REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY AND RECORD OF ACTION

March 1, 2022

FROM
LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT
Withdrawal from the High Desert Corridor Joint Powers Authority

RECOMMENDATION(S)

1. Approve withdrawal from membership and participation in the High Desert Corridor Joint Powers Authority, a project-specific government agency formed between San Bernardino County and Los Angeles County to develop transportation options between the Antelope Valley and Victor Valley, which would dissolve the Joint Powers Authority effective July 1, 2022.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector, in consultation with the County Administrative Office - Finance and Administration, to distribute remaining assets, if any, of the High Desert Corridor Joint Powers Authority among its Member Counties, after resolution of all debts, liabilities and obligations, pursuant to the Joint Powers Agreement.

(Presenter: Brad Jensen, Governmental and Legislative Affairs Director, 387-4821)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES
Operate in a Fiscally-Responsible and Business-Like Manner.
Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT
Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The High Desert Corridor Joint Powers Authority (HDCJPA) expenses are primarily funded by Los Angeles County and the Los Angeles County Metropolitan Transportation Authority (LA Metro). San Bernardino County (County) contributes to the HDCJPA by filling the roles of the Clerk, Treasurer and Legal Counsel with in-kind staff time from the Clerk of the Board of Supervisors, County Administrative Office, and County Counsel estimated in the HDCJPA's 2021-22 budget at $20,215. The 2021-22 adopted budget for the HDCJPA includes total requirements of $578,670.

As Treasurer of the HDCJPA, the County is the depository and has custody of the accounts, funds and cash of the HDCJPA. The County manages and pays invoices on the HDCJPA's current contracts. Although the approval of this item would withdraw the County's membership effective July 1, 2022, the HDCJPA would exist through the winding up of its affairs until all assets are properly distributed and contractual obligations fulfilled. Pursuant to the Joint Powers Agreement, once all contractual obligations are met, any remaining money or other property are to be distributed to the HDCJPA Members proportional to the contributions made. Since the County's contributions have only been through in-kind contributions of staff time, it is anticipated that any remaining funds would be distributed to Los Angeles County. Contractual obligations are currently set to expire by the end of calendar year 2022.

BACKGROUND INFORMATION

In November of 2006, San Bernardino and Los Angeles counties (Counties) entered into a joint powers agreement to create the non-funded HDCJPA, with the cities of Adelanto, Victorville, Lancaster, Palmdale, and the Town of Apple Valley as Directors appointed by the Counties, to pursue funding and provide for the planning, design, construction, financing, operation, and maintenance of a new freeway/expressway known as the High Desert Corridor (HDC) between Los Angeles County in the vicinity of the cities of Lancaster and Palmdale, and San Bernardino County in the vicinity of the cities of Victorville, Apple Valley, and Adelanto. At the time, the HDC project was anticipated to be completed by 2020 and the purpose of the HDCJPA was to accelerate this schedule through an aggressive pursuit of supplemental funding.

In late 2010, the California Department of Transportation (Caltrans) and LA Metro partnered to initiate an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the HDC. Following that, they released the Draft EIS/EIR [including the High-Speed Rail (HSR) between Victorville and Palmdale] for public review and comment in late 2014. Caltrans, in cooperation with LA Metro, studied five functional alternatives in the Draft EIS/EIR and identified a Preferred Alternative (PA) of a freeway/tollway with a high-speed rail alternative at an estimated cost in the range of $7.3 - $8.7 billion.

Financial investments from the Federal Highway Administration, LA Metro, and the San Bernardino County Transportation Authority (SBCTA) were made to advance the environmental review phase of the HDC project. This resulted in the filing of the California Environmental Quality Act (CEQA) Notice of Determination (NOD), but the National Environmental Policy Act (NEPA) Record of Decision (ROD) was not completed due to a lack of identified funding for the next phase of the HDC project. As a result, Caltrans submitted a letter to the Federal Highway Administration announcing their decision to select the No Build option for the Freeway/Tollway elements of the project and noted that imminent improvements to State Routes 138 and 18 would address near term east-west mobility needs.

The No Build action by Caltrans effectively eliminated the highway option of the HDC, although the agency allowed for the possibility that it may return in the future to resume work on the highway portion of the HDC project. The No Build action left the Rail portion of the project being carried out by the Federal Railroad Administration (FRA) to complete the Record of Decision (ROD). The estimated cost of the rail portion of the HDC project is in the range of $3.21 to $4.62 billion. The HDC Rail Project, as part of the High Desert Corridor, was environmentally certified with a joint EIS/EIR led by Caltrans in partnership with LA Metro on June 20, 2016. In 2021, pursuant to a funding agreement with LA Metro, the HDCJPA contracted with Transportations Solutions, a professional services consultant and subcontractors, in an amount not to exceed $581,203, to petition and obtain a Rail Component ROD from the FRA, with environmental clearance from the federal Surface Transportation Board (STB), and to prepare a preliminary engineering design. The STB petition was submitted in 2021 and funded by LA Metro pursuant to an agreement with the JPA. The FRA has verbally agreed to be the Lead NEPA Agency on the Rail Project. The ROD and NOD may be issued and approved in 2022, enabling the phase into preliminary engineering. If funding is identified, construction could start as early as 2028.

Pursuit of funding for the HDC project is ongoing, and it is for the Board of Supervisors' consideration whether the County withdraw as a member of the HDCJPA. A withdrawal will terminate and dissolve the joint powers authority between the Counties. Should the withdrawal be approved, the County Administrative Office - Finance and Administration (Finance), would ensure that all debts, liabilities, and obligations are resolved. Finance will notify the Auditor-Controller/Treasurer/Tax Collector when to commence the process to distribute any remaining assets, as reflected under Recommendation No. 2.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455 and John Tubbs II, Deputy County Counsel, 387-5455) on January 28, 2022; Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on February 9, 2022; Finance (Jessica Trillo, Principal Administrative Analyst, 387-4222, and Stephenie Shea, Finance Analyst, 387-4919) on January 27, 2022; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on January 27, 2022.

Withdrawal from the High Desert Corridor Joint Powers Authority
March 1, 2022

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr.   Seconded: Dawn Rowe
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY Lynna Monell
DATED: March 1, 2022

BOARD OF SUPERVISORS SAN BERNARDINO COUNTY, CA

cc: File - JPA/High Desert Corridor
JLL 03/2/2022