts for commuter uses of the project, USDOT under the FASTLANES program for projects that enhance goods movement, and passenger rail funding under FRA programs if appropriated by Congress.
- 2.4 Explore funding opportunities with state, regional, county and local officials and staff.
- 2.5 Continue to explore the funding opportunities from value capture and EIFD's.

Schedule: October - September 12 months

Deliverable: PowerPoint outline of each task and an in person or “GoToMeeting” presentation to HDC Staff Coordinator. Regularly report on potential funding and financing opportunities to **HDCJPA Board** at their meetings.

Budget: \$75,000

Task 3: Ensure Project Information is available to public and private stakeholders through Advocacy and Outreach

- 3.1 Implement relevant tasks identified in the HDC Advocacy/Outreach Plan, including arranging and participating in meetings with various project participants, stakeholders, government officials and potential funding and financing agencies.
- 3.2 Involve individual **HDCJPA Board** members in outreach as appropriate.
- 3.3 Monitor legislative and executive actions in Sacramento, Washington DC, and regionally to ensure that the HDCJPA and the project have the tools and funding needed to have a successful project.
- 3.4 Communicate project progress with trade journals and other media, subject to approval by the offices of the Supervisors of District 5 and District 1 of the **HDCJPA Board**.

Schedule: October - September 12 months

Deliverable: PowerPoint outline of each task and an in person or “GoToMeeting” presentation to HDC Staff Coordinator. Regularly report on outreach activities to **HDCJPA Board** at their meetings.

Budget: \$50,000

Task 4: Prepare Development Options

- 4.1 Explore alternative development approaches, for interconnectivity and interoperability with CHSRA, Metrolink and XpressWest, for consideration by the **HDCJPA Board**, including:
 - a) Contract for development of infrastructure by HDCJPA and lease/sale of access rights to third-party operator providing service to Las Vegas and/or Burbank/Los Angeles/Anaheim.
 - b) Contract with single developer for construction and operation, jointly with XpressWest.
 - c) Grant concession to XpressWest to build and operate over ROW.
 - d) Develop entire Los Angeles to Las Vegas corridor through use of a bi-state authority or other single-purpose governmental or non-profit entity.
 - e) Other options.

For each option, delineate advantages and disadvantages, including legal, financial, and institutional.

Schedule: October - September 12 months

Deliverable: PowerPoint outline of each task and an in person or “GoToMeeting” presentation to HDC Staff Coordinator. Regularly report on procurement options to **HDCJPA Board** at their meetings.

Budget: \$50,000

Task 5: Green Energy

- 5.0 Implement recommendation from Green Energy Report.
- 5.1 Develop and execute agreements with Southern California Edison for the creation of the Green Energy Corridor.
- 5.2 Execute permitting process for green energy development.
- 5.3 Develop and release RFI for a green energy developer to build out the scope of the green energy corridor.
- 5.4 Pursue State and Federal grants for the purposes of funding the green energy corridor.
- 5.5 Coordinate with State and Federal agencies for the development of the corridor.

Schedule: October - July 10 months

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

Budget: \$20,000

Task 6: Goods Movement

- 6.1 Take action on Goods Movement Report.
- 6.2 Pursue State and Federal grants for the purposes of funding the freight corridor.

6.3 Solicit investment from private sector into freight test facility.

Schedule: October - September 12 months

Deliverable: Implementation plan for commercial freight facility.

Budget: \$25,000

Task 7: Land Use

7.1 Coordinate with counties of Los Angeles and San Bernardino on land use development to promote recommendations identified in the Land Use Report.

Schedule: 12 months

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

Budget: TBD

Task 8: Further Tasks, as directed

8.1 Provide further assistance to HDCJPA as directed by Staff.

Schedule: October - September 12 months

Budget: TBD

Appendix 1

Tasks and Deliverables 2016-2017

Set forth below are tasks, schedule and deliverables for Scope of Work authorized under this Agreement, as amended effective October 1, 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 HDCJPA, 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 September of the final Study, participate in presentation of Study results to **meeting of HDCJPA**.
- 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 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: May 2017

Deliverable: Draft Request for Expressions of Interest
PowerPoint Presentation of Results of confidential meetings with Respondents

Update: As of April of 2017, TS has managed the release of the ridership and revenue study and is currently meeting with respondents. It expects to provide an update at the next JPA meeting which is scheduled for early May.

Task 2: Phasing and Financing

- 2.1 Based on outcomes of RFEI, meet with representatives of CHSRA, SBCTA, Metro, XpWest 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 of additional funds for the HDC project in the proposed LA County Measure.
 - Explore additional funding opportunities with CalSTA, Metro, SBCTA and other stakeholders.
 - Meet with representatives, including legal counsel, for CHSRA, HDC, XpW, Metro, SBCTA 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 (non-FRA) 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 of and application for **potential local, state and federal funding opportunities**, including value capture with EIFD's.
- 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 goods movement.

Schedule: November 2016 - April 2017

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

Update: As of April 2017, TS expects to provide a PowerPoint outline of each task and an in person or "GoToMeeting" within the existing schedule.

Task 3: Procurement Strategy

- 3.1 Continue meetings with representatives, including legal counsel, for CHSRA, HDC, XpW, Metro, SBCTA 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.

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

Schedule: November 2016 – June 2017

Update: As of April 2017, TS expects to provide a PowerPoint outline of each task and an in person or “GoToMeeting” within the existing schedule.

GO/NO GO Decision

3.3.1 Based on the foregoing, assist the HDCJPA in determining whether to proceed immediately to a project procurement (see **Task 3B**) or postpone final development until certain additional pre-conditions have been satisfied relating to development of the other segments of the Las Vegas to LA/Anaheim corridor.

Task 3B: Final Procurement Activities (if the HDCJPA elects to lead the procurement of the project)

- 3.4 If HDCJPA elects to lead procurement of the project, initiate final development activities, assist in procurement of legal counsel, financial advisors and engineering consultants to assist in development of procurement documents.
- 3.5 Working with HDCJPA procurement team, assist in pre-RFP activities including one-on-one meetings with potential proposers.
- 3.6 Assist in review of proposals.
- 3.7 Assist in development of BAFO, if any.
- 3.8 Assist in final negotiations.

Deliverable: TBD

Schedule: TBD

Budget: TBD

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 October 2016 – July 2017

Update: As of April 2017, advocacy and outreach continues. TS has contracted a state lobbyist to assist in this process. TS expects this work to continue until the termination of the contract.

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 October 2016 – August 2017

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

Update: As of April 2016, a draft report has been submitted to the JPA staff person with a final deliverable expected to be provided by week August 2017.

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 June 2017 – August 2017

Deliverable: Deliver report on potential land use investment opportunities.

Update: As of April 2017, a draft report has been submitted to the JPA staff person with a final deliverable expected to be provided by August 2016.

Task 7: Goods Movement Strategy

7.1 Coordinate with FHWA, Metro, SBCTA, 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.

Schedule: Weeks December 2016- May 2017

Deliverable: Report on funding opportunities through goods movement and the inclusion of HDC in State, Federal, and local goods movement plans.

Update: As of April 2017, a draft report has been submitted to the JPA staff person with a final deliverable expected to be provided September 2017.

Interim Reporting

In addition to presentation of the Deliverables described above, Consultant will provide written update HDC Staff Coordinator on a weekly basis identifying meetings held the previous week, and meetings scheduled in the following and succeeding weeks, to be followed by conference call with HDC Staff Coordinator to discuss outcomes of the prior week's meetings.

Progress Payments

Payments under this Agreement are authorized (a) monthly, upon submission of Deliverables during such month, (b) upon submission of Final Report, and (c) following final termination of the Agreement.