



Item Number: 14

City Council / Board of Directors

Written Communications

Meeting of: May 2, 2023

Submitted By:

Keith C. Metzler, City Manager
Andre de Bortnowsky, City Attorney

Subject:

Termination Agreement to dissolve the Southern California Logistics Rail Authority ("SCLRA")

Recommendation:

That the Honorable City Council, Board of Directors for the Successor Agency to the Victorville Redevelopment Agency, and the Southern California Logistics Airport Authority adopt Resolution Nos. 23-032, R-SA 23-001 and SCLAA 23-007, approving the execution of a Termination Agreement to Dissolve the Southern California Logistics Rail Authority, and taking related actions.

Fiscal Impact:

The dissolution of the SCLRA and the termination of the related joint powers agreement provides for the wind-down of the SCLRA's affairs and allows potential savings of expenses that the joint powers authority may otherwise incur in connection with the continuation of the SCLRA.

Strategic Plan Goal:

This item aligns with Goal A, Financial Sustainability, by fostering fiscal health through disciplined long-term planning.

Background:

In 2001, the City of Victorville (the "City"), the Southern California Logistics Airport Authority ("SCLAA") and the Former Victorville Redevelopment Agency entered into a Joint Exercise of Powers Agreement to form the SCLRA. Since its establishment, the SCLRA has been essentially dormant. In 2006, the SCLRA entered into a Master Rail Development Agreement with Stirling Airport International, LLC, which was later assigned to Stirling Capital Investment, LLC (as the "Master Rail Agreement").

Discussion:

As a result of economic conditions beyond the control of the SCLRA and recent announcements by BNSF Railways of its intention to build an intermodal rail facility in Barstow, CA, it has become apparent that there is no longer a need or justification to build rail facilities adjacent to Southern California Logistics Airport. The City, the SCLAA, and the Successor Agency desire to enter into a termination agreement (the "Termination Agreement") to dissolve the SCLRA.

In addition, there has been no activity pursuant to the terms of the Master Rail Agreement and accordingly, dissolution of the SCLRA will make the provisions of the Master Rail Agreement null and void.

Pursuant to the California Environmental Quality Act (CEQA), based upon a review of the evidence and information presented on the matter as it relates to the approval of the Termination Agreement, the City, the Successor Agency Board and the SCLAA have determined that such approval is categorically exempt from CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines because there is no possibility that the activities in question will have a significant impact on the environment; it will not require any construction activities and will not lead to any direct or reasonably foreseeable indirect physical environmental impacts.

Staff recommends adoption of the attached Resolutions approving the execution of a Termination Agreement to dissolve the Southern California Logistics Rail Authority and taking related actions.

- Attachments:**
- A. Resolution No. 23-032
 - B. Resolution No. R-SA 23-001
 - C. Resolution No. SCLAA 23-007