



February 18, 2020

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director

Subject: Final Draft Business Plan for Fiscal Years 2020-21 and 2021-22

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 1st of each year that provides the basis for its annual budget request, outlines operations and service goals, and discusses any proposed changes to the Pacific Surfliner service. Staff has prepared a draft of the business plan for fiscal years 2020-21 and 2021-22 for the Board of Directors' review.

Recommendation

Direct staff to incorporate comments received from the Board of Directors into the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Business Plan for fiscal years 2020-21 and 2021-22 and return to the Board of Directors on March 16, 2020, to seek final approval.

Background

Per the interagency transfer agreement (ITA) between the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) and the California Department of Transportation, 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 1st of each year. The business plan is a two-year planning, operations, and budget document, and the LOSSAN Agency's annual budget request must be consistent with the approved business plan.

The initial LOSSAN Agency business plan was submitted to CalSTA concurrent with the ITA in June 2015 and covered fiscal year (FY) 2015-16 and FY 2016-17. The submittal for FY 2020-21 and 2021-22 focuses primarily on how the LOSSAN Agency will continue to work toward exceeding the performance metrics established by CalSTA. It outlines operational strategies, equipment

maintenance, marketing programs, safety and security measures, as well as a discussion of upcoming planned service expansion. A draft budget will be included as part of the annual business plan but will be revised and resubmitted for final approval by June 30, following receipt of annual operating revenue and expense estimates from Amtrak for federal FY 2020-21. The operating revenue and expense estimates are typically not received from Amtrak until after the April 1 deadline for submitting the annual business plan. As part of the approval letter for the current business plan, CalSTA has allowed for this adjustment to the budget to provide sufficient time for the LOSSAN Agency to address any revisions necessary following the receipt of annual operating expense and revenue estimates from Amtrak.

Discussion

On November 18, 2019, the LOSSAN Agency Board reviewed a list of key assumptions for the LOSSAN Agency business plan for FY 2020-21 and 2021-22 and directed staff to incorporate those assumptions into the draft of the business plan. As directed a draft was prepared utilizing the Board approved assumptions.

On December 23, 2019, the draft chapters were forwarded to the Technical Advisory Committee (TAC) for review and comment. Written comments and suggested edits were received from the TAC and incorporated into the draft business plan. A redline version of the draft, indicating the edits that addressed the TAC requested adjustments, was distributed to the TAC on January 18, 2020. This gave the TAC an opportunity for a final review and to ensure that their input was accurately reflected in the revised draft. A final discussion was held at the TAC meeting on February 3, 2020. At that time staff confirmed that there were no additional suggested edits to the final draft document. That final draft is being presented for Board review.

Next Steps

Staff will incorporate any additional comments received from member agencies and the Board into the final draft business plan. The complete business plan for FY 2020-21 and FY 2021-22 will then be presented to the Board for approval at the March 16, 2020 meeting. Upon Board approval, staff will submit the document to CalSTA prior to the April 1, 2020 deadline.

Summary

Consistent with the requirements of the interagency transfer agreement, and joint powers agreement, staff has prepared a final draft of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for Fiscal Year 2020-21 and Fiscal Year 2021-22. The final draft is presented for Board of Directors review. Pending any additional comments or input, the final business plan will be submitted to the Board of Directors for approval at the March 16, 2020 Board meeting.

Attachment

- A. LOSSAN Rail Corridor Agency Business Plan FY 2020-21 / FY 2021-22

Prepared by:

A handwritten signature in black ink, appearing to read 'Roger M. Lopez', with a long horizontal line extending to the right.

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