



Board Report

File #: 2026-0104, File Type: Program

Agenda Number: 7.

PLANNING AND PROGRAMMING COMMITTEE MAY 20, 2026

SUBJECT: HIGH DESERT CORRIDOR FY27 WORK PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. APPROVING \$9,338,470 in Measure M High Desert Multipurpose Corridor (HDMC) funds identified in the Expenditure Plan for Right-Of-Way (ROW) acquisition to be repurposed to the High Desert Corridor (HDC) Joint Powers Agency (JPA) for the Fiscal Year 2027 (FY27) work program; and
- B. AUTHORIZING the Chief Executive Officer (CEO) or their designee to negotiate and execute all necessary funding agreements with the HDC JPA.

ISSUE

Metro is a member agency of the HDC JPA and annually programs Measure M funds dedicated to the HDMC to support the HDC JPA's efforts to advance the HDMC High Speed Rail project (Project) through the Federal Railroad Administration (FRA) Corridor Identification and Development Program. The HDC JPA has requested Metro program Measure M funding for the FY27 HDC JPA work program to support the Project's planning, environmental, and advanced conceptual services for the Project's advancement through the FRA planning process.

BACKGROUND

The HDMC Project features the implementation of a new 54-mile east-west High-Speed Rail (HSR) alignment between the future Palmdale Multimodal HSR Station in Los Angeles County and the Brightline West (BLW) Station in Victor Valley in San Bernardino County. The HDMC is funded through Measures R and M, with each listing the Project in their respective expenditure plans. Metro programs funds for the Project annually to advance its progress through a rigorous FRA process known as the Corridor Identification and Development Program (CIDP).

The Project will link the Metrolink Antelope Valley Line (AVL) with two future HSR lines - California High Speed Rail Authority (CAHSR) and BLW (Attachment A). CAHSR is a State-initiated program that is mandated to deliver HSR service between San Francisco and Los Angeles. BLW is a privately

funded HSR service that will connect Las Vegas with Victor Valley and Rancho Cucamonga. Once completed, the Project will enable passengers to travel between Palmdale and Victor Valley in less than 30 minutes and provide a key rail link to encourage one-seat rides between Los Angeles County and Las Vegas and San Francisco.

The Project supports the State's ambitious greenhouse gas reduction efforts and provides economic development and mobility benefits for a region that includes many historically underserved, low-income, and disadvantaged communities. The Project is estimated to deliver 9 million boardings per year.

Environmental Review

Measure R provided \$33 million for the environmental clearance of the HDMC, which at the time included a four-lane freeway/tollway and HSR service between Palmdale and Victorville. The \$33 million in Measure R funds has been fully expended. In 2016, the California Department of Transportation (Caltrans) completed the California Environmental Quality Act (CEQA) review of the Project. In December 2020, Caltrans subsequently informed the Federal Highway Administration that the "no build" option was selected for the freeway/tollway element of the HDMC. The removal of the four-lane freeway/tollway would necessitate updates to the environmental document.

In April 2021, the HDC JPA requested that the Project move forward with the FRA as the lead agency for the National Environmental Policy Act (NEPA) review. To streamline the environmental review process, the HDC JPA opened dialogue in October 2024 with the CAHSR to utilize its NEPA delegation to have the CAHSR serve as the lead agency for environmental review of the Project. In September 2025, the CAHSR became the lead agency. The NEPA environmental review is being finalized during 2026, with a Record Of Decision (ROD) anticipated in late 2026/early 2027.

Metro Support for Project Advancement through the FRA CIDP

The FRA prioritizes future passenger rail corridors for investment through its CIDP, which lays out a three-step process for potential corridors to undergo project planning and development to become ready for implementation. The Metro Board has consistently provided vital support for the Project over the past six years to develop the project and secure FRA support to enter and advance through the CIDP's three steps:

Step 1: Scoping

Step 2: Preparation of the Service Development Plan (SDP)

Step 3: Preparation for implementation

At its January 2023 meeting, the Metro Board committed \$8.5 million in Measure M Project funds to serve as 50% local match for two grant applications that resulted in the following awards: \$8 million from the California State Transportation Agency (CalSTA) Transit and Intercity Rail Corridor Program (TIRCP) for advanced engineering (April 2023) and \$500,000 from the FRA for CIDP planning work (December 2023).

The \$1 million in combined funding from the Board and FRA for CIDP planning work allowed the HDC JPA to complete Step 1 of the CIDP in November 2025 and enter Step 2 (Preparation of the SDP). The SDP is a planning-level document that provides FRA, Metro, and project stakeholders with the information needed to assess the utility of establishing HSR service along the HDMC, the costs of

implementation, and the next steps to advance the Project. Metro initiated the SDP for the HDMC on behalf of the HDC JPA in 2020, prior to the creation of the CIDP, and submitted it to FRA in January 2023; following new guidance released by FRA for the CIDP process in 2024, the HDC JPA obligated \$100,000 of the FRA CIDP grant to align the draft SDP with new FRA requirements.

DISCUSSION

On April 9, 2026, the HDC JPA Board approved the proposed FY27 budget and work program for \$10,838,470, subject to Metro Board approval. It should be noted that since the HDC JPA anticipates having \$1,500,000 in carryover reserve funds at the end of the FY26 work program, the request for new Measure M funds will be reduced to \$9,338,470. Key activities for the FY27 work program include:

1. Completing the NEPA process - HDC JPA will work with the CAHSR (the lead agency) to finalize and submit the environmental document to FRA, with NEPA approval/ROD anticipated to occur in late 2026/early 2027.
2. Leveraging Measure M Funds and Continued grant pursuits - in February 2026, the HDC JPA submitted a \$34 million Federal-State Partnership (FSP) grant application for advanced conceptual design to integrate the Project with CAHSR and BLW. Also in February 2026, the HDC JPA submitted a \$50 million US Department of Transportation BUILD grant application. The HDC JPA will await the grant announcements and will continue to pursue grant opportunities during FY27.
3. Update the SDP - HDC will provide technical analysis and support for Metro to submit the final SDP Gap Analysis to the FRA for final approval in FY27.
4. Consultant Services - HDC will provide program management, engineering, ROW, and financial advisory services as the HDC JPA mobilizes towards 30% design, plus management of the JPA. See Attachment B for the HDC JPA FY27 work program budget detail.

The HDC JPA strategy is to be fiscally responsible and control costs during the planning phases of the Project. As an example, HDC JPA expenditures during the last three fiscal years have been below the adopted budget. Going forward, the HDC JPA has committed that once the NEPA and ROD are achieved, the HDC JPA will evaluate project delivery methods in collaboration with Metro before entering preliminary engineering.

DETERMINATION OF SAFETY IMPACT

The Project's advancement will be done per all applicable FRA, California Public Utilities Commission, CAHSR, BLW, and Metrolink design and engineering standards, which will maximize Americans with Disabilities Act (ADA) and safety benefits to the public.

FINANCIAL IMPACT

The Measure M Expenditure Plan includes \$170 million for the Project for ROW acquisition or other appropriately repurposed project uses, as approved by the Metro Board. \$27.2 million of this amount has already been repurposed and programmed in various Metro Board actions to advance the FY27 HDC JPA work program. Currently, there is approximately \$142.8 million available, which is eligible to

be used by the HDC JPA to fund the FY27 work program, complete the Final SDP, and other project development activities.

Recommendation A will repurpose and program \$9,338,470 in funds from the ROW acquisition to implement the FY27 HDC JPA work program, leaving a balance of \$133.5 million in remaining Measure M funds for future HDC JPA ROW activities.

Measure M Funding Plan for HSR Project ROW Acquisition	\$ 170.0M
- Prior Metro Board Actions (See Attachment C)	(\$ 27.2M)
Subtotal:	\$ 142.8M
- FY27 Work Program/Recommendation A (Metro Board 5/26)	(\$ 9.3M)
Projected Measure M Balance for HDC	\$ 133.5M

Impact to Budget

\$9,338,470 has been included in the FY27 Proposed Metro Budget for the HDC JPA FY27 work program under project number 475499.

It will be the responsibility of the Chief Planning Officer to program funds for the HDC JPA for this multi-year program in the future. Annual funding agreements between Metro and the HDC JPA will be audited and reconciled each year, subject to Measure M requirements.

The funding source for this project is Measure M 17% Highway, which is not eligible for Metro bus & rail operations and capital projects.

FY21-25 Audit

A financial audit of HDC JPA Metro-funded expenditures for FY21-25 was recently completed. No instances of noncompliance with Government Auditing Standards were identified. Furthermore, no material weakness in internal controls was identified.

EQUITY PLATFORM

The Project will improve mobility for residents in North Los Angeles County by providing a high quality, environmentally friendly, safe, and efficient transportation option to access jobs, healthcare, education, other services, and economic opportunities offered at major urban and employment centers in Los Angeles and Las Vegas. As part of the environmental review process, the HDC JPA has engaged in frequent dialogue with key governmental stakeholders, plus consultation with local native tribal governance councils. As the Project advances, there will be extensive outreach to the local communities.

The entire Project service area falls within the low-income communities and households as defined by AB 1550. A significant portion also falls within disadvantaged and low-income communities, as defined by SB 535. The Project also serves Metro-defined Equity Focus Communities (EFC) in the

Antelope Valley, including the cities of Palmdale, Lancaster, and unincorporated Los Angeles County. In addition, between 61% and 77% of residents within the Project area are predominantly from Black, Indigenous, and other People of Color (BIPOC) populations, with the highest percentage of BIPOC populations in the City of Palmdale. Many of the BIPOC populations include people with limited English proficiency.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, the Project is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT by shifting roadway users to the High Desert Corridor high-speed rail service and other regional rail corridors. The reduction in VMT will also improve transportation safety in the High Desert region by reducing travel on State Route 138, a two-lane, rural state highway that experiences higher-than-average traffic volumes/collision rates. Other benefits include greenhouse gas emissions, and vehicle noise for those living near highways. CEQA analysis was completed and approved prior to Metro's Board-adopted VMT reduction targets.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation A supports the Metro Vision 2028 Strategic Plan goals 1, 4, and 5 as follows:

- Goal 1.2: Invest in a world-class transit system that is reliable, convenient, and attractive to more users for more trips;
- Goal 4.1: Work with partners to build trust and make decisions that support the goals of the Vision 2028 Plan;
- Goal 5.2: Exercise good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommendations. This is not advised since completion of the Final SDP will enable the Project to participate in the CIDP. Additionally, the HDC JPA has received \$17 million in grants and Metro Board-approved funding to advance the Measure R and M Project, indicating strong support from State and Federal partners for the Project's merit and value to the Southern California rail network.

NEXT STEPS

Subject to the Board's approval of the recommendations, Metro will execute a funding agreement with the HDC JPA to implement the FY27 work program. Metro will continue coordination meetings with the FRA and the HDC JPA to complete the Final SDP in 2027. The HDC JPA will await the results of the FSP and BUILD grant applications, likely to be announced in Fall 2026. The ROD, with the CAHSR as the lead agency, is likely to occur in late 2026/early 2027. Staff will return to the Board annually and provide periodic updates as needed.

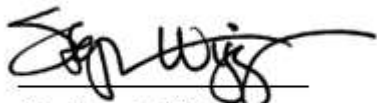
ATTACHMENTS

Attachment A - HDC Corridor Map

Attachment B - HDC JPA FY27 Work Program Budget Detail

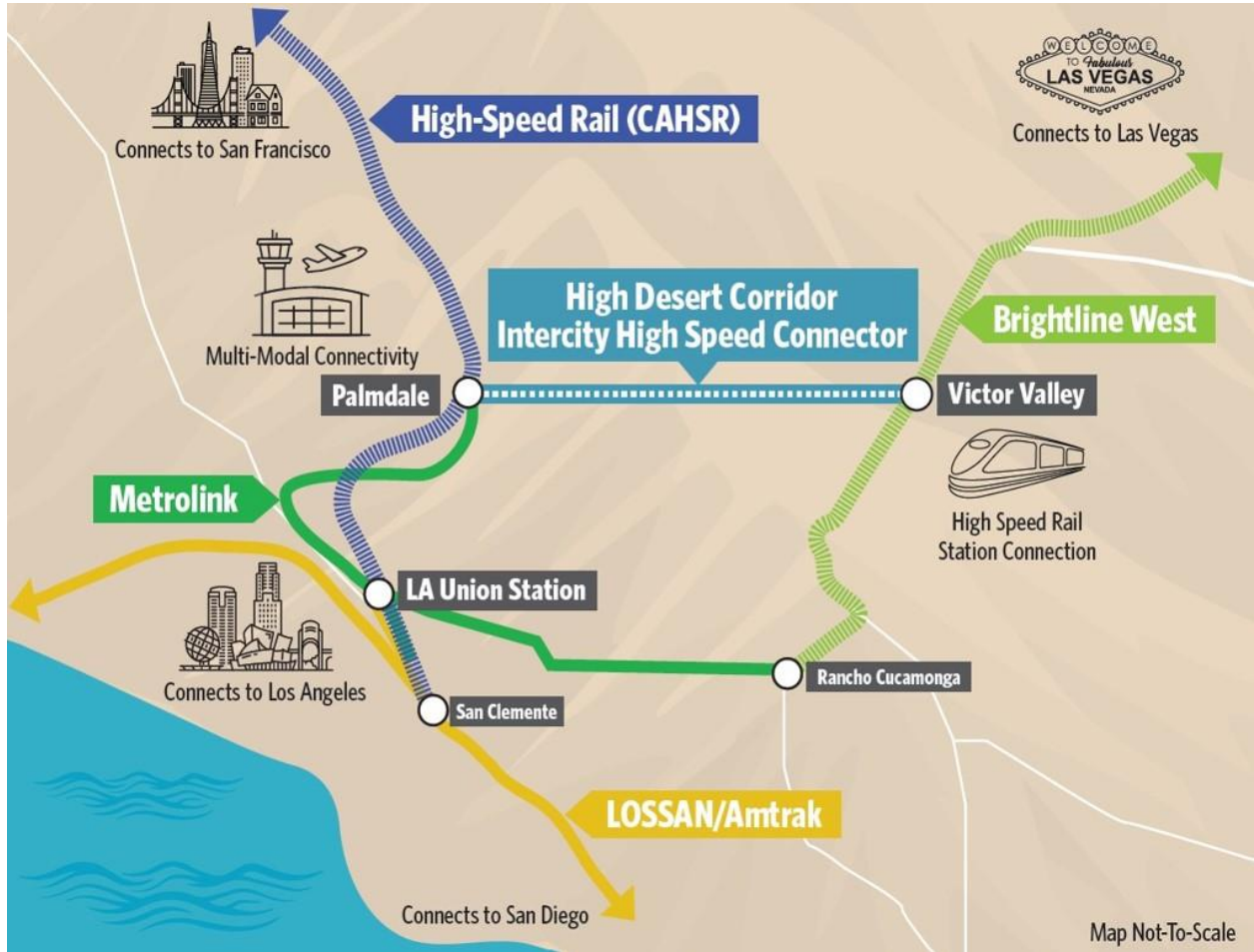
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ATTACHMENT A



Attachment B
High Desert Corridor Joint Powers Agency
Proposed Budget for Fiscal Year 2027 with FY26 Adopted Budget Comparison

	HDC JPA Budget Description	Proposed FY27 Amount	Adopted FY26 Amount
1	<p>California High Speed Rail Authority (CHSRA) staff support for 1) NEPA Reevaluation Work and 2) Right of Way Acquisition Planning: Provide funding for California High Speed Rail Authority (CHSRA) staff support to conduct:</p> <p>1) NEPA Reevaluation work that will be delegated by the Federal Railroad Administration (FRA) to the CHSRA to support HDC JPA's environmental clearance that is needed to obtain a Record of Decision. Budgeted amount for FY27 is based on workplan that CHSRA provided, which is budgeted for fiscal year 2027. (\$1,050,000)</p> <p>2) Right of Way Acquisition Planning activities to support the environmental clearance work and engineering design services work that is required for determining the land area that will be required for the project. To do this effectively it will be required for the HDC JPA to adopt policies and develop a milestone schedule when the diferent phases of the acquisition process will take place. (\$140,000)</p>	\$1,190,000	\$1,940,000
2	<p>Re-evaluate National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS) & Record of Decision (ROD): Tasks for FY27:</p> <p>1) Complete the NEPA Re-evaluation/Re-validation and Record of Decision (ROD) with Final Review by the FRA NEPA designation entity CHSRA. -Address Section 106 and NEPA Re-evaluation comments, provide revised version for CHSRA final review. Prepare final version of NEPA Re-evaluation and prepare a ROD for CHSRA final approval. - Conclude Section 7 consultation and provide necessary documentation as requested by US Fish & Wildlife Service (USFWS) and CHSRA</p> <p>2) Conclude Surface Transportation Board (STB) Petition Approval process. 3) Provide right of way planning and consulting services 4) Initiate Government Property Owner Inter-Agency Agreements</p> <p>Contractors: Transportation Solutions: \$148,495 Epic Land Solutions, Inc.: \$182,475 Circlepoint: \$945,000 Venable LLP: \$250,000 Jacobs: \$100,000 Arrellano Associates \$150,000</p>	\$1,775,970	\$2,585,000

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	HDC JPA Budget Description	Proposed FY27 Amount	Adopted FY26 Amount
3	<p>Service Development Plan (SDP) Update: Metro will continue as lead on the HDC Service Development Plan (SDP) that will be submitted to FRA for their consideration in FY27. Based on FRA direction, the current January 2023 SDP requires additional analysis and cost updates due to the alignment, structural, and operational changes made to the Project since January 2023. This budgeted amount may be reimbursed to the HDC JPA through the Federal Railroad Administration Corridor Identification Grant Stage 2 at 90% federal, 10% Measure M. SDP efforts to be undertaken by existing HDC contractors with similar scope of work, with support from Metro.</p> <p>Engineering Design and Related Advisory Services (HDR/Subs): \$1,520,000 Financial Advisory Services Contractor (Infrastrategies/Subs): \$525,000 Metro: \$101,000 AVS: \$264,000</p>	\$2,410,000	\$2,310,000
4	<p>HDC JPA Management: Oversee agency management including technical analysis, grant applications, budgetary activities, equity focused planning, administration, engineering, right-of-way planning, stakeholder engagement and communications. For FY27, HDC JPA management functions will be augmented to meet the increased project needs requiring the services of a senior level project management/planning, engineering and right-of-way (ROW) planning support, communications staff, and administrative support staff. As the project progresses beyond the environmental phase into preliminary engineering, the HDC JPA requires additional staffing to support the increasing complexity, expertise, and level of effort.</p> <p>Contractors: AVS Consulting, Inc.: \$344,500 ERCL Consulting LLC: \$255,500 ROW Director and HDC As-Needed Staff Support: \$387,000</p>	\$987,000	\$824,510
5	<p>Financial Advisory Services: Conduct ongoing financial planning & analysis, modeling, and structural management analysis to support project development into the fiscal year 2027 that includes identifying, developing, and refining the project funding plan, analyze options for local, state, and federal funding contributions toward the project, prepare local, state, federal grant applications and provide grants management support, coordinate with station integration planning work, provide updated ridership forecasting as needed, identify credit enhancement strategies, coordinate with the Engineering Design Services firm, and maintain and update the HDC Financial Dashboard on an ongoing basis.</p>	\$1,165,000	\$1,165,000

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	HDC JPA Budget Description	Proposed FY27 Amount	Adopted FY26 Amount
6	<p>Engineering Design and Related Advisory Services (EDS): The Engineering, Design, and related Advisory Services (EDS) firm would continue to support HDC JPA Executive Management with delivering engineering and design services that will be necessary during FY27 to advance the project development process. This work includes conducting advanced conceptual planning and engineering work that includes the following tasks:</p> <ol style="list-style-type: none"> 1) Advance conceptual engineering work to define the full project scope and support the Environmental Clearance Team 2) Engineering design and operations modeling to be conducted in support of the Service Development Plan 3) Conceptual engineering work to integrate the HDC JPA High Speed Rail Project with California High Speed Rail at the Palmdale Station and with Brightline West at the Victor Valley Station 4) Define system interoperability/interface design parameters to integrate with California High Speed Rail and Brightline West systems and operations 5) Coordinate with the California High Speed Rail Authority, Federal Railroad Administration, Caltrans, and other State and local agencies 6) Coordinate with other rail operators including Brightline West, SCRRRA, and Union Pacific 7) Advance project approval process with Caltrans for impacts on the State Highway System 8) Support ROW acquisition planning work effort 9) Support grant applications and grant agreement compliance 10) Provide project management, scheduling and control, risk analysis, and cost estimating functions, as well as other related support services. <p>Funding for this task will be partially funded by the \$16.5 million TIRCP grant funding allocated to HDC JPA.</p> <p>Optional tasks are estimated at \$698,000 and is not included in the FY27 budget. A budget amendment will be requested if they are deemed necessary to advance in FY27.</p>	\$2,219,000	\$2,480,000

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7	<p>County of Los Angeles Treasury, Auditor-Controller, Legal Counsel, Public Works Staff Support: Monthly Support for Accounts Payable/Accounts Receivable functions, Legal Counsel Support, Budget Oversight, Board Meetings staffing, Agency Oversight & Compliance Items, Procurement /Contract Services plus Request for Proposals preparation and Oversight, and contract execution. County will provide procurement services for ROW Real Estate Support Services and Project Delivery/PPP/Concessionaire. The ROW consultant would support HDC JPA Executive Management with developing the ROW acquisition process and performing ROW administration work in preparation for ROW acquisition. Project Delivery/PPP/Concessionaire RFQ/RFP would provide the JPA the opportunity to gauge private sector interest in the high-speed rail project.</p> <p>Public Works Procurement/Vendor Services: \$300,000 - Procurement support services to advise, monitor, and provide oversight for preparing request for proposals, contract development and execution, memoranda of understanding (MOU), state and federal procurement compliance processes. These support services will include advancing procurement contracts in ROW Real Estate Support Services and Project Delivery/PPP/Concessionaire as well as ongoing contract support for existing professional services contracts such as environmental, architectural and engineering, and financial and business advisory contracts. For FY27, County's services includes supporting the procurement processes and contract administration during the fiscal year.</p> <p>Controller: \$129,000 - Monthly Support for Controller related functions, budget oversight, grants reporting, invoice payments, financial reporting, interagency funds transfers, monthly reconciliation reports, and other related financial reports.</p> <p>Legal Counsel: \$110,000 - Monthly Support for legal counsel to review agency contracts, memorandum of understanding (MOU), funding agreements, Board of Director reports, Agency Regulatory Compliance, Grant Applications & Compliance, Procurement Documents: Request for Proposals process, contractual agreements, contract execution, and other related services.</p>	\$539,000	\$270,000
8	<p>LA Metro Staff Support: Provide Metro staff support from several departments including Regional Rail Program, Cost Estimating, Countywide Planning support and assistance on an as-needed basis to support HDC JPA.</p>	\$35,000	\$150,000
9	<p>Stakeholder and Public Engagement and Planning Assistance: Provide communications, community engagement, and other related planning assistance to support the Agency communications and planning functions.</p>	\$90,000	\$90,000
10	<p>Audit Services: County of Los Angeles Audit Services</p>	\$35,000	\$30,000
11	<p>LA Metro Funding Agreement Audit Services. Completed FY2021-2025 Metro Audit in FY26.</p>	\$0	\$25,340
12	<p>Multi-Media Promotion, Materials & Advertising. US HSR Association yearly membership. California Transit Association yearly membership</p>	\$45,000	\$45,000
13	<p>IT Support, Software & Website Mgmt.</p>	\$22,500	\$22,500

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	HDC JPA Budget Description	Proposed FY27 Amount	Adopted FY26 Amount
14	HDC Office: lease, utilities, office equipment, furnitue, supplies, insurance	\$325,000	\$0
15	Total Adopted FY26 Budget & Proposed FY27 Budget	\$10,838,470	\$11,937,350
16	Measure M Funds Requested for FY26 Budget & FY27 Budget	\$10,838,470	\$11,937,350
17	Less: Reserve Fund-Cash on Hand as of March 31, 2026	\$1,500,000	-
18	Measure M Funds Requested for FY27 Budget	\$9,338,470	-