



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4b

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: June 6, 2008

FR: Deputy Executive Director, Operations

RE: AB 3034 (Galgiani) — California High-Speed Train Bond Act

Description

AB 3034 (Galgiani) is urgency legislation to update and expand upon provisions of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, the \$9.95-billion general obligation bond measure slated to appear on the November 2008 ballot. (See Attachment 1 for a summary of key provisions.)

Discussion

Last month the Commission voted to take a "seek amendments" position on this bill, directing staff to seek an amendment to direct \$2 billion of the existing bond revenues to projects that would provide intercity rail connections to the proposed high-speed network. In discussions with the bill's author and sponsor — the California High Speed Rail Authority (CHSRA) — and other key legislative contacts, it is clear that there is no support for either redirecting a portion of existing funding expressly for Altamont Corridor investment, or increasing funding for this bond package for that purpose. Given that the proposed high-speed rail corridor will likely need billions of dollars more to complete, diverting billions of dollars is problematic.

CHSRA Chair Quentin Kopp recently sent the attached letter (Attachment 2) to Commissioner Haggerty, outlining the reasons why his organization would oppose adding new funding to the bond measure. However, Judge Kopp did pledge CHSRA's commitment to work in partnership with Tri-valley and Bay Area partners to secure needed additional funding to improve rail service through the Altamont Corridor.

AB 3034 cleared the Assembly on May 29 by a vote of 60-3. We expect the bill to be heard shortly in the Senate Transportation Committee. The bill must be enacted by June 26 in order to impact the wording of the bond measure to appear on the November ballot.

Recommendation: Support

Given this, staff is bringing this bill back to the Legislation Committee for further deliberation, and with a recommendation of a "support" position. We offer this recommendation for the following reasons:

- AB 3034 does make the Altamont Corridor eligible for bond revenues. Without passage of this legislation, the current bond language precludes spending any of the bond proceeds in this key rail corridor.
- Adding the Altamont rail corridor to the list of high-speed train system corridors eligible for bond revenues is consistent with MTC's Resolution 3829, adopted by the Commission last October. This action reaffirmed Commission support for the Pacheco Pass alignment as the main route between Northern and Southern California, since it would serve more statewide trips. At the same time, MTC also recommended improvements in the Altamont Corridor to serve interregional and local travel between the Bay Area and the northern San Joaquin Valley.
- By including provisions capping funding for studies and preliminary engineering work, this legislation is intended to broaden support for the question of a high-speed rail network in California. AB 3034's passage would likely bring in support from the governor and others.

Because the proposed changes in AB 3034, on balance, yield improvements for the Bay Area to the bond measure that appears destined for the November ballot, staff recommends a "support" position.

Known Positions

Support

Association for California High Speed Trains
California High Speed Rail Authority (Sponsor)
California State Association of Counties

Oppose

Alameda County Congestion Management Agency (oppose unless amended)
Sierra Club California
Transportation Solutions Defense and Education Fund (oppose unless amended)
Tri-Valley Regional Rail Policy Advisory Committee (oppose unless amended)

Ann Flemer

Attachment 1

Key Provisions of AB 3034 (Galgiani) (As amended 4/21/08)

- Ensures that the \$9 billion in bond proceeds are available for expenditure on planning and eligible capital costs on the system's entire 800-mile route. Also extends system-wide availability to federal and other revenues, consistent with federal and other fund source conditions.
- Makes the Altamont rail corridor connecting the Central Valley to the East Bay eligible for the state high-speed train bond money as well as federal and other revenue made available to the authority.
- Establishes that provisions in the bill would not prejudice the Authority's selection of the alignment from the Central Valley to the Bay Area.
- Provides that in selecting each segment for construction, the authority must: prioritize segments requiring the smallest amount of bond funds as a percentage of the total construction cost; consider the utility of that segment for other passenger rail services; and ensure that any other passenger services provided on that segments will not result in operating or maintenance costs to the authority.
- Prohibits a high-speed train station between Gilroy and Merced.
- Limits to 10 percent or less the amount that can be used for environmental studies, planning and preliminary engineering activities.
- Requires that in selecting each specific segment for construction and prior to awarding a construction contract, the authority must have a detailed funding plan identifying the full cost of constructing the segment and the source of all revenues needed to complete the segment's construction.
- Ensures that complementary rail capital improvements funded from the \$950 million in bond funds for intercity, commuter and urban rail systems shall provide direct connectivity and benefits to the high-speed train system and its facilities or be part of the construction of the system. The formula would provide for nearly \$300 million for BART core system upgrades.
- Requires that net operating revenues above and beyond operating, maintenance and financing obligations and construction completion costs, must be deposited in the state's General Fund.