



BILL HORN
SUPERVISOR, FIFTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

2012 MAR 14 AM 10 15

THE CLERK OF THE BOARD
OF SUPERVISORS

DATE: March 28, 2012
TO: Board of Supervisors
SUBJECT: Support for Assembly Bill 1455 (DISTRICTS: ALL)

SUMMARY:

Overview

The Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century (Act) provides for the issuance of \$9 billion in general obligation bonds for high-speed rail purposes and \$950 million for other related rail purposes. The Act was narrowly approved by voters as part of Proposition 1A on November 4, 2008.

Article XVI, Section 1, of the California Constitution authorizes the Legislature, at any time after the authorization of a general obligation bond act approved by the people, to reduce the amount of indebtedness authorized by the act to an amount that is no more than what is contracted at the time of the reduction, or to repeal the act if no debt has been contracted.

Assembly Bill 1455 (AB 1455), introduced by Assemblywoman Diane Harkey, would reduce the amount of bonded indebtedness allowed under the Act for high-speed rail purposes to what has been contracted through January 1, 2013. AB 1455 does not impact the \$950 million authorized under the Act for local rail projects unrelated to the completion of a high-speed rail project. This Board letter asks the Board of Supervisors to support AB 1455, and to communicate that support to the State Legislature and the San Diego County delegation.

Recommendation(s)

SUPERVISOR BILL HORN:

1. Approve the resolution in Attachment A, entitled "SUPPORT FOR AB-1455 (HARKEY) HIGH SPEED RAIL LEMON LAW".
2. Direct the Chief Administrative Officer (CAO) to draft a letter communicating this Board of Supervisors' support of Assembly Bill 1455 (AB 1455) to San Diego County's legislative representatives in Sacramento and to the appropriate members of the State Legislature and Administration.

SUBJECT: Support for Assembly Bill 1455 (DISTRICTS: ALL)

3. Direct the CAO to include support in the County's Legislative Program for legislation which would remove the remaining available balance of the \$9 billion in state debt funding for the high speed rail project, while allowing for the \$950 million portion for local transportation to remain available for future funding.

Fiscal Impact

There is no fiscal impact associated with this action.

Business Impact Statement

N/A

Advisory Board Statement

N/A

BACKGROUND:

The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century provides for the issuance of \$9 billion in general obligation bonds for high-speed rail purposes and \$950 million for local rail purposes. The Act does not require all local rail projects to support a high-speed rail network. Projects that provide capacity enhancements and safety improvements for local rail projects may still be funded. The Act was narrowly approved by voters as part of Proposition 1A on November 4, 2008.

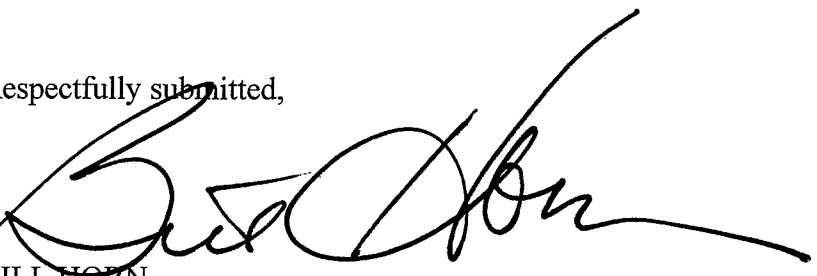
The California High-Speed Rail Authority was created to develop and implement a high-speed rail line in accordance with the Act. The California High Speed Rail Authority business plan has been widely criticized as not being in keeping with what voters approved in 2008, nearly tripling the original cost, now estimated at \$98.5 to \$117 billion for construction costs for Phase I only. The California State Auditor report released on January 24, 2012, stated that the high-speed rail network's overall financial situation has become "increasingly risky." Taking into consideration the State's troubled finances and budget deficit, as well as the growing need for local infrastructure improvements, these troubling developments have led the Orange County Board of Supervisors and the City of Mission Viejo to take positions against continuing the high-speed rail project, and to use any available funding for local infrastructure improvements.

Article XVI, Section 1, of the California Constitution authorizes the Legislature, at any time after the authorization of a general obligation bond act approved by the people, to reduce the amount of indebtedness authorized by the act to an amount that is no more than what is contracted at the time of the reduction, or to repeal the act if no debt has been contracted.

Assembly Bill 1455 (AB 1455), introduced by Assemblywoman Diane Harkey, would reduce the amount of bonded indebtedness authorized under the Act from \$9 billion to what has been contracted through January 1, 2013. AB 1455 does not reduce the \$950 million in bonds that may be authorized for local rail projects. This Board Letter asks the Board of Supervisors to support AB 1455, and to communicate that support to the State Legislature and the San Diego County delegation.

SUBJECT: Support for Assembly Bill 1455 (DISTRICTS: ALL)

Respectfully submitted,



BILL HORN
Supervisor, Fifth District

ATTACHMENTS:

A. Resolution - SUPPORT FOR AB-1455 (HARKEY) HIGH SPEED RAIL LEMON LAW.

SUBJECT: Support for Assembly Bill 1455 (DISTRICTS: ALL)

**BOARD OF SUPERVISORS
AGENDA ITEM INFORMATION SHEET**

CONCURRENCE(S)

COUNTY COUNSEL REVIEW Yes
Written Disclosure per County Charter Yes No
Section 1000.1 Required

GROUP/AGENCY FINANCE DIRECTOR Yes N/A

CHIEF FINANCIAL OFFICER Yes N/A
Requires Four Votes Yes No

**GROUP/AGENCY INFORMATION
TECHNOLOGY DIRECTOR** Yes N/A

COUNTY TECHNOLOGY OFFICE Yes N/A

DEPARTMENT OF HUMAN RESOURCES Yes N/A

Other Concurrence(s): N/A

ORIGINATING DEPARTMENT: Supervisor Bill Horn

CONTACT PERSON(S):

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E-Mail

AUTHORIZED REPRESENTATIVE: _____

SUBJECT: Support for Assembly Bill 1455 (DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

BOARD POLICIES APPLICABLE:

BOARD POLICY STATEMENTS:

CONTRACT NUMBER(S):