

Memorandum

**TO: RULES AND OPEN
GOVERNMENT COMMITTEE**

FROM: James R. Helmer

SUBJECT: SEE BELOW

DATE: 04-24-08

Approved

Date

5/1/08

Council District: All
SNI: All

**SUBJECT: AB 3034 (GALGIANI) – SAFE, RELIABLE HIGH-SPEED PASSENGER
BOND ACT FOR THE 21ST CENTURY**

RECOMMENDATION

The Department of Transportation recommends that :

1. The Mayor and City Council support State Assembly Bill 3034 (Galgiani).
2. The Committee provide a one-week turn around for Mayor and City Council review.

OUTCOME

If the Rules and Open Government Committee and the Mayor and City Council accept staff's recommendation, the City's advocate could begin to actively support AB 3034.

BACKGROUND

The passage of State Senate Bill 1856 (Costa) in 2002 placed the Safe, Reliable High-Speed Passenger Bond Act for the 21st Century on November 2, 2004 ballot. Subsequent legislation delayed the November 2004 vote of the Bond and provided for the submission of the bond measure to state voters for approval at the November 4, 2008 general election. AB 3034 updates and expands the provisions of the Bond to reflect changes that have occurred since the original passage of SB 1856 in 2002. The City of San Jose has been active in advocating for the advancement of High-Speed Rail. The Mayor and Council, along with DOT staff, have worked with the High-Speed Rail Authority (Authority) and with other organization, such as the Silicon

AB 3034 updates and expands the provisions of the Bond to reflect changes that have occurred since the original passage of SB 1856 in 2002. The City of San Jose has been active in advocating for the advancement of High-Speed Rail. The Mayor and Council, along with DOT staff, have worked with the High-Speed Rail Authority (Authority) and with other organization, such as the Silicon Valley High-Speed Rail Coalition to ensure that any approved high-speed rail alignment includes a southern gateway entry into San Jose.

If passed, the \$9.95 billion Bond would provide \$9 billion towards the planning and construction of a high-speed rail system and \$950 million to inter-city, commuter and urban rail systems to provide direct connectivity and benefits to the high-speed rail system.

ANALYSIS

A fact sheet with an analysis of AB 3034 is attached.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This legislative item does not meet any of the above criteria.

COORDINATION

This memorandum was coordinated with the Office of Intergovernmental Relations, the City's Sacramento Office and the City Attorney's Office.

05-07-08

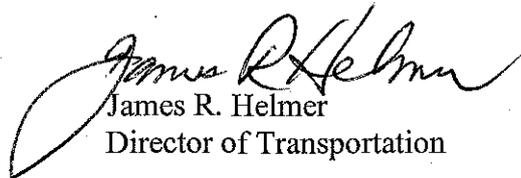
**Subject: AB 3034 (Galgiani) – Safe, Reliable High-Speed Passenger Train
Bond Act for the 21st Century**

Page 3 of 6

POLICY ALIGNMENT

The attached fact sheet and analysis are consistent with the Council-adopted 2008 Legislative Guiding Principles, and the Council-adopted guidelines.

Promote California's High-Speed Rail project including a southern gateway through the Pacheco Pass into San Jose and continue to support funding of the project through a High-Speed Bond Act on the statewide ballot.



James R. Helmer
Director of Transportation

For more information call Kelly Doyle, Policy Manager, at (408) 975-3240

AB 3034 (Galgiani) – Safe, Reliable High-Speed Passenger Bond Act for the 21st Century

What's the issue the bill is trying to resolve?

AB 3034 makes several changes to the original legislation that placed the \$9.95 billion Safe, Reliable High-Speed Passenger Bond on the November 2, 2004 state ballot. SB 1856 (Costa), chaptered in 2002, was intended to provide funding to initiate the construction of an 800-mile statewide intercity high-speed passenger train system. Subsequent legislation, SB 1169 (Murray) and AB 713 (Torrico), delayed the placement of the Bond on the statewide ballot; first moving it to November 2006, and finally to the November 2008 general election. One of the reasons cited for these postponements was a reluctance on the part of Governor Schwarzenegger to support the bond act.

AB 3034 addresses many of the issues the Governor had with the language in the original measure and if passed, the Governor has indicated that he would support the bond measure on the November 2008 ballot. AB 3034 includes language that would:

- State the Legislature's intent that construction of the high-speed train system be consistent with the High-Speed Rail Authority's (Authority) more recent November 2005 certified environmental impact report, rather than its June 2000 Final Business Plan.
- Ensure that the \$9 billion in Bond proceeds are available and are to be used for planning and eligible capital costs on the System's entire 800 mile route to provide flexibility in phasing the project.
- Provide that no more than ten percent (10%) of the bond proceeds for the System may be used for environmental studies, planning, engineering, and other preconstruction activities.
- Require that in selecting each specific segment for construction and prior to awarding a construction contract the Authority must have a detail funding plan identifying the full cost of constructing the segment and the sources of all revenues needed to complete the segment's construction.
- Ensure that the complementary rail capital improvements funded from the \$950 million in Bond funds allocated to intercity, commuter and urban rail systems shall provide direct connectivity and benefits to the System and its facilities or be part of the construction.

- Require operating revenues in excess of the amount needed to operate, maintain and complete construction of the System be deposited in the state's General Fund.
- Take effect immediately to make the changes operative in time for the November 4, 2008 election.

How would the passage of this bill affect San José?

The passage of AB 3034 updates and expands the provisions of the Safe, Reliable High-Speed Passenger Bond to reflect changes that have occurred since the original passage in 2002. The City has been supportive of high-speed rail. An alignment that links San Jose with Los Angeles provides a connection between the two major economic generators of the state. In addition to this important north-south link, the City, strategically located at the southern end of the Bay Area is positioned to become a major rail hub providing access to both the peninsula/San Francisco and the East Bay/Oakland. The addition of High-Speed rail would also anchor and enhance passenger rail service provided at the Diridon Station, which currently includes: Caltrain, Amtrak, the Altamont Commuter Express (ACE), the Capitol Corridor, and VTA's light rail. Further, on June 5, 2005, the City Council passed the San Jose Downtown Strategy 2000 Plan (Plan) and supported development around the Diridon Station Area. The Plan included the expansion of the Downtown Core into the Diridon Station Area and included the addition of 10,000 high-rise housing units and 30,000 jobs. The increased transportation options offered by the System at Diridon Station would help support future development in Downtown.

What is staff's Recommended Position?

Department of Transportation staff recommends that the Mayor and Council support AB 3034 as it relates to the Safe, Reliable High-Speed Passenger Bond Act for the 21st Century.

Who are the bill's supporters and opponents?

Supporters and Opponents as of April 11, 2008:

Supporters: California High-Speed Rail Authority (Sponsor), Association for California High Speed Trains, and California State Association of Counties.

Opposition: Sierra Club California

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05-07-08

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Page 6 of 6

What is the current status of the measure?

The bill was passed out of the Assembly Transportation Committee with amendments and referred to the Assembly Appropriations Committee.

Are there fiscal impacts of this bill for San Jose?

There are no direct fiscal impacts to the City related to the passage of AB 3034.