



PUBLIC WORKS DEPARTMENT

Council Meeting Date: May 10, 2011
Staff Report # 11-073

Agenda Item: # E1

STUDY SESSION: Consideration of High Speed Rail Positions and Issues

RECOMMENDATION

Staff recommends that the City Council provide guidance regarding the City's opinions on current issues of High Speed Rail.

BACKGROUND

Established in 1996, the California High Speed Rail Authority is charged with planning, designing, constructing, and operating a state-of-the-art high speed train system. The Authority is governed by a nine-member Board; five members are appointed by the Governor, two by the Senate Rules Committee, and two by the Speaker of the assembly.

The High Speed Rail system as a whole would serve San Diego to Sacramento, including other major cities in-between. A branch of the system would separate and run from the Central Valley to the San Francisco Bay Area. The High Speed Rail system is planned to access San Jose as well as San Francisco, with other local stops.

According to the California High Speed Rail Authority ("Authority"), by 2035 an estimated 117 million passengers would be served annually on the system. The projected travel time by HST between San Francisco and Los Angeles would be just under 2 hours and 30 minutes.

The purpose of the Council study session is to inform the Council of the City's efforts to date regarding High Speed Rail. Also, the information from the session will assist each member with background regarding different issues relating to the High Speed Rail system crossing through the City of Menlo Park to better inform Council's collective policy decisions.

Staff Report Format

The format of this staff report depicts a series of background topics and current issues to educate the Council for discussion of each topic so that opinions or policies can be discussed relating to High Speed Rail.

History

Since 2004, the City has been active in voicing the City's concerns to all levels of legislators and the High Speed Rail Authority about the High Speed Rail system through

the Peninsula. The following is a chronology of the City's efforts and High Speed Rail Authority's efforts chronology to date:

City

Date	Description of Event
August 26, 2004	The City sends a comment letter to the HSR Authority relating to the Statewide Draft Program EIR/EIS
February 25, 2007	City sends a comment letter to the HSR Authority for the Draft Bay Area to Central Valley High Speed Train Program EIR/EIS
March 26, 2009	The City Council considered a final letter commenting on the scope of the Project Level Environmental Documents for the project.
March 26, 2009	Council considered the Final Mission Statement for the High Speed Rail Subcommittee created by Council.
April 21, 2009	The City Council considered a Memorandum of Understanding (MOU) to form the Peninsula Cities Consortium with other Cities along the Peninsula to interact with High Speed Rail. The Council approved the MOU at the April 21, 2009 Council meeting.
August 26, 2009	Congresswoman Anna Eschoe holds a town hall meeting on high speed rail issues in Menlo Park.
October 3-4, 2009	HSR Community Workshop/design charrette at Palo Alto Sheraton. Menlo Park co-sponsored with the City of Palo Alto. Participants all develop designs for below grade systems as a preferred alternative.
January 21, 2010	State Senator Simitian holds Budget Subcommittee hearing in Palo Alto. Mayor Cline presents a list of specific actions needed on the HSR project.
February 16, 2010	Community input sought on High Speed Rail Alternatives Analysis. The meeting was held Friday, February 19, 2:30 pm in the Menlo Park Council Chambers, held by HSR Authority.
June 1, 2010	A Community Workshop on High Speed Rail was held by the City of Menlo Park. The purpose of the workshop was to help inform the Menlo Park City Council on the community's preference for alignment alternatives (alternatives to be considered include: trench, tunnel, elevated or at-grade). Council considered this community input as part of their communication to High Speed Rail about which alternatives to include when HSR prepared the draft Environmental Impact Report.

June 22, 2010	The City Council approved a comment letter on the High Speed Rail Alternatives Analysis report at the June 22, 2010 Council meeting.
August 30, 2010	The City Council High Speed Rail Subcommittee started having open public meetings every four weeks starting Monday, August 30th. The meetings are held in the City Council Conference Room in the Main Administration Building from 5:30 PM to 6:30 PM.
October 5, 2010	The City of Menlo Park sends a letter to Senator Simitian regarding a no confidence resolution of the Board of the High Speed Rail Authority.
January 25, 2011	The City of Menlo Park City Council approved a letter regarding the California High Speed Rail Project to Governor Brown urging the State to complete an independent ridership study and to require an updated business plan.

High Speed Rail Authority

Date	Description of Event
November 4, 2008	Proposition 1A was approved by the voters of California, which provides bond financing in the amount of \$9.95 Billion for the project.
January 26, 2009	The High Speed Rail Authority started the process of preparing the required environmental documents and analyses for the project. The first step was to determine the scope of review and items to include in the environmental documents and studies. The High Speed Rail Authority requested input on the scope of the environmental review and comments by March 6, 2009.
February 19, 2009	The High Speed Rail Authority responds to the City's comment letter dated September 25, 2007.
March 5, 2009	The High Speed Rail Authority provided a response to the City's comments on the Program Level (overview) Environmental Documents.
June 29, 2009	The High Speed Rail Authority released the Draft Scoping Report for the Project-Level EIR for the San Jose to San Francisco segment of the train.
April 8, 2010	The High Speed Rail Authority released a Preliminary Alternatives Analysis Report discussing pros and cons of route options.
November 1, 2010	The state of California received \$901.6 million in high-speed intercity passenger-rail funds through the FY2010 transportation appropriations bill. The state will receive \$715 million to construct

	high-speed rail lines and stations, and implement positive train control (PTC) in the Central Valley, either between Merced and Fresno, or Fresno and Bakersfield. The California Department of Transportation will work with the state to determine which Central Valley project will be funded.
December 2, 2010	The California High-Speed Rail Authority Board voted to begin construction of the system connecting Los Angeles to the Bay Area in the heart of the state's Central Valley, choosing an option that makes the best use of available funding and lays the foundation for expanding the track both north and south according to the Authority.
February 7, 2011	The California High Speed Rail Authority approved launching initial construction on the state's high-speed rail line on a Central Valley segment between Madera, Corcoran and Bakersfield. The Authority initially approved construction on the 65-mile Madera-to-Corcoran, but chose to extend construction south to Bakersfield after the U.S. Department of Transportation announced it would award an additional \$616 million to CHSRA from high-speed funds originally intended for Wisconsin and Ohio. The additional funds will enable engineers to build as many as 120 miles of the project's 520-mile first phase.
April, 2011	HSR Authority launches Initial Operating Project/Phased Implementation of SF to SJ Section
Fall, 2012	Anticipated Release of DEIR/EIS for SF to SJ section

ANALYSIS

The next series of discussion topics summarize the current EIR/EIS and the track alignments, the need for restructuring the High Speed Rail Board, Regional Groups formed in the Peninsula, financial support, Caltrain, and the merits of lobbying in Sacramento and D.C. for High Speed Rail. Council discussion of policies relating to these issues will provide guidance to staff.

Current EIR/EIS and Track Alignments

The current Environmental Impact Report/Environmental Impact Study is evaluating the build-out of the system with a four-track alignment along the Peninsula. The EIR/EIS is also evaluating the initial operating phase with fewer tracks, which is discussed later in the report. There are generally two remaining design alternatives for the alignment of the tracks in Menlo Park:

- a. Aerial Structure. The HST would be on top of an aerial structure that is at least 25 feet above the existing ground and over 50 feet tall with poles and wires for electrification.
- b. Partial Trench. The HST would operate in a partially covered underground trench.

A short section near the San Francisquito Creek crossing may be at the existing Caltrain grade or go under the creek. The Draft EIR is anticipated to be released to the public in the Fall of 2012 with the Final EIR/EIS to the HSR Authority Board in June of 2013.

Menlo Park has consistently taken the position that if HSR runs on the Peninsula, it should be below-grade in a trench or tunnel.

HSR Authority Board Change

Established in 1996, the California High-Speed Rail Authority (Authority) is the State entity responsible for planning, constructing and operating an 800-mile-long high-speed train system serving California's major metropolitan areas. The majority of the environmental, planning and engineering work is performed by private firms under contract with the Authority.

On October 5, 2010, the City of Menlo Park sent a letter to Senator Simitian regarding a no confidence resolution of the Board of the High Speed Rail Authority. The City felt that the High Speed Rail Authority was not listening to their concerns and also not addressing the comments the City provided on the Alternatives Analysis and the environmental reports.

Different HSR Board Structure

The City has stated in the letter to State Senator Simitian that "...leadership under the California High Speed Rail Authority Board has fallen short of what is needed for a successful completion and must be changed to ensure the project enhances Peninsula communities and maximizes the long term potential of high speed rail." Restructuring the Authority under Caltrans would provide legislative oversight that is needed for shaping a successful project.

There are currently two Assembly Bills (No. 145 and No. 517, see Attachments C&D) for legislative consideration that restructures the HSR Authority Board. Assembly Bill No. 145 would continue the HSR Authority in existence to make policy decisions relative to implementation of high speed rail consistent with Proposition 1A. The bill would create the Department of High-Speed Trains within the Department of Business, Transportation and Housing Agency, which would implement those policies.

Senate Bill No. 517 would place the High-Speed Rail Authority within the Business, Transportation and Housing Agency. The bill would provide for the Secretary of Business, Transportation, and Housing to serve on the Authority as a nonvoting, ex officio member. The bill would require the members of the authority appointed by the Governor to be appointed with the advice and consent of the Senate. To date the City has not taken a formal position on either of these bills but may wish to at some point.

Ridership Study

The City has also stated in a letter to Governor Brown dated January 25, 2011, as well as the letter to State Senator Simitian dated October 5, 2010, that "the Authority has not based its planning on adequate ridership studies, which is critical to a proper system design and failed to adequately address flaws in its ridership model identified by the UC Berkeley Institute of Transportation Studies". Accurate analysis is critical for

determining phasing, routes, and revenue. Until a reliable ridership study is completed, the customer demand for a HST is unknown. Without sufficient ridership information, the HST will never be financially independent. The City is currently supporting Legislation AB 952 to require another Ridership Study.

Business Plan

In the same letters to Governor Brown and State Senator Simitian, the City stated that the Authority has "failed to prepare an adequate business plan which identifies the risk of State subsidies for systems operations". An updated business plan is expected from the Authority by November of 2011.

Regional Groups

There are several regional groups that have been formed to voice the concerns of the Peninsula to the Authority. The City is part of the Peninsula Cities Consortium and has been invited to participate in the San Mateo Cities Rail Partnership. There are also grassroots organizations, such as Community Coalition on High Speed Rail (CC-HSR) and Californians Advocating Responsible Rail Design (CARRD), and Friends of Caltrain which have been active in the political and legal process in representing their concerns relating to High Speed Rail and Caltrain. These grass roots organizations have been extremely helpful in disseminating information from the political and legal processes to the public.

Peninsula Cities Consortium

The City has been active in the Peninsula Cities Consortium. The Peninsula Cities Consortium (PCC) formed at the beginning of 2009, shortly after voters approved spending \$9 billion on a statewide high speed rail system. The six cities involved, Palo Alto, Menlo Park, Atherton, Belmont, Brisbane, and Burlingame, signed a memorandum of understanding agreeing to work together to make sure that the final design minimizes the impacts upon local communities and incorporates the best urban design ideas from around the world.

CC-HSR, CARRD, and Friends of Caltrain

CC-HSR

The Community Coalition on High Speed Rail (CC-HSR) is a grassroots, nonprofit corporation, managed by business and neighborhood leaders. CC-HSR represents businesses and residents in the communities located along the Caltrain alignment (Mountain View, Palo Alto, Menlo Park, Atherton, Belmont, and Burlingame). According to their website, "We seek to protect the communities through political and legal activism. CC-HSR works closely with the Planning and Conservation League (PCL), which lobbies for the environment in Sacramento. We are also working closely with the PCL Foundation, PCL's educational and outreach partner. PCL Special Counsel and Environmental Attorney Gary Patton is providing legal and strategic assistance. Gary is an experienced campaign strategist, lobbyist, and community organizer, and is helping us advocate before the Legislature and other decision making bodies."

This grassroots organization sent a letter to Governor Brown on March 18, 2011. In the letter, they voiced similar views regarding the City's opinion that the Authority Board

should be restructured under a competent executive branch state agency, develop a business plan and business model for the system, and adequate ridership data.

CARRD

Californians Advocating Responsible Rail Design (CARRD) is a network that initially formed in response to community concerns about the project. According to their website, they "value transparency, accountability and oversight and believe local communities should be partners in designing transportation projects. We work to ensure that the public's interests are upheld and that all facets of the California High Speed Rail project follow both the spirit and letter of the law. We do this by encouraging civic engagement, providing in depth and relevant information, and advocating for changes in how projects are planned.

Friends of Caltrain

Friends of Caltrain is a grassroots coalition of neighborhood groups, employers, environmental groups, transit advocates, and transit riders advocating for the long-term viability of Caltrain's critical local and regional transit service. Silicon Valley Leadership Group has formed a coalition to identify a long-term sustainable funding source for Caltrain. To date, Menlo Park has supported the efforts of these groups to sustain and improve Caltrain service in Menlo Park.

San Mateo Cities Rail Partnership

This group is comprised of the cities of San Mateo, Redwood City, Burlingame and Millbrae. Staff from Belmont and South San Francisco have also attended the meetings. The group is open to all local agencies in San Mateo County along the Caltrain corridor. The goal of the Rail Corridor Partnership is to maximize their influence on high speed rail decisions that affect the County and provide a clear and unified voice in their communication with the High Speed Rail Authority. The partnership has sent letters to the Mayor asking if the City is interested in joining the group. The City's HSR Council Subcommittee has taken the position to not join the group at this time.

Phased Approach

The High Speed Rail Authority recently has developed a phased implementation approach for High Speed Train (HST) service between San Francisco and San Jose. The phased implementation approach will enable the Authority, Caltrain, the Federal Rail Administration, other agencies and stakeholders to study how to provide initial HST service between San Francisco and San Jose in the most cost effective manner and as soon as possible to coincide with the initiation of HST service to San Jose via the Central Valley.

SJ to SF with station at Millbrae

As part of the phased implementation, the initial phase would be limited to station improvements at Millbrae Station, and at the City of San Jose Diridon Station. Services would terminate at 4th and King in San Francisco where the Caltrain line currently ends.

The initial operating project assumes sharing existing Caltrain tracks/ROW. The Peninsula initial operating project must maintain Caltrain services during phased implementation. In this initial phase of the project, the system would be electrified and designed to accommodate one to three trains per hour in addition to Caltrain service. Additional tracks may be required on some parts of the Peninsula to allow high speed trains to pass Caltrain trains with more frequent stops. Details about the phased approach are still emerging and have not been evaluated in detail by the City. No official positions have been taken by the City on the phased approach, but evaluating a two-track alternative is consistent with prior comments to consider alternatives to the proposed four-track system. More details about the phased approach will be included in the project EIR for the San Francisco to San Jose segment. A draft EIR is scheduled to be completed by November of 2012.

Financial Support

The City has budgeted \$100,000 this fiscal year to support contract services for the high speed rail project. Most of this funding has been spent, as part of a joint contract paid for by the Cities of Menlo Park, Palo Alto, and Town of Atherton, for a lobbyist (Ravi Mehta) to advocate positions for the City relating to High Speed Rail legislation. Other expenses include legal support for the City's pending litigation against the CHSRA and technical support from a rail planning expert. \$100,000 is proposed for FY 2011-12 budget for continued High Speed Rail support.

The majority of the time of the lobbyist has been spent drafting HSR legislation, working with legislative authors, and introducing two significant bills on behalf of our City. Assembly bills 952 (ethics) & 953 (ridership) were introduced on our behalf by Assemblyman Brian Jones (Republican from San Diego). Attachments E and F are recent letters of support sent by Mayor Cline on these pieces of pending legislation.

Caltrain

Current Funding and Service Levels

Caltrain's operating subsidy comes from the local transit agencies in the three counties that Caltrain runs through: San Francisco, SamTrans (San Mateo County), and VTA (Santa Clara County). The subsidy is split among the three counties by where the riders board the train in the morning. However, financial trouble at any of the three partners can jeopardize the entire Caltrain service.

The Caltrain Joint Powers Board (JPB) declared a fiscal emergency for the Fiscal 2012 year (7/1/11 - 6/30/12) at their March JPB meeting. At the March meeting they indicated there was a shortfall of \$30 million for the Fiscal 2012 projected budget and indicated some anticipated schedule changes from the 86 trains on weekdays to 48, no weekend service, no service to south of San Jose on weekdays and no special event trains. At the regular April 7th meeting they had made progress trying to fill the shortfall and still had a \$3.5 million needed to maintain the current Fiscal 2011 schedule which included 25 cent zone increase additional parking fees. Board member Adriene Tissier made a motion that a special meeting be held on April 23rd and the three County partners and MTC look to closing the \$3.5 million shortfall. At the April 23rd Caltrain JPB meeting the three County partners and MTC had a tentative plan that would allow the same schedule for Fiscal 2011 to continue through Fiscal 2012 with the proposed fare/parking fee increases. There would be no reduction in stations serviced as had been proposed

at the March meeting. The challenge for Fiscal 2013 (7/1/12 - 6/30/13) is a concern as the Silicon Valley Leadership Group and Friends of Caltrain were coordinating efforts to see what type of solutions would be recommended so a regular ongoing source of funding for Caltrain could be established and could be a ballot measure in the 2012 elections. There will be an effort by Caltrain, its County partners and Metropolitan Transportation Commission to come back at the July 2011 Board meeting with possible suggestions for Fiscal 2013 funding to provide time for a permanent funding solution.

Electrification and Positive Train Control

Electrification will allow Caltrain to carry more riders, with a more frequent schedule, at lower cost than the current diesel trains. Caltrain plans to electrify the entire 51 mile stretch of the system. According to Caltrain staff, capital cost for electrification of the system will cost approximately \$1.225 Billion. Funding for the electrification will be with federal and High Speed Rail funding, public/private partnerships, and other financing options. The City commented on a draft EIR for Caltrain electrification several years ago expressing concerns about potential visual impacts and impacts to trees along the corridor. The final EIR for Caltrain electrification has never been certified and the City has never taken a formal position for or against Caltrain electrification. Discussions with the HSR Council Subcommittee have indicated that the benefits of electrification (more frequent stops in Menlo Park, reduced train noise, and less pollution) likely outweigh the impacts (visual and tree impacts). However, if electrification was packaged with an undesirable HSR alternative, such as an aerial structure, the impacts would be too great and Menlo Park should not support it.

Positive Train Control (PTC)

PTC is an essential component of future plans to electrify the Caltrain system and bring statewide high-speed rail service to the Bay Area. Incorporating Positive Train Control will allow Caltrain to fully utilize the high performance capabilities of its future electric powered fleet and provide enhancements that improve the performance and safety of commuter rail operations. PTC is also specified to be compatible with high speed rail, which will operate in the Caltrain corridor in the future.

Increased safety is a compelling reason to implement a PTC system. However, a side benefit to this safety enhancement is that it also will improve operational efficiency, thus reducing the amount of fuel the rail system uses. Also, integrating the Communications-Based Overlay Signal System (CBOSS) and highway crossing warning system will eliminate extended warning system actuation, reducing automobile idling at the crossing, conserving even more fuel. According to the Federal Railroad Administration, PTC technology also has the potential to limit adverse consequences of events such as hijackings and runaways that are of concern in an era of heightened security, especially in metropolitan areas such as San Francisco and San Jose.

Merits of Lobbying in Sacramento and D.C. for High Speed Rail

To what level should the City Council Members be participating in these lobbying efforts?

Council is being requested to discuss the issue of lobbying so that a clear direction can be formulated and followed. The City has retained a lobbyist for the purpose of advocating in Sacramento and Washington D.C. to protect the City's interest. To be

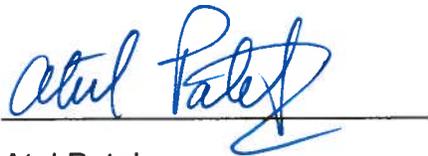
effective, our lobbyist and Council Subcommittee need clear principles to follow along with the protocol to be used when our lobbyist visits State and Federal legislators. Should the City Council members participate? To what level?, and should the City fund such efforts?

IMPACT ON CITY RESOURCES

As described in the Financial Section, the City currently budgets \$100,000 per year for HSR related expenses. This currently goes towards sharing the cost of a lobbyist with the Cities of Menlo Park, Palo Alto, and the Town of Atherton and Pico Rivera, as well as other legal and consulting fees, supplemental engineering, as well as other resources assistance. Council should consider whether to continue with this level of support.

POLICY ISSUES

High Speed Rail is a significant transportation and quality of life issue for the City of Menlo Park. The intent of this item is for information and to provide guidance to staff and not to set specific policy.



Atul Patel
Senior Transportation Engineer



Charles Taylor
Engineering Services Manager

PUBLIC NOTICE: Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS:

- A. Statement of Principles
- B. Mission Statement
- C. Assembly Bill No. 145 introduced by Members Galgiani and Bonnie Lowenthal
- D. Senate Bill No. 517 introduced by Senator Lowenthal (Coauthor Senator DeSaulnier)
- E. Letter from Mayor Cline dated April 7, 2011 for support of AB 952 (Jones)
- F. Letter from Mayor Cline dated April 7, 2011 for support of AB 953 (Jones)

City of Menlo Park Statement of Principles for High Speed Rail

The City of Menlo Park High Speed Rail Subcommittee works to protect and enhance the character of Menlo Park and the community's economic vitality while supporting the conditions needed to maximize the local benefits and the long-term potential of high speed rail (HSR).

- The character of Menlo Park includes:
 - Our connected, walkable, bikeable, safe and accessible neighborhoods, parks, commercial areas and civic center
 - Our vision and specific plan for the downtown and El Camino Real including improved east-west mobility for all modes of travel

- The community's economic vitality includes:
 - The continued success of our small and large businesses
 - The maintenance of our property values
 - HSR responsibly mitigating impacts

- The conditions needed to maximize the long-term potential of high speed rail include:
 - Improvements to east / west connectivity; HSR unifies rather than divides
 - Improvements to local transit
 - The physical and social impacts of HSR are minimized by using context sensitive design solutions
 - Consider all reasonable alternatives including those discussed previously by Menlo Park emphasizing below grade options

Implied "decision criteria" from these principles might include:

- Does the alternative protect or enhance connectivity/ accessibility?
- Does the alternative protect or enhance walk-ability?
- Does the alternative protect or enhance bike-ability?
- Does the alternative protect or enhance the economic vitality of businesses?
- Does the alternative protect or enhance property values?
- Does the alternative align with / support the El Camino Real / Downtown Specific Plan?
- Does the alternative protect or enhance local transit opportunities?

ATTACHMENT B

Menlo Park City Council High Speed Rail Subcommittee Mission Statement

The Council High Speed Rail Subcommittee will advocate ways to reduce the negative impacts and enhance the benefits of High Speed Rail in Menlo Park. The Subcommittee will ensure all voices are heard and that thoughtful ideas are generated and alternatives vetted. It will collaborate with other local and regional jurisdictions in support of regional consensus of matters of common interest related to High Speed Rail. Additionally, the subcommittee will support Council planning efforts and decision making on High Speed Rail with information, research and other expertise.

AMENDED IN ASSEMBLY MARCH 16, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL**No. 145**

**Introduced by Assembly ~~Member~~ *Members Galgiani and
Bonnie Lowenthal***

January 13, 2011

An act to repeal and add Division 19.5 (commencing with Section 185000) of the Public Utilities Code, relating to high-speed rail.

LEGISLATIVE COUNSEL'S DIGEST

AB 145, as amended, Galgiani. High-speed rail.

Existing law, the California High-Speed Train Act, creates the High-Speed Rail Authority to develop and implement a high-speed train system in the state, with specified powers and duties. Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes.

This bill would revise and recast these provisions by repealing and reenacting the California High-Speed Train Act. The bill would continue the High-Speed Rail Authority in existence to make policy decisions relative to implementation of high-speed rail consistent with Proposition 1A. The bill would create the Department of High-Speed Trains within the Business, Transportation and Housing Agency, which would implement those policies. The bill would transfer certain of the existing powers and responsibilities of the authority to the department and would specify additional powers and duties of the authority and department relative to implementation of the high-speed rail project, including the annual submission of a 6-year high-speed train capital improvement

program and progress report to the Legislature. The director of the department would be appointed by the Governor, who would serve at the pleasure of the authority, and the Governor would be authorized to appoint up to 10 officers of the department who would be exempt from civil service and serve at the pleasure of the director. The bill would provide for acquisition and disposition by the department of rights-of-way for the high-speed rail project. The bill would enact other related provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) It is the intent of the Legislature to do all of
2 the following:
- 3 (1) Further the transportation system of the state through the
4 successful development and construction of the 800-mile
5 high-speed train system described in Proposition 1A, approved by
6 the voters on November 4, 2008.
- 7 (2) Protect the state's interests and provide for the exercise of
8 continuing oversight of the funds to be invested in the high-speed
9 train project following voter approval of Proposition 1A.
- 10 (3) Ensure that an adequate public forum maintains the
11 transparency of the development of the high-speed train project.
- 12 (4) Provide an efficient governmental structure for the
13 development of high-speed train operations in the state.
- 14 (b) This act continues in existence the High-Speed Rail
15 Authority; creates a new Department of High-Speed Trains within
16 the Business, Transportation and Housing Agency; apportions
17 between the authority and the new department existing and new
18 powers, duties, rights, and obligations; and defines the relationship
19 between the authority and the new department.
- 20 SEC. 2. Division 19.5 (commencing with Section 185000) of
21 the Public Utilities Code is repealed.
- 22 SEC. 3. Division 19.5 (commencing with Section 185000) is
23 added to the Public Utilities Code, to read:

1 DIVISION 19.5. CALIFORNIA HIGH-SPEED RAIL ACT

2
3 CHAPTER 1. GENERAL PROVISIONS, FINDINGS, AND DEFINITIONS

4
5 185000. This division shall be known, and may be cited, as
6 the California High-Speed Rail Act.

7 185002. The Legislature hereby finds and declares all of the
8 following:

9 (a) California, over the past decades, has built an extensive
10 network of freeways and airports to meet the state's growing
11 transportation needs.

12 (b) These facilities are not adequate to meet the mobility needs
13 of the current population.

14 (c) The population of the state and the travel demands of its
15 citizens are expected to continue to grow at a rapid rate.

16 (d) The cost of expanding the current network of highways and
17 airports fully to meet current and future transportation needs is
18 prohibitive, and a total expansion strategy would be detrimental
19 to air quality.

20 (e) Intercity train service, when coordinated with urban transit
21 and airports, is an efficient, practical, and less polluting
22 transportation mode that can fill the gap between future demand
23 and present capacity.

24 (f) Advances in rail and train technologies have allowed intercity
25 train systems in Europe and Japan to attain speeds of up to 220
26 miles per hour and compete effectively with air travel for trips in
27 the 200- to 500-mile range.

28 (g) Development of a high-speed train system is a necessary
29 and viable alternative to automobile and air travel in the state.

30 (h) In order for the state to have a comprehensive network of
31 high-speed intercity train systems by the year 2020, similar to
32 California's former freeway plan, it is necessary to designate an
33 entity with stable and predictable funding sources to implement
34 the plan.

35 (i) Utilizing existing human and manufacturing resources to
36 build a large network of high-speed trains will generate jobs and
37 economic growth for today's population and produce a
38 transportation network for future generations.

39 (j) Upon confirmation of the need and costs by detailed studies,
40 the private sector, together with the state, can build and operate

1 new high-speed intercity train systems utilizing private and public
2 financing.

3 185004. As used in this division, unless the context requires
4 otherwise, the following terms have the following meanings:

5 (a) “Authority” means the High-Speed Rail Authority. The
6 members of the authority constitute the board of the authority.

7 (b) “Department” means the Department of High-Speed Trains.

8 (c) “High-speed train” means intercity passenger train service
9 that utilizes an alignment and technology that makes it capable of
10 sustained speeds of 200 miles per hour or greater.

11 (d) “Secretary” means the Secretary of Business, Transportation
12 and Housing.

13

14 CHAPTER 2. THE HIGH-SPEED RAIL AUTHORITY

15

16 Article 1. Members of the Authority

17

18 185110. (a) The High-Speed Rail Authority in state
19 government is hereby continued in existence.

20 (b) (1) The authority is composed of nine members as follows:

21 (A) Five members appointed by the Governor.

22 (B) Two members appointed by the Senate Committee on Rules.

23 (C) Two members appointed by the Speaker of the Assembly.

24 (2) For the purposes of making appointments to the authority,
25 the Governor, the Senate Committee on Rules, and the Speaker of
26 the Assembly shall take into consideration geographical diversity
27 to ensure that all regions of the state are adequately represented.

28 (c) Members of the authority shall hold office for terms of four
29 years, and until their successors are appointed. A vacancy shall be
30 filled by the appointing power making the original appointment,
31 by appointing a member to serve the remainder of the term.

32 (d) The term of a member shall expire on December 31 of the
33 fourth year of the member’s term.

34 (e) Members of the authority are subject to the Political Reform
35 Act of 1974 (Title 9 (commencing with Section 81000)).

36 (f) From among its members, the authority shall elect a
37 chairperson, who shall preside at all meetings of the authority, and
38 a vice chairperson to preside in the absence of the chairperson.
39 The chairperson shall serve a term of one year.

1 (g) Five members of the authority constitute a quorum for taking
2 any action by the authority.

3 185112. (a) Each member of the authority shall receive
4 compensation of one hundred dollars (\$100) for each day that the
5 member is attending to the business of the authority, but shall not
6 receive more than five hundred dollars (\$500) in any calendar
7 month.

8 (b) Members of the authority shall be reimbursed for their actual
9 travel expenses incurred in attending to the business of the
10 authority.

11
12 Article 2. Policies of the Authority
13

14 185120. In consultation with the department, the authority shall
15 establish policies directing the development and implementation
16 of intercity high-speed train service that is fully integrated with
17 the state's existing intercity rail and bus network, consisting of
18 interlinked conventional and high-speed train lines and associated
19 feeder buses. The intercity network in turn shall be fully
20 coordinated and connected with commuter train lines and urban
21 transit lines developed by local agencies, as well as other transit
22 services, through the use of common station facilities whenever
23 possible. The department shall implement those policies.

24 185122. (a) The authority shall establish an independent peer
25 review group for the purpose of reviewing the planning,
26 engineering, financing, and other elements of the authority's plans
27 and issuing an analysis of appropriateness and accuracy of the
28 authority's assumptions and an analysis of the viability of the
29 authority's financing plan, including the funding plan for each
30 corridor required pursuant to subdivision (c) of Section 2704.08
31 of the Streets and Highways Code.

32 (b) The peer review group shall include all of the following:

33 (1) Two individuals with experience in the construction or
34 operation of high-speed trains in Europe, Asia, or both, designated
35 by the Treasurer.

36 (2) Two individuals, one with experience in engineering and
37 construction of high-speed trains and one with experience in project
38 finance, designated by the Controller.

39 (3) One representative from a financial services or financial
40 consulting firm who shall not have been a contractor or

1 subcontractor of the authority for the previous three years,
2 designated by the Director of Finance.

3 (4) One representative with experience in environmental
4 planning, designated by the secretary.

5 (5) Two expert representatives from agencies providing intercity
6 or commuter passenger train services in California, designated by
7 the secretary.

8 (c) The peer review group shall evaluate the authority's funding
9 plans and prepare its independent judgment as to the feasibility
10 and reasonableness of the plans, appropriateness of assumptions,
11 analyses, and estimates, and any other observations or evaluations
12 it deems necessary.

13 (d) The authority and the department shall provide the peer
14 review group any and all information that the peer review group
15 may request to carry out its responsibilities.

16 (e) The peer review group shall report its findings and
17 conclusions to the Legislature no later than 60 days after receiving
18 the plans.

19

20 Article 3. Powers, Duties, and Responsibilities of the Authority

21

22 185130. The authority has *all of* the following powers, duties,
23 and responsibilities:

24 (a) The authority shall select the routes of the high-speed train
25 system.

26 (b) The authority shall serve as the governing body of the
27 department, within the meaning of Section 1245.210 of the Code
28 of Civil Procedure, for purposes of the adoption of resolutions of
29 necessity.

30 (c) The authority shall advise the secretary and the director
31 concerning high-speed rail matters, which advice shall be
32 considered by the department in exercising its powers and duties
33 pursuant to this division.

34 (d) The authority shall adopt criteria for the award of franchises.

35 (e) The authority shall set fares or establish guidelines for the
36 setting of fares.

37 185132. (a) The authority shall adopt and submit to the
38 Legislature and the Governor, not later than October 1 each year,
39 a high-speed train program. The program shall cover a period of
40 six fiscal years, beginning July 1 of the year following the year it

1 is adopted, and shall be a statement of intent by the department to
2 request funding in the annual Budget Act for the following six
3 years. The program shall be submitted annually notwithstanding
4 Section 10231.5 of the Government Code.

5 (b) The high-speed train program shall include a listing of all
6 capital improvement projects that are expected to require
7 appropriation in the annual Budget Act, including state, federal,
8 local, and private funds, during the following six fiscal years.

9 (c) For each segment, the program shall specify the expenditure
10 amount and the expenditure year for each of the following project
11 components:

- 12 (1) Completion of all permits and environmental studies.
- 13 (2) Preparation of plans, specifications, and estimates.
- 14 (3) The acquisition of rights-of-way, including, but not limited
15 to, support activities.
- 16 (4) Construction and construction management and engineering,
17 including surveys and inspection.

18
19 CHAPTER 3. DEPARTMENT OF HIGH-SPEED TRAINS

20
21 Article 1. Organization of the Department

22
23 185210. There is in the Business, Transportation and Housing
24 Agency a Department of High-Speed Trains.

25 185211. The department is under the control of a director
26 known as the Director of High-Speed Trains.

27 185212. The director shall be appointed by the Governor, and
28 hold office at the pleasure of the authority.

29 185213. The director shall perform all duties, exercise all
30 powers and jurisdiction, assume and discharge all responsibilities,
31 and carry out and effect all purposes vested by law in the
32 department, except as otherwise expressly provided by law.

33 185214. The director shall organize the department from time
34 to time in the manner the director deems necessary to properly
35 segregate and conduct the work of the department. The director
36 may organize the department into as many divisions as, in the
37 director's judgment, will provide for the efficient administration
38 of the high-speed train project and planning, construction, and
39 operation of the high-speed train system.

1 185215. (a) For purposes of overseeing the ongoing work of
2 the department, the organization of the department may include
3 provision for up to 10 officers exempt from civil service who shall
4 constitute the executive staff of the department, who shall be
5 appointed by the Governor, and who shall serve at the pleasure of
6 the director.

7 (b) Notwithstanding Sections 19816 and 19825 of the
8 Government Code, the compensation of key exempt management,
9 including the director and the exempt positions described in
10 subdivision (a), shall be established by the authority board in
11 amounts that are reasonably necessary, in the discretion of the
12 board, to attract and hold a person of superior qualifications.

13 (c) (1) To determine the compensation for the positions
14 described in this section, the authority shall cause to be conducted,
15 through the use of independent outside advisers, salary surveys of
16 both of the following:

17 (A) Other state, regional, and local transportation agencies that
18 are most comparable to the department.

19 (B) Other relevant labor pools.

20 (2) The salaries so set by the board shall not exceed the highest
21 comparable salary for a position of that type, as determined by the
22 survey.

23 (d) The Department of Personnel Administration shall review
24 the methodology used in these salary surveys.

25 185216. The Governor, the secretary, and the department may
26 enter into any agreements, execute any documents, establish and
27 manage any accounts and deposits, and take any other action that
28 may be appropriate, in accordance with federal law and rules and
29 regulations, to receive and expend funds from the federal
30 government in connection with mass transportation programs and
31 projects for which federal funds are available.

32 185217. The department shall prepare and submit to the
33 Legislature and to the authority board an annual report, no later
34 than December 1 of each year. The report shall include a
35 description of the progress made and the high-speed train program
36 adopted by the authority. The report shall be submitted annually,
37 notwithstanding Section 10231.5 of the Government Code.

38 185218. (a) The authorization and responsibility for planning,
39 construction, and operation of high-speed passenger train service

1 at speeds exceeding 125 miles per hour in this state is exclusively
2 granted to the department.

3 (b) Except as provided in paragraph (a), nothing in this chapter
4 precludes other local, regional, or state agencies from exercising
5 powers provided by law with regard to planning or operating, or
6 both, passenger rail service.

7

8 Article 2. Powers and Duties of the Department

9

10 185220. The department shall have those powers, duties, and
11 responsibilities delegated to the authority pursuant to the Safe,
12 Reliable High-Speed Passenger Train Bond Act of 2008 (Chapter
13 20 (commencing with Section 2704) of Division 3 of the Streets
14 and Highways Code), except as provided otherwise in Article 3
15 (commencing with Section 185130) of Chapter 2. In that regard
16 and to that extent, the department shall be the successor of the
17 authority pursuant to subdivision (b) of Section 2704.01 of the
18 Streets and Highways Code. Subject to the other provisions of this
19 division, the department shall have the powers and duties to do
20 the following:

21 (a) Conduct engineering and other studies related to the selection
22 and acquisition of rights-of-way and the selection of a franchisee,
23 including, but not limited to, environmental impact studies,
24 socioeconomic impact studies, and financial feasibility studies.

25 (b) Evaluate alternative high-speed train technologies, systems
26 and operators, and select an appropriate high-speed train system.

27 (c) Award franchises consistent with criteria adopted by the
28 authority.

29 (d) Accept grants, fees, and allocations from the state, from
30 political subdivisions of the state, or from the federal government,
31 foreign governments, and private sources.

32 (e) Select a proposed franchisee, a proposed route, and proposed
33 terminal sites.

34 (f) Enter into contracts with public and private entities for the
35 preparation of the plan.

36 (g) Prepare a detailed financing plan, including any necessary
37 taxes, fees, or bonds to pay for the construction of the high-speed
38 train network.

- 1 (h) Develop a proposed high-speed train financial plan, including
2 necessary taxes, bonds, or both, or other indebtedness, and submit
3 the plan to the Legislature and to the Governor.
- 4 (i) Keep the public informed of its activities.
- 5 (j) Enter into contracts with private or public entities, including
6 contracts for the design, construction, and operation of high-speed
7 trains. The contracts may be separated into individual tasks or
8 segments or may include all tasks and segments, including any
9 combination of one or more of such tasks as design, build, finance,
10 operate, and maintain.
- 11 (k) Acquire rights-of-way through purchase or eminent domain.
- 12 (l) Subject to approval by the authority board, issue debt, secured
13 by pledges of state funds, federal grants, or project revenues. The
14 pledge of state funds shall be limited to those funds expressly
15 authorized by statute or voter-approved initiatives.
- 16 (m) Enter into cooperative or joint development agreements
17 with local governments or private entities.
- 18 (n) Relocate highways and utilities.
- 19 (o) Plan, construct, and operate the high-speed train system, or
20 enter into contracts for the planning, construction, or operation of
21 the system, including the acquisition of equipment, including
22 rolling stock, necessary for the operation of the system.
- 23 (p) Acquire, sell, and lease passenger rail rolling stock, power
24 units, and associated equipment.
- 25 (q) Acquire, lease, design, construct, and improve track lines
26 and related facilities, and contract with the private sector for the
27 design, improvement, or construction of track lines and related
28 facilities.
- 29 185222. (a) Notwithstanding any other provision of law, and
30 subject to approval by the authority board, for any project along
31 the high-speed rail network, the department may contract with the
32 Department of Transportation to perform project design and
33 engineering services, including construction inspection services.
- 34 (b) For purposes of this section, “project design and engineering
35 services, including construction inspection services” means
36 preliminary engineering, planning, prebid services, right-of-way
37 acquisitions, preparation of environmental documents, preparation
38 of plans, specifications, and estimates, construction inspection
39 including surveying and materials testing, quality control inspection
40 including highway and utility relocation, and grade separations.

Article 3. Rights-of-Way

1
2
3 185230. (a) If the department determines that real property or
4 an interest therein, previously or hereafter acquired by the state
5 for high-speed rail purposes, is no longer necessary for those
6 purposes, the department may sell, contract to sell, sell by trust
7 deed, or exchange the real property or interest therein in the manner
8 and upon terms, standards, and conditions established by the
9 authority. The payment period in a contract of sale or sale by trust
10 deed shall not extend longer than 10 years from the time the
11 contract of sale or trust deed is executed, and a transaction
12 involving a contract of sale or sale by trust deed to private parties
13 shall require a downpayment of at least 30 percent of the purchase
14 price.

15 (b) A conveyance under this section shall be approved by the
16 authority and shall be executed on behalf of the state by the director
17 and the purchase price shall be paid into the State Treasury to the
18 credit of any fund, available to the department for high-speed rail
19 purposes, that the authority designates.

20 (c) Any real property or interest therein may in like manner be
21 exchanged, either as whole or part consideration, for any other
22 real property or interest therein as needed for high-speed rail
23 purposes.

24 185232. The director may sell or lease excess right-of-way
25 parcels to municipalities or other local agencies for public purposes,
26 and may accept as all or part of the consideration for the sale or
27 lease any substantial benefits the state will derive from the
28 municipality or other local agency's undertaking maintenance or
29 landscaping costs that would otherwise be the obligation of the
30 state.

31 185234. The director may lease nonoperating right-of-way
32 areas to municipalities or other local agencies for public purposes,
33 and may contribute toward the cost of developing local parks and
34 other recreational facilities on those areas. The director may accept
35 as all or part of the consideration for the lease or for the state
36 contribution any substantial benefits the state will derive from the
37 municipality or other local agency's undertaking maintenance or
38 landscaping costs that would otherwise be the obligation of the
39 state. Those leases shall contain a provision that whenever the
40 leased land is needed for high-speed rail operating purposes the

1 lease shall terminate. The department is authorized to classify
2 portions of high-speed rail rights-of-way as nonoperating.

3 185236. (a) The department may acquire, by purchase, lease,
4 or eminent domain, any property necessary for the development
5 and implementation of the state’s high-speed train program. The
6 power of eminent domain shall be exercised in accordance with
7 Title 7 (commencing with Section 1230.010) of Part 3 of the Code
8 of Civil Procedure.

9 (b) The authority constitutes the department’s “governing body”
10 within the meaning of Section 1245.210 of the Code of Civil
11 Procedure, for purposes of the adoption of resolutions of necessity.

12 (c) To the extent that the activities authorized by subdivision
13 (a) exceed the capacity of the department’s existing workforce,
14 the department may contract with qualified individuals or firms
15 for engineering, surveying, and related technical services in
16 exercising its authority pursuant to subdivision (a).

17
18 CHAPTER 4. LEGAL MATTERS
19

20 185300. The department may employ its own legal staff or
21 contract with other state agencies for legal services, or both. The
22 department’s legal counsel may represent the authority and the
23 department in any judicial proceeding.

24 185302. Any legal or equitable action brought against the
25 authority or the department shall be brought in a court of competent
26 jurisdiction in the County of Sacramento. For purposes of this
27 section, subdivision (1) of Section 401 of the Code of Civil
28 Procedure does not apply.

O

AMENDED IN SENATE APRIL 25, 2011

SENATE BILL

No. 517

**Introduced by Senator Lowenthal
(Coauthor: Senator DeSaulnier)**

February 17, 2011

An act to amend Section 13975 of, and to add Section 13976.1 to, the Government Code, and to amend Sections 185020 and 185024 of the Public Utilities Code, relating to high-speed rail.

LEGISLATIVE COUNSEL'S DIGEST

SB 517, as amended, Lowenthal. High-Speed Rail Authority.

Existing law creates the High-Speed Rail Authority in state government with specified powers and duties relative to development and implementation of a high-speed train system. The authority is composed of 9 members, including 5 members appointed by the Governor.

Existing law creates the Business, Transportation and Housing Agency, which consists of various state agencies, including the Department of Transportation.

This bill would place the High-Speed Rail Authority within the Business, Transportation and Housing Agency. The bill would provide for the Secretary of Business, Transportation and Housing to serve on the authority as a nonvoting, ex officio member. The bill would require the secretary to propose an annual budget for the authority upon consultation with the authority. The bill would require the members of the authority appointed by the Governor to be appointed with the advice and consent of the Senate. The bill would provide for the members that are appointed to have specified background or experience, as specified.

Existing law provides that the terms of authority members expire every 4 years on December 31.

This bill would vacate the membership of the authority and provide for the appointment or reappointment of members as of January 31, 2012, for staggered terms, as specified. This bill would thereafter provide that the terms expire every 4 years on ~~the first Monday in January after January 1~~ *December 31*.

Existing law provides for the authority to appoint an executive director to serve at the pleasure of the authority and who is exempt from civil service.

This bill would provide that the executive director is subject to appointment with the advice and consent of the Senate. The bill would provide that an employment agreement for the executive director shall be agreed to but not executed until Senate confirmation.

This bill would enact various conflict-of-interest provisions applicable to members of the authority and its staff, as specified, and would prohibit a person from serving on the authority in certain circumstances.

This bill would enact other related provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13975 of the Government Code is
2 amended to read:
3 13975. The Business and Transportation Agency in state
4 government is hereby renamed the Business, Transportation and
5 Housing Agency. The agency consists of the ~~State Department of~~
6 Alcoholic Beverage Control, the Department of the California
7 Highway Patrol, the Department of Corporations, the Department
8 of Housing and Community Development, the Department of
9 Motor Vehicles, the Department of Real Estate, the Department
10 of Transportation, the Department of Financial Institutions, the
11 Department of Managed Health Care, the High-Speed Rail
12 Authority, and the Board of Pilot Commissioners for the Bays of
13 San Francisco, San Pablo, and Suisun; and the California Housing
14 Finance Agency is also located within the Business, Transportation
15 and Housing Agency, as specified in Division 31 (commencing
16 with Section 50000) of the Health and Safety Code.

1 SEC. 2. Section 13976.1 is added to the Government Code, to
2 read:

3 13976.1. The Secretary of Business, Transportation and
4 Housing shall propose an annual budget for the High-Speed Rail
5 Authority upon consultation with the authority.

6 SEC. 3. Section 185020 of the Public Utilities Code is amended
7 to read:

8 185020. (a) There is in the Business, Transportation and
9 Housing Agency the High-Speed Rail Authority.

10 (b) (1) The authority is composed of 10 members as follows:

11 (A) Five members appointed by the Governor, with the advice
12 and consent of the Senate. Of the members appointed by the
13 Governor, one shall be an engineer with experience in the planning
14 and design of large, ~~one-of-a-kind~~ transportation infrastructure
15 projects; one shall be an economist with background and
16 experience in the field of transportation economics; one shall have
17 background and experience in the field of environmental protection
18 or the study of ecosystems; one shall ~~be a local elected official~~
19 ~~who is a member of a city council or county board of supervisors~~
20 ~~but who is not serving on the board of a transit district or regional~~
21 ~~transportation planning agency~~ *have expertise in project financing*;
22 and one shall be an attorney with experience in dealing with the
23 legal issues associated with procurement strategies and construction
24 issues associated with large, one-of-a-kind infrastructure projects.

25 (B) Two members appointed by the Senate Committee on Rules,
26 ~~and two members appointed by the Speaker of the Assembly. Of~~
27 ~~these members, one shall be a representative of labor; one shall~~
28 ~~be a representative of the state's business community, including~~
29 ~~agriculture, and two shall be public members. one of whom shall~~
30 ~~represent organized labor.~~

31 (C) *Two members appointed by the Speaker of the Assembly,*
32 *one of whom shall represent organized labor.*

33 (E)

34 (D) The Secretary of Business, Transportation and Housing,
35 who shall be a nonvoting, ex officio member.

36 (2) For the purposes of making appointments to the authority,
37 the Governor, the Senate Committee on Rules, and the Speaker of
38 the Assembly shall take into consideration geographical diversity
39 to ensure that all regions of the state are adequately represented.

1 (c) Except as provided in subdivision (d), and until their
2 successors are appointed, members of the authority shall hold
3 office for terms of four years. A vacancy shall be filled by the
4 appointing power making the original appointment, by appointing
5 a member to serve the remainder of the term.

6 (d) (1) On January~~31~~ 1, 2012, the terms of all persons who are
7 then members of the authority shall expire, but those members
8 may continue to serve until they are reappointed or until their
9 successors are appointed. Appointing powers may designate
10 appointees to fill the positions to be vacated on January~~31~~ 1, 2012,
11 prior to that date, and the Senate may act to confirm appointees of
12 the Governor prior to that date. In order to provide for evenly
13 staggered terms, persons appointed or reappointed to the authority
14 on or after January~~31~~ 1, 2012, shall be appointed to initial terms
15 to expire as follows:

16 (A) Of the five persons appointed by the Governor, one shall
17 be appointed to a term which expires on ~~the first Monday of~~
18 ~~January 2013~~ after January 1 December 31, 2012, one shall be
19 appointed to a term which expires on ~~the first Monday of January~~
20 ~~2014~~ after January 1 December 31, 2013, one shall be appointed
21 to a term which expires on ~~the first Monday of January 2015~~ after
22 ~~January 1 December 31, 2014~~, and two shall be appointed to terms
23 which expire on ~~the first Monday of January 2016~~ after January 1
24 ~~December 31, 2015~~.

25 (B) Of the two persons appointed by the Senate Committee on
26 Rules, one shall be appointed to a term which expires on ~~the first~~
27 ~~Monday of January 2014~~ after January 1 December 31, 2012, and
28 one shall be appointed to a term which expires on ~~the first Monday~~
29 ~~of January 2016~~ after January 1 December 31, 2014.

30 (C) Of the two persons appointed by the Speaker of the
31 Assembly, one shall be appointed to a term which expires on ~~the~~
32 ~~first Monday of January 2015~~ after January 1 December 31, 2013,
33 and one shall be appointed to a term which expires on ~~the first~~
34 ~~Monday of January 2017~~ after January 1 December 31, 2015.

35 (2) Following expiration of each of the initial terms provided
36 for in this subdivision, the term shall expire every four years
37 thereafter on ~~the first Monday of January~~ after January 1 December
38 31.

39 (e) Members of the authority are subject to the Political Reform
40 Act of 1974 (Title 9 (commencing with Section 81000)).

1 (f) From among its members, the authority shall elect a
2 chairperson, who shall preside at all meetings of the authority, and
3 a vice chairperson to preside in the absence of the chairperson.
4 The chairperson shall serve a term of one year.

5 (g) Five voting members of the authority constitute a quorum
6 for taking any action by the authority.

7 (h) (1) The members of the authority shall have an affirmative
8 duty to carry out the terms and conditions of the Safe, Reliable
9 High-Speed Passenger Train Bond Act for the 21st Century
10 (Chapter 20 (commencing with Section 2704) of Division 3 of the
11 Streets and Highways Code).

12 (2) While serving on the authority, the members shall exercise
13 their independent judgment as officers of the state on behalf of the
14 interests of the entire state in furthering the purposes of this
15 division.

16 (3) No person shall be a member of the authority if the person
17 holds any other elected or appointed public office, except as
18 otherwise provided in subparagraph (A) or (C) of paragraph (1)
19 of subdivision (a). No person shall be a member of the authority
20 if the person has, during the two years prior to appointment as a
21 member, received any substantial portion of his or her income
22 directly or indirectly from any firm that is under contract with the
23 authority at the time of appointment or that supplies or
24 manufactures rolling stock or other equipment particular to, or
25 essentially particular to, construction and implementation of a
26 high-speed rail system.

27 (4) A member of the authority shall not be employed by any
28 contractor or supplier of the authority or any firm that supplies or
29 manufactures rolling stock or other equipment particular to, or
30 essentially particular to, construction and implementation of a
31 high-speed rail system within two years after he or she ceases to
32 be a member of the authority.

33 (5) A member of the authority shall not participate in decisions
34 of, formulating recommendations of, or rendering advice to the
35 authority if the member, his or her spouse, minor child, or partner,
36 to the best of the member's knowledge, has had a direct or indirect
37 financial interest in the matter that is the subject of the decision,
38 recommendations, or advice within two years of his or her
39 appointment.

1 ~~SEC. 4. Section 185024 of the Public Utilities Code is amended~~
2 ~~to read:~~

3 ~~185024. (a) The authority shall appoint an executive director,~~
4 ~~who shall serve at the pleasure of the authority, to administer the~~
5 ~~affairs of the authority as directed by the authority. The executive~~
6 ~~director shall be appointed with the advice and consent of the~~
7 ~~Senate.~~

8 ~~(b) The executive director is exempt from civil service and shall~~
9 ~~be paid a salary established by the authority and approved by the~~
10 ~~Department of Personnel Administration. The employment~~
11 ~~agreement of the executive director may be agreed to by the~~
12 ~~authority but shall not be executed until the appointment is~~
13 ~~confirmed by the Senate. With respect to the incumbent executive~~
14 ~~director as of the date the act amending this section in the 2011-12~~
15 ~~Regular Session of the Legislature becomes operative, an extension~~
16 ~~or modification of the employment agreement pertaining to that~~
17 ~~person shall not be entered into by the authority unless the~~
18 ~~appointment of that person is submitted to and confirmed by the~~
19 ~~Senate.~~

20 ~~(c) The executive director may, as authorized by the authority,~~
21 ~~appoint necessary staff to carry out the provisions of this part.~~

22 ~~(d) No person shall be an employee or contract employee of the~~
23 ~~authority if the person has, during the two years prior to~~
24 ~~appointment as an employee or contract employee, received any~~
25 ~~substantial portion of his or her income directly or indirectly from~~
26 ~~any firm that is under contract with the authority at the time of~~
27 ~~appointment or that supplies or manufactures rolling stock or other~~
28 ~~equipment particular to, or essentially particular to, construction~~
29 ~~and implementation of a high-speed rail system.~~

30 ~~(e) An employee of the authority shall not participate in~~
31 ~~decisions of, formulating recommendations of, or rendering advice~~
32 ~~to the authority if the employee, his or her spouse, minor child, or~~
33 ~~partner, to the best of the employee's knowledge, has had a direct~~
34 ~~or indirect financial interest in the matter that is the subject of the~~
35 ~~decision, recommendations, or advice within two years of his or~~
36 ~~her appointment.~~

37 ~~SEC. 4. Section 185024 of the Public Utilities Code is amended~~
38 ~~to read:~~

39 ~~185024. (a) The authority shall appoint an executive director,~~
40 ~~exempt from civil service, who shall serve at the pleasure of the~~

1 authority, to administer the affairs of the authority as directed by
2 the authority. *The executive director shall be appointed with the*
3 *advice and consent of the Senate.*

4 (b) For purposes of managing and administering the ongoing
5 work of the authority in implementing the high-speed train project,
6 the Governor, upon the recommendation of the executive director,
7 may appoint up to six additional individuals, exempt from civil
8 service, who shall serve at the pleasure of the executive director.

9 Pursuant to this subdivision, the Governor may appoint persons
10 only for the following positions:

- 11 (1) Chief program manager.
- 12 (2) Up to three regional directors.
- 13 (3) Chief financial officer.
- 14 (4) Director of risk management and project controls.

15 (c) The compensation of the executive director and the additional
16 persons authorized by subdivision (b) shall be established by the
17 authority, and approved by the Department of Personnel
18 Administration, in an amount that is reasonably necessary, in the
19 discretion of the authority, to attract and hold a person of superior
20 qualifications. The authority shall cause to be conducted, through
21 the use of independent outside advisers, a salary survey to
22 determine the compensation for the positions under this
23 subdivision. The Department of Personnel Administration may,
24 in its discretion, accept a previously completed salary survey that
25 meets the requirements of this subdivision, and shall review the
26 methodology used in the survey. The salary survey shall consider
27 both of the following:

- 28 (1) Other state, regional, and local transportation agencies that
29 are most comparable to the authority and its responsibilities.
- 30 (2) Other relevant labor pools.

31 The compensation set by the authority shall not exceed the
32 highest comparable compensation for a position of that type, as
33 determined by the salary survey. Based on the salary survey, these
34 positions shall be paid a salary established by the authority and
35 approved by the Department of Personnel Administration.

36 (d) *The employment agreement of the executive director may*
37 *be agreed to by the authority but shall not be executed until the*
38 *appointment is confirmed by the Senate. With respect to the*
39 *incumbent executive director as of the date the act amending this*
40 *section in the 2011–12 Regular Session of the Legislature becomes*

1 *operative, an extension or modification of the employment*
2 *agreement pertaining to that person shall not be entered into by*
3 *the authority unless the appointment of that person is submitted*
4 *to and confirmed by the Senate.*

5 ~~(d)~~

6 *(e) The executive director may, as authorized by the authority,*
7 *appoint necessary staff to carry out the provisions of this part.*

8 *(f) No person shall be an employee or contract employee of the*
9 *authority if the person has, during the two years prior to*
10 *appointment as an employee or contract employee, received any*
11 *substantial portion of his or her income directly or indirectly from*
12 *any firm that is under contract with the authority at the time of*
13 *appointment or that supplies or manufactures rolling stock or*
14 *other equipment particular to, or essentially particular to,*
15 *construction and implementation of a high-speed rail system.*

16 *(g) An employee of the authority shall not participate in*
17 *decisions of, formulating recommendations of, or rendering advice*
18 *to the authority if the employee, his or her spouse, minor child, or*
19 *partner, to the best of the employee's knowledge, has had a direct*
20 *or indirect financial interest in the matter that is the subject of the*
21 *decision, recommendations, or advice within two years of his or*
22 *her appointment.*

O

RICHARD CLINE
MAYOR

KIRSTEN KEITH
MAYOR PRO TEM

ANDREW COHEN
COUNCIL MEMBER

KELLY FERGUSSON
COUNCIL MEMBER

PETER OHTAKI
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701 LAUREL STREET, MENLO PARK, CA 94025-3483
www.menlopark.org

April 7, 2011

Chair Lowenthal
Assembly Transportation Committee
State Capitol Building
Sacramento, California 95814

Dear Chair Lowenthal,

RE: Assembly Bill 952 (Jones)

I am writing to indicate the City of Menlo Park's support for Assembly Bill 952. The City has been very involved in reviewing information on the High Speed Rail project and will continue to be active. The High Speed Rail project is one of the largest construction projects in California and deserves special attention.

Assembly Bill 952 will prohibit the High Speed Rail Authority Board from receiving gifts from entities interested in contracting for the project. The Bill does allow the board to receive gifts if they are approved by the Senate. This requirement and approval process will ensure that a project of this magnitude is considered objectively without influence from outside entities. This requirement will also allow for full disclosure and reporting to the public to further support a transparent process. This separation from outside influence is important to maintain a credible process through the development of the project.

Please consider Menlo Park's support of the Bill as it is considered by the Committee.

Sincerely,

Rich Cline
Mayor

RICHARD CLINE
MAYOR

KIRSTEN KEITH
MAYOR PRO TEM

ANDREW COHEN
COUNCIL MEMBER

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April 7, 2011

Chair Lowenthal
Assembly Transportation Committee
State Capitol Building
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Dear Chair Lowenthal,

RE: Assembly Bill 953 (Jones)

I am writing to indicate the City of Menlo Park's support for Assembly Bill 953. The City has been very involved in reviewing information on the High Speed Rail project and will continue to be active. The High Speed Rail project is one of the largest construction projects in California and deserves special attention.

Assembly Bill 953 would require a new ridership study for the High Speed Rail project. The previous ridership studies are of concern to the City of Menlo Park. There are many variables within the ridership models, which have been questioned by several entities including the University of California Berkeley and the Peer review committee for the High Speed Rail project. The ridership studies are a crucial foundation for determining the appropriate routes for the project or the viability of the project. The Bill would allow for a new study that would correct any flaws of previous studies and allow for input from the public. This requirement will also allow for full disclosure and reporting to the public to further support a transparent process.

Please consider Menlo Park's support of the Bill as it is considered by the Committee.

Sincerely,

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