

Memorandum

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To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 10, 2014

Reference No.: 2.5g.(8a)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Division Chief
Budgets

Subject: FINANCIAL ALLOCATION FOR STATE ADMINISTERED PROPOSITION 1B INTERCITY RAIL PROJECTS
RESOLUTION ICR1B-A-1415-02

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) allocate \$108,000,000 for the State administered Proposition 1B Intercity Rail Improvement Program (IRI) for the Procurement of Locomotives, Railcars, and Install the On-board Information System project (PPNO 75-2093) in various counties.

BACKGROUND:

Proposition 1B was passed by California voters on November 7, 2006. The Intercity Rail Improvement (IRI) program is part of the \$4 billion Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) that was created by the passage of Proposition 1B. PTMISEA provides \$400 million, upon appropriation by the Legislature, to the Department for intercity passenger rail improvement projects. A minimum of \$125,000,000 from PTMISEA was specifically designated for the procurement of additional intercity passenger railcars and locomotives. The Commission adopted guidelines for the IRI program at its December 2007 meeting. At its February 2008 meeting, the Commission approved the original list of Proposition 1B IRI projects to be funded in the IRI program. In May 2011, the Commission programmed the current list of IRI projects. Those lists include the "Procure New Rail Cars" project for the acquisition of new rolling stock, which is programmed for \$150,000,000 in PTMISEA funds.

In December 2011, the Commission allocated \$42,000,000 in Proposition 1B IRI program bond funds for the "Procure New Rail Cars" project. The project has been granted a total of \$168,000,000 in federal funds. These federal funds from the High-Speed Intercity and Passenger Rail (HSIPR) program were obligated as follows: \$100,000,000 from the federal Appropriation Act of 2010 and \$68,000,000 from the redistribution of funds previously granted to other states under the American Recovery and Reinvestment Act (Recovery Act) of 2009. The terms of the federal grant agreements require a 20 percent match from the State; the State's share is \$42,000,000.

The remaining balance of \$108,000,000 will be utilized to purchase additional diesel-electric locomotives, bi-level passenger railcars, and spare parts through option orders with the existing contracts. Proposition 1B funding is the only source used to purchase the additional equipment.

The exact breakdown between locomotives and railcars is still under negotiations with the contractors. However, the option orders are anticipated to be executed within six months of allocation. The option locomotive delivery is tentatively scheduled between September 2017 and March 2018. The option railcars will be delivered between February 2018 and July 2018. The option locomotives will cost approximately \$6.5 million each, and option railcars will cost approximately \$3.2 million each. Both the base order of 42 railcars and option railcars will be utilized on all three corridors. The base order of six locomotives will be assigned to Northern California only and utilized on San Joaquin and Capitol Corridors, and the option locomotives will be utilized on all three corridors.

Approximately 10 percent of the total allocation amount will be utilized for the On-board Information System (OBIS). OBIS is an integrated video and audio communications system for on-train travel and service messages as well as potential advertising messages. The video communication includes in-car display screens, and side of car display screens, and an in-car public address system for automated and conductor initiated audio messages. OBIS function is to provide ADA compliant video and audio communications to passengers. The OBIS system functionally integrates high-efficiency control of equipment for rolling stock, safe operation, and suitable notification service for passengers.

ISSUE:

The attached vote list describes the State administered Proposition 1B ICR project totaling \$108,000,000. The Department is ready to proceed with this project and is requesting an allocation at this time.

FINANCIAL RESOLUTION:

Resolved, that \$108,000,000 be allocated from the Budget Act of 2014, Budget Act Item 2660-304-6059 for the State administered Proposition 1B Intercity Rail project described on the attached vote list

Be it further resolved, that as a condition of allocation of these funds and to perform its administrative role established by Senate Bill 88, the Commission requests that the Department perform the functions necessary to ensure proper accountability measures are employed and reporting requirements are met for the Proposition 1B Intercity Rail, Public Transportation Modernization, Improvement, and Service Enhancement Account Program.

Attachment

2.5 Highway Financial Matters

| Project # Allocation Amount Recipient <u>RTPA/CTC</u> District-County | Project Title Location Project Description | PPNO Program/Year Phase Prgm'd Amount Project ID Adv Phase EA | Budget Year Item # Fund Type Program Code | Amount by Fund Type |
|--|--|---|--|------------------------|
| 2.5g.(8) Proposition 1B –State Administered Intercity Rail Projects | | Resolution ICR1B-A-1415-02 | | |
| 1 \$108,000,000 Department of Transportation <u>Various</u> 75-Variou | <p>Procurement of Locomotives, Railcars, and Install On-board Information System. The requested funds are needed to purchase additional diesel-electric locomotives and bi-level passenger railcars through option orders with the existing contracts, as well as purchase and install OBIS on the existing and new railcars.</p> <p>(CEQA- PRC, 21080(b)(10)) (NEPA- CE, 23 CFR 771.117(c)(17))</p> <p><u>Outcome/Output:</u> The project will procure additional intercity rail passenger rolling stock to improve state-supported intercity rail service by providing new capacity on existing trainsets, replacing borrowed Amtrak equipment, and replacing aging Amtrak-owned locomotives. In addition, the OBIS system functionally integrates high-efficiency control equipment for rolling stock, safe operation, and suitable notification service for passengers.</p> | 75-2093 ICR/14-15 CONST \$108,000,000 0012000128 S RA01BA | 2014-15 304-6059 PTMISEA 30.20.090.000 | \$108,000,000 |