



**Resolution #HSRA 16-29**

**Designation of the San Francisco to San Jose Peninsula Corridor  
Segment as a Usable Segment**

**Approval of the Peninsula Corridor Funding Plan and Associated Independent Consultant  
Report**

**Authorization to Finalize and Submit the Funding Plan and the Independent Consultant  
Report to the Director of Finance and the Chairperson of the Joint Legislative Budget  
Committee as Required by Streets & Highways Code section 2704.08(d)**

**Whereas**, the California High-Speed Rail Authority (Authority) is responsible for the development and implementation of intercity high-speed rail service pursuant to California Public Utilities Code sections 185030 *et seq.*;

**Whereas**, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, chapter 20 (commencing with section 2704) of Division 3 of the S&H Code (the "Bond Act") was approved by the voters of the State in November 2008;

**Whereas**, the Bond Act authorized bonds for purposes of developing a high-speed train system (as defined in the Bond Act);

**Whereas**, the Bond Act added section 2704.08, subdivision (f), to the Streets and Highways Code, which requires the Authority consider certain criteria in designating for construction corridors or usable segments (each as defined in the Bond Act) of the high-speed train system;

**Whereas**, the Authority was presented with information and reports bearing on each required criterion and such other criteria, if any, the Authority has deemed appropriate to consider;

**Whereas**, the Authority has considered such information and reports and evaluated such criteria in accordance with Streets and Highways Code section 2704.08, subdivision (f);

**Whereas**, in 2012, the Authority adopted the Blended system approach in the Peninsula Corridor from San Francisco to San Jose (Corridor) that would have high-speed rail service share the tracks with an electrified Caltrain system;

**Whereas**, in 2012 the Authority entered into a Memorandum of Understanding with eight other agencies in the Bay Area (MOU) to implement early investments in the Blended System along the Corridor;

**Whereas**, in the Budget Act of 2012, based on that MOU, the Legislature appropriated \$600 million in Prop 1A bond proceeds to the Peninsula Corridor Electrification Project and directed the Authority to implement the Blended system in the Corridor;

**Whereas**, in 2013 the High-Speed Passenger Train Finance Committee (Committee) authorized the issuance of Prop 1A bond funds in the amount of \$8.6 billion and, in 2015, the Sacramento Superior Court entered judgment validating that authorization;

**Whereas**, in April 2016 the Authority adopted the 2016 Business Plan which included findings that the operation of high-speed rail trains by the Authority, or pursuant to its authority, from Silicon Valley to Central Valley section will not require an operating subsidy based upon modeling of projected ridership revenues and operation and maintenance cost estimates;

**Whereas**, California Streets & Highways (S&H) Code section 2704.08(d) requires a detailed funding plan (Funding Plan) and preparation of a corresponding independent consultant report for a corridor or usable segment thereof prior to expenditure of the \$600 million in Prop 1A bond proceeds;

**Whereas**, the Corridor qualifies as a usable segment as defined by S&H Code section 2704.01(g);

**Whereas**, the Corridor satisfies the criteria required for designating corridors or usable segments for construction as specified in S&H Code section 2704.08(f);

**Whereas**, the Authority prepared a Funding Plan for the Corridor pursuant to S&H Code section 2704.08(d) and engaged an independent consultant that prepared a report to the Authority Board pursuant to S&H Code section 2704.08(d) (2); and,

**Whereas**, S&H Code section 2704.08 (d) requires the Authority to approve the Funding Plan and corresponding independent consultant report and then to submit the approved Funding Plan and its corresponding independent consultant report to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee.

**Therefore, it is resolved:**

Effective January 1, 2017:

- The Authority designates the San Francisco to San Jose Peninsula Corridor Segment as a Usable Segment as defined in S&H Code section 2704.01(g);
- The Authority approves the Peninsula Corridor Funding Plan (and the associated independent consultant report that evaluated that Plan) pursuant to S&H Code section 2704.08(d).
- The Authority authorizes the CEO to finalize the Funding Plan and submit it and the independent consultant report to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee.

Vote: 7 – 0

Yes: Curtin; Lowenthal; Paskett; Richard; Richards; Rossi; Schenk

No: N/A

Absent: Correa

Date: 12/13/2016

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