



Tab 18

P400  
XPRESSWEST Project  
12, 2020



# Apple Valley to Las Vegas High-Speed Train

2018 California State Rail Plan



Exhibit 4.2: Caltrans Statewide 2040 Vision Rail Map

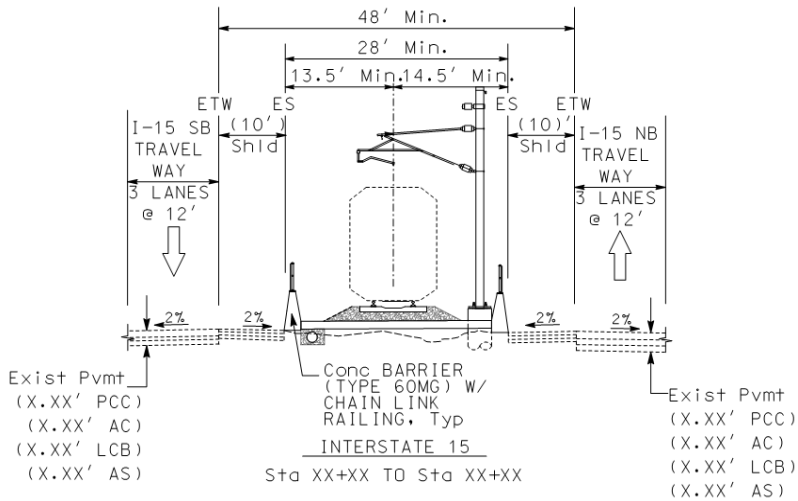


- 1 50 million people visits Las Vegas each year and 22 million are from So. California
- 2 170 miles of track between Apple Valley and Las Vegas, 135 miles in California
- 3 Fully electric with max speed of 180 mph
- 4 Approximately 50 train departures per day with 45 minute departure schedule
- 5 Create 10,000 jobs during construction and 500 plus jobs when operational \*
- 6 Reduce VMTs (800 million miles traveled)\*
- 7 Remove carbon from the air (300 million metric tons)\*
- 8 Funded with \$4.2 Billion of Private Activity Bonds and private equity for the balance (\$4.8 B current total estimate)

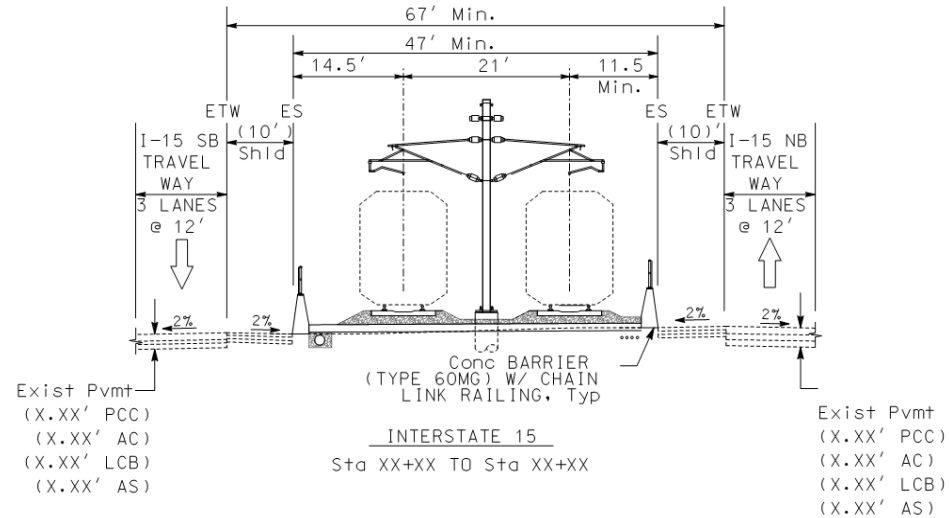
\*Data provided by XpressWest

# Typical Sections

## Single Track



## Double Track



The tracks are generally run in the median of I-15 except for the first 14 miles, which will be side running between the northbound freeway lanes and the right-of-way fence.

# Barstow Viaduct (3762.5 ft)



**Fig 4** | **Location:** East Barstow UP (BNSF) over I-15 | **Facing Direction:** North

**Notes:** Rendering – Proposed Barstow Viaduct which will carry single HSR track.

# XpressWest Project Stakeholders

## Federal Railroad Administration (FRA)

- Lead Agency on the NEPA environmental process
- Enforces rail safety regulations

## Federal Highway Administration (FHWA)

- Serves as Cooperating Agency on NEPA environmental process
- Provides written concurrence on the Right of Way Use Agreement prior to any occupancy of the lease area

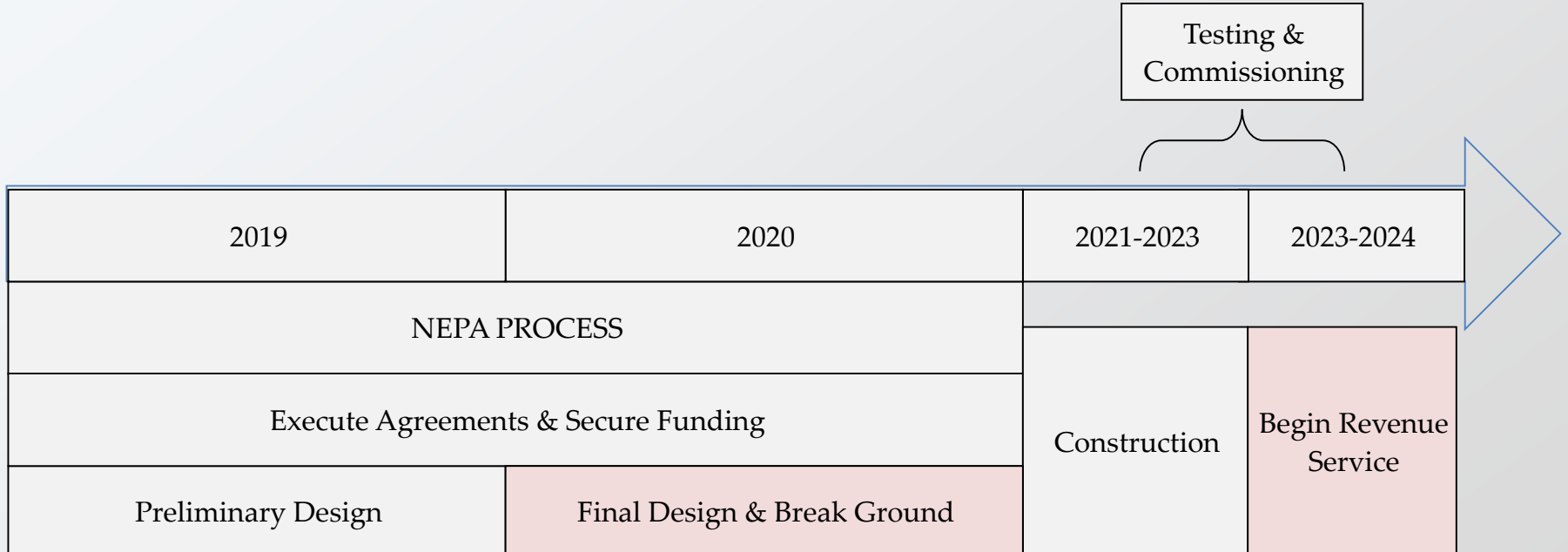
## Bureau of Land Management (BLM) and Surface Transportation Board (STB)

- Serves as Cooperating Agency on the NEPA environmental process

## Caltrans

- Provides Quality Management Assurance for Design and Construction phases
- Prepares and will execute project management related agreements
- Issues encroachment permit(s) to construct
- Signatory to the ROW Use Agreement

# Current Schedule



# XpressWest Project ROW Use Agreement



True compatibility  
of use between rail  
and highway...



# Statutory Authority PUC §7551.1

**PUC §7551.1** : “...the Secretary of Transportation may grant to every railroad corporation whose primary business is the transportation of passengers the rights-of-way for the location, construction, and maintenance of its necessary works and for every necessary adjunct thereto over any portion of highway owned by the State of California which is not otherwise disposed of or in use, not in any case exceeding in length or width that which is necessary for the construction of works and adjuncts, or for the protection thereof, and in no case to exceed 200 feet in width.”



# Legislative History PUC §7551.1

According to Deering's in 1982, PUC §7551.1 was passed as part of a larger legislative package to support a then proposed, private, mag-lev, high-speed rail project within or adjacent to the I-5 between Los Angeles and San Diego (which project ultimately failed, in part, for lack of financing).

Use of this statute to grant a lease for compatible use of right of way within the I-15 median for the XpressWest High-speed Rail Project will be the first time the statute has been used since it was adopted in 1982.

**An historic opportunity for Southern California to gain the benefits of high-speed rail.**

# ROW Use Agreement Key Terms

Lease Term = 99 years

\$842,000 Annual Fair Market Rent

Xpress West to own all rail improvements

Xpress West to construct \$570M of highway improvements

Pre-conditions to construction and occupancy:

- NEPA re-evaluation complete and revised RODs obtained from lead and cooperating agencies, if those agencies require it
- FHWA concurrence letter issued to Caltrans for Right of Way Use Agreement
- Caltrans has approved XpressWest plans and issued encroachment permit(s) for construction
- BLM has issued a modified lease (or other consent) to XpressWest for any federal land required for the project

Caltrans, CalSTA and State of California indemnified by XpressWest based on proximate cause due to authorized uses, and/or location and placement of rail improvements

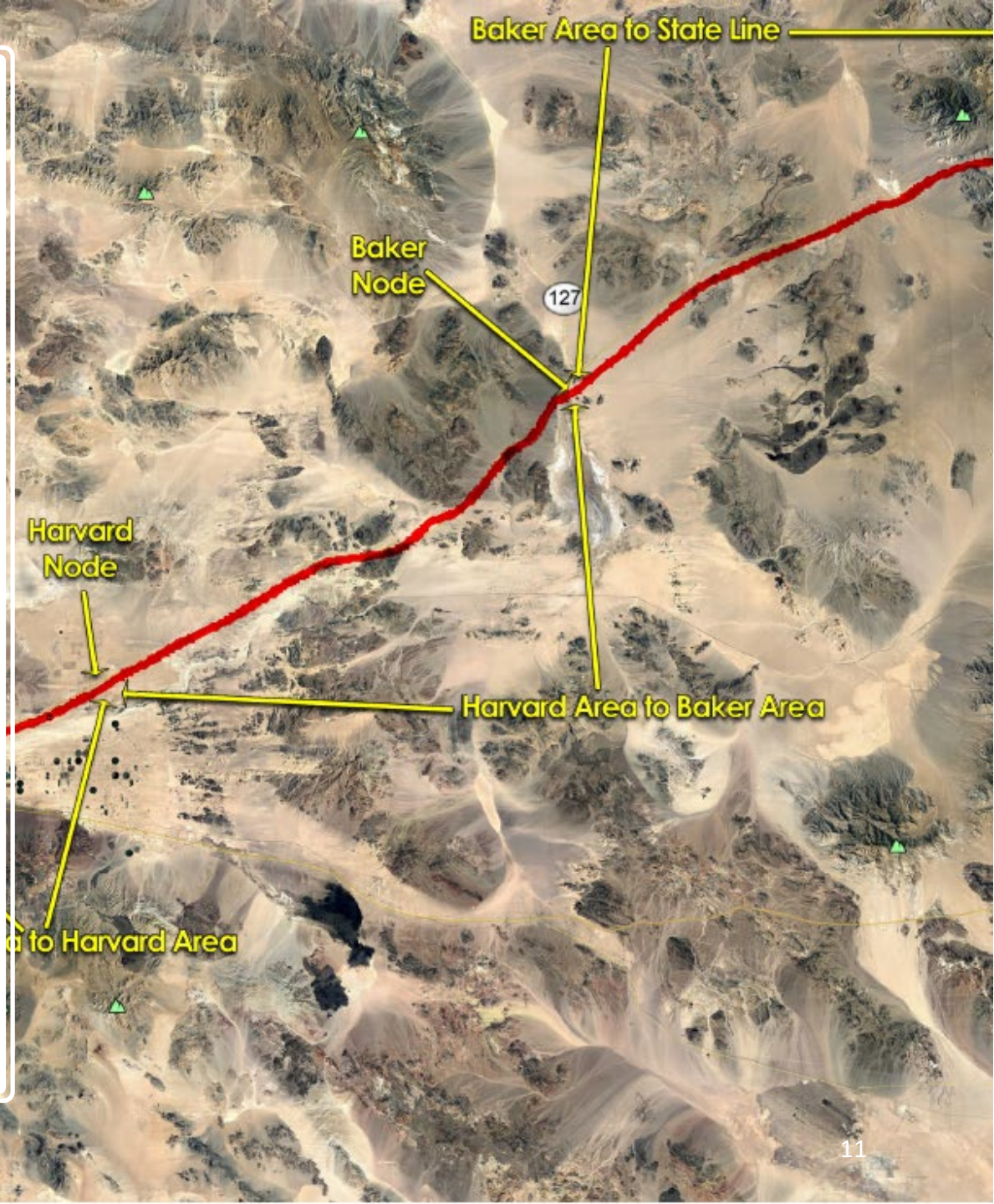
Revocable for:

- failure to timely start construction (within 3 years)
- failure to timely complete construction (within 7 years)
- failure to operate as high-speed passenger rail for 18 months

# How was the annual rent determined?

## FMV Appraisal

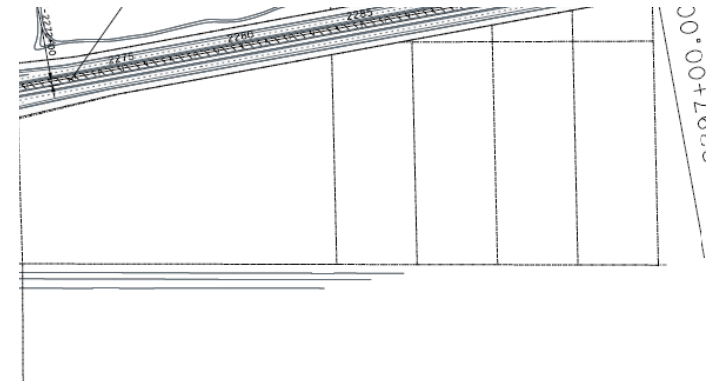
- Across the fence (ATF) sales comparison valuation method
- Alignment broken out into value nodes/segments
- Corridor enhancement factor of 1.5% applied
- High Speed Train usage or occupancy factor of 75% of fee value indicated
- DOV= January 20, 2020



# SF Breakdown of Value Nodes/Segments

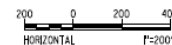
## AREAS WITHIN THE RIGHT OF WAY

Sub-Parcel	Area (SQ FT)	Area (Acres)
Node 1	2,144,576	49.2
Node 2	5,992,425	137.6
Node 3	180,444	4.1
Node 4	339,594	7.8
Node 5	806,000	18.5
Node 6	4,042,272	92.8
Node 7	356,892	8.2
Node 8	7,285,084	167.2
Node 9	1,241,925	28.5
Node 10	9,145,303	209.9
Total	31,534,515	723.8
Include Transformer Stations	31.7 Million	727.8



STATE OF CALIFORNIA  
 CALIFORNIA TRANSPORTATION AGENCY  
 DEPARTMENT OF TRANSPORTATION  
**RIGHT OF WAY  
 HARDCOPY  
 LEASE AREA ESTIMATE  
 MAP NO. RW000360-08**

EA 0P400 XpressWest



DIST	COUNTY	ROUTE	SHEET PM	SHT	TOT
08	SBD	15	78-82.5	08	3



# Unit Value (per Acre) Per Node/Segment

## *Specific Segment/Node Assumptions*

Segment/ Node No.	Segment/Node Name	Highway Mile Markers	Distance (Miles)	Lease Area Width (Feet)	Avg Sale Price (Per Acre)
1	Dale Evans Parkway Node	51 to 57	6	67.7	\$36,200
2	Dale Evans Pkwy to Lenwood Segment	57 to 68	11	103.2	\$1,200
3	Lenwood Node	68 to 69	1	34.2	\$537,100
4	Lenwood to Barstow Segment	69 to 71	2	32.2	\$7,800
5	Barstow Node	71 to 75	4	38.2	\$163,800
6	Barstow to Harvard Segment	75 to 96	21	36.5	\$7,500
7	Harvard Node	96 to 97	1	67.6	\$56,200
8	Harvard to Baker Segment	97 to 135	38	36.3	\$600
9	Baker Node	135 to 139	4	58.8	\$18,400
10	Baker to State Line Segment	139 to 186	47	36.9	\$1,500

# Conversion to Annual Fair Market Rent (FMR)

Total land value (727.8 Acres) is \$10,530,000

- FMR derived by applying a reconciled 8% ground rate of return:

According to the above capitalization rates and recent ground lease transactions, rates of return attributable to the land have been consistent with current market conditions with indications as low as 3.70%. The land capitalization indications on the market data chart indicate an average range from 5.50% to 13.00%. Therefore, an appropriate reconciled annual ground rate of return would be **8.00%** annually. The lease or possessory interest reflects the following formula:

$(\text{ATF Value}) \times (\text{Enhancement Factor}) \times (\text{Usage/Occupancy Factor}) \times (\text{Rate of Return}) = \text{Annual Rent}$

**Thus, annual rent = \$842,000**

# Sts. & Hwy. Code Authority for Rail Use

**Streets & Highways Code §104.12(b):** “... in any case where sufficient land or airspace exists within the right-of-way of any highway, constructed in whole or in part with federal-aid highway funds, to accommodate needed passenger, commuter, or high-speed rail, magnetic levitation systems, and highway and nonhighway public mass transit facilities, the department may make the land or airspace available, with or without charge, to a **public entity** for those purposes...”

# Comparison

PUC §7551.1	CONVENTIONAL AIRSPACE LEASE Streets & Highways Code §104.12(b)
<p><b>Statutory Authority:</b>                      “the Secretary of Transportation may grant to every railroad corporation whose primary business is the transportation of passengers the rights-of-way for the location, construction, and maintenance of its necessary works and for every necessary adjunct thereto over any portion of highway owned by the State of California which is not otherwise disposed of or in use, not in any case exceeding in length or width that which is necessary for the construction of works and adjuncts, or for the protection thereof, and in no case to exceed 200 feet in width.”</p>	<p><b>Statutory Authority:</b>                      “... in any case where sufficient land or airspace exists within the right-of-way of any highway, constructed in whole or in part with federal-aid highway funds, to accommodate needed passenger, commuter, or high-speed rail, magnetic levitation systems, and highway and nonhighway public mass transit facilities, the department may make the land or airspace available, with or without charge, to a public entity for those purposes...”</p>
<p><b>Lease Procedures:</b>                      The statute is not express as to process and no legislative history indicates how to construe this authority to grant. However, the lease itself:</p> <ol style="list-style-type: none"> <li>(1) Identifies the private rail entity</li> <li>(2) Identifies the public multi-modal purpose</li> <li>(3) Annual rent of \$842,000 is based on FMV appraisal, completed by an MAI appraiser and reviewed by Caltrans ROW HQ<sup>1</sup></li> </ol>	<p><b>Lease Procedures:</b>                      CTC Resolution G-19-43: No specific CTC approval for each lease is necessary whenever Caltrans finds</p> <ol style="list-style-type: none"> <li>(1) the lessee is a public entity</li> <li>(2) the lease will fulfill a public purpose</li> <li>(3) Caltrans will receive fair market rent for the property</li> </ol>



# Recognized Multi-modal Public Purpose

“This is a major milestone in connecting two world-class destinations – Southern California and Las Vegas – with high-speed passenger rail service,” said Caltrans Director Toks Omishakin. “The XpressWest trains will provide a convenient alternative to driving to and from Las Vegas while reducing greenhouse gas emissions.”

## Agencies which provided letters of support to the lease agreement

Scott Nassif, Mayor of City of Apple Valley

Gloria Garcia, Mayor of City of Victorville

Steven Hofbauer, Mayor of City of Palmdale

Eric Garcetti, Mayor of City of Los Angeles

Robert Lovingood, Chairman of High Desert Corridor Joint Powers Authority

Scott Wilk, Senator of Twenty-First Senate District

Jay Oberholte, State Assembly Member of 33rd District

Kathryn Barger, Chair of LA Co. Board of Supervisors

Stephanie Wiggins, CEO of Metrolink

Phillip Washington, CEO of LA METRO

Brad Poiriez, Executive Director of Mojave Desert Air Quality Management District

Lisa Lamb, President/CEO of Lewis Center for Educational Research

Kick Armin, VP Locomites and High-Speed Trainsets of Siemens

Wayne Feuerborn, Senior Vice President of HNTB

Lincoln Ryan - Graphic Designer/Marketing Coordinator, Victorville, CA

Lucy Stewart -Business Owner-Las Vegas, NV

Tony Titolo - Huntington Beach, CA

Frecia Johnson - Johnson Real Estate Grp, Victorville, CA

QUESTIONS?

