




March 18, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Approval of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Business Plan for Fiscal Years 2019-20 and 2020-21

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is required to submit an annual business plan to the California State Transportation Agency by April 1 of each year. The business plan is a two-year planning document that outlines operations and service goals, discusses any proposed changes to the Pacific Surfliner service, and provides the basis for the annual budget request. The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2019-20 and 2020-21 is presented for review and approval.

Recommendations

- A. Adopt the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2019-20 and 2020-21.
- B. Direct staff to submit the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2019-20 and 2020-21 to the Secretary of the California State Transportation Agency by April 1, 2019.
- C. Direct staff to return to the Board of Directors in June 2019 with an updated business plan that includes revised budget assumptions consistent with the revenue and expense estimates provided by Amtrak for federal fiscal year 2019-20.

Discussion

Per the interagency transfer agreement between the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) and the California Department of Transportation (Caltrans), and the LOSSAN Joint Powers Agreement, the LOSSAN Agency must develop a business plan to be approved by the LOSSAN Agency Board of Directors (Board) and submitted

to the Secretary of the California State Transportation Agency (CalSTA) by April 1 of each year. The business plan is a two-year planning, operations, and budget document that provides the basis for the annual budget request, outlines operating and service goals, and discusses any proposed changes to the Pacific Surfliner service. The annual budget request must be included and consistent with the annual business plan.

The proposed business plan for fiscal year (FY) 2019-20 and FY 2020-21 discusses the LOSSAN Agency's progress toward meeting the goals and objectives included in prior business plans while outlining proposed enhancements to the Pacific Surfliner service planned over the next two years.

A draft budget is also included as part of the business plan, but will be revised and resubmitted for final approval in June 2019 following receipt of annual operating revenue and expense estimates from Amtrak for federal FY 2019-20. Annual operating revenue and expense estimates are typically not received from Amtrak until March 31, which does not allow for sufficient time for review and incorporation into the annual business plan prior to the April 1 deadline. As part of the approval letter for the current business plan, CalSTA has allowed for this adjustment to the annual budget request to provide sufficient time for the LOSSAN Agency to address any revisions necessary following the receipt of operating expense and revenue estimates from Amtrak.

On January 30, 2019, the LOSSAN Board reviewed a list of key assumptions for the LOSSAN Agency Business Plan for FY 2019-20 and FY 2020-21, and directed staff to incorporate those assumptions into the final draft of the business plan. On February 20, 2019, staff presented the draft business plan to the Board for review and comment. Additional comments were received from the LOSSAN Technical Advisory Committee, and this feedback has been incorporated into the business plan.

Next Steps

LOSSAN Agency staff will incorporate any additional feedback from the Board into the business plan for FY 2019-20 and 2020-21 prior to final submittal to CalSTA by the April 1, 2019 deadline. Staff from CalSTA and Caltrans will then review the business plan and provide a business plan approval letter to the LOSSAN Agency.

Summary

Consistent with the requirements of the interagency transfer agreement and the joint powers agreement, staff has developed the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Business Plan for Fiscal Years 2019-20 and 2020-21. The final business plan will be submitted to the Secretary of the California State Transportation Agency by April 1, 2019.

Attachment

- A. LOSSAN Rail Corridor Agency Business Plan, FY 2019-20 – FY 2020-21

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