

Additional

Number	Chapter/Section	Boardmember Requesting Edit	Draft BP Page	Current Text	New Text
A.	CEO Letter 6	Rossi	iii	6. Leverage state funding committed to the project to pursue additional private and federal funding or financing to invest in the development of the high-speed rail system statewide.	6. Leverage state funding committed to the project to pursue additional federal funding or financing and potential private financing to invest in the development of the high-speed rail system statewide.
B.	Implementation Delivering the Silicon Valley to Central Valley Line	Richard	15	In this 2018 Business Plan, we now define the Silicon Valley to Central Valley Line as service between San Francisco and Bakersfield. This line has stronger ridership potential and higher commercial value than the shorter line between San Jose' and Poplar Avenue (north of Bakersfield) laid out in the 2016 Business Plan. This is a strategic enhancement that will generate higher revenue which can then be used to help fund expanding the system in Southern California. Connecting Merced as part of this initial line remains a high priority, but, as in 2016, funding for this connection still must be identified.	In this 2018 Business Plan, we now define the Silicon Valley to Central Valley Line as service between San Francisco and Bakersfield. This line has stronger ridership potential and higher commercial value than the shorter line between San Jose' and Poplar Avenue (north of Bakersfield) laid out in the 2016 Business Plan. This is a strategic enhancement that will generate higher revenue which can then be used to help fund expanding the system in Southern California. In its 2016 Business Plan, the Authority adopted the goal of completing a connection between the City of Merced and San Jose' as part of the initial Silicon Valley to Central Valley Line. In this 2018 Business Plan, we reiterate our commitment to this goal. Connecting Merced as part of this initial line remains a high priority, but, as in 2016, funding for this connection still must be identified.
C.	Capital Costs and Funding Financing Scenarios	Rossi	37	As this exhibit shows, based on the projected low funding of \$20.518 billion, the federal share represents 12 percent of the total funding. The comparatively high state share positions the Authority to competitively pursue and secure additional future funds. Using the ranges set out in Exhibit 3.5, the Authority will have access to between \$20.5 billion and \$28.2 billion in funds through 2029. These funds can be used to complete planning and construction of the Silicon Valley to Central Valley Line. If financing is not accessible total funds would fall to \$19.1 billion and \$22.4 billion respectively, based on receiving Cap-and-Trade on an annual basis through December 2030. This is a significantly lower range and illustrates how important the financing component is to achieve the project schedule. It also illustrates that achieving the optimal financing structure is critical as this can significantly impact total proceeds. The Pay-as-you-Go scenario is illustrate in Exhibit 3.5A below and starts with the Subtotal from Exhibit 3.5.	As this exhibit shows, based on the projected low funding of \$20.518 billion, the federal share represents 12 percent of the total funding. The comparatively high state share positions the Authority to competitively pursue and secure additional future funds. Using the ranges set out in Exhibit 3.5, the Authority will have access to between \$20.5 billion and \$28.2 billion in funds through 2029. These funds can be used to complete planning and construction of the Silicon Valley to Central Valley Line. If financing is not accessible, total funds would fall to \$19.1 billion and \$22.4 billion respectively, based on receiving Cap-and-Trade on an annual basis through December 2030. This is a significantly lower range and illustrates how important the financing component is to achieve the project schedule. It also illustrates that achieving the optimal financing structure is critical as this can significantly impact total proceeds. The Pay-as-you-Go scenario is illustrated in Exhibit 3.5A below and starts with the Subtotal from Exhibit 3.5.
D.	Capital Costs and Funding Financing Scenarios	Rossi	37	Footnote to Exhibit 3.5: 1: Includes pay-as-you-go through 2023 and surplus cash from after debt service from 2024	Footnote to Exhibit 3.5: 1: Includes pay-as-you-go through 2023 and surplus Free cash flow after from debt service from 2024

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E.	Capital Costs and Funding Other Funding Opportunities	Rossi	41	The Authority is exploring innovative ways to partner with the private sector and accelerate involvement in the Silicon Valley to Central Valley Line. As presented in <i>Chapter 2: Implementation and Delivery Strategy</i> , the Pacheco Pass tunnels present the highest uncertainty for the segment in terms of cost and schedule. By partnering with the private sector under the right conditions there may be ways to bring financing cost and schedule certainty to the delivery of the tunnels and other components of the system.	The Authority is exploring innovative ways to partner with the private sector and accelerate involvement in the Silicon Valley to Central Valley Line. As presented in <i>Chapter 2: Implementation and Delivery Strategy</i> , the Pacheco Pass tunnels present the highest uncertainty for the segment in terms of cost and schedule. By partnering with the private sector under the right conditions there may be ways to bring financing further refine cost and schedule certainty to the delivery of the tunnels and other components of the system.
F.	Capital Costs and Funding Expanding the System and Completing the Phase 1 System	Rossi	44	There are three key sources of funding to help complete Phase 1 System: <ol style="list-style-type: none"> 1. The positive cash flow generated from selling tickets and operating the first part of the system which could be leveraged for financing; 2. Potential private investment under the right conditions; and 3. Additional public funds, including federal funds, which can help match project-generated funding. 	There are three key sources of funding to help complete the Phase 1 System: <ol style="list-style-type: none"> 1. The positive cash flow generated from selling tickets and operating the first part of the system which could be leveraged for financing; 2. Potential private investment under the right conditions through the monetization of future discounted net cash flows; and 3. Additional public funds, including federal funds, which can help match project-generated funding.

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