

March 12, 2021

Chair Tom Richards and CEO Brian Kelly  
California High-Speed Rail Authority  
770 L Street, Suite 620  
Sacramento, CA 95814

**SUBJECT: California High Speed Rail Authority Revised Draft 2020 Business Plan**

Dear Chair Richards and CEO Kelly:

The state of California, the High-Speed Rail (HSR) Authority, and the City of San José have a once in a decade opportunity to advance our shared goal of a modernized, integrated, passenger rail network connecting San José and the Central Valley. The City of San José strongly supports moving forward with the Silicon Valley to Central Valley as the next phase of the system after completion of the Merced to Bakersfield segments. San José has shown commitment by leading a successful effort to secure billions in funding for HSR and joint HSR/Caltrain modernization in the Final Plan Bay Area 2050 strategies.

The City of San José highlights three key areas of importance regarding the High-Speed Rail Program:

1. The HSR Authority and State working with San José and the Bay Area to secure Federal funding for the Valley to Valley HSR system – with the first priority being to reach San Jose’s Diridon Station, where six major transit systems will connect High-Speed Rail with all the major cities in the Bay Area.
2. The HSR Authority incorporating the Diridon Integrated Station and Caltrain Service Vision into its implementation planning for San José to Gilroy and San José to San Francisco – including priority grade separation projects.
3. The HSR Authority and State completing an agreement with Union Pacific Railroad to acquire the San Jose to Gilroy corridor, enabling both HSR and frequent Caltrain service through southern San José.

Addressing these areas are essential in building the City’s continued partnership with both the HSR Authority and local San Jose stakeholders and neighborhoods.

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The City of San José continues to support the phased build out of HSR, starting with the buildout of Central Valley, followed by the Silicon Valley to Central Valley system. The continued viability of the HSR program depends on the State and the HSR Authority setting a clear goal, work plan, and funding strategy for delivering the Silicon Valley to Central Valley system. Over the last year, with leadership from San José's Mayor Liccardo, the Bay Area's Metropolitan Transportation Commission demonstrated support by becoming the first region to dedicate regional funds to shared HSR and regional rail infrastructure. This included \$3 billion towards the blended system south of Tamien Station and the Pacheco Pass, and \$5.7 billion for grade separations and modernization of the San Francisco to Gilroy blended corridor. The combination of state and local funds committed and proposed in the Business Plan is not enough however, to fully fund either the Valley to Valley system, or the Caltrain Service Vision, without significant Federal funds.

The recent changes in the Administration and Congress provide the first opportunity in a decade for significant Federal funds. The full funding of the Valley to Valley HSR system must remain the highest priority for both the HSR Authority and the Legislature when allocating funds to the High-Speed Rail system and the Statewide rail network. Obtaining full funding for the Valley to Valley system through multi-year appropriations, either as part of Build Back Better or the transportation bill reauthorization, is the most important action this year for securing the future of the HSR program.

While the state, regions, and our congressional delegation are focused on securing federal funding for Valley to Valley and additional bookend investments, the City of San José supports expanding construction work in the Central Valley. Full buildout of the 171-mile Merced to Bakersfield spine including electrification should move forward as quickly as possible. The City of San José supports the HSR Authority's request for the legislature to appropriate the remaining \$4.2 billion from Proposition 1A for construction. Increasing construction and appropriating the Prop 1A moneys will increase the available funds the state and HSR Authority can use as state match towards Federal funding of the Central Valley and Valley to Valley systems.

***2. The HSR Authority incorporating the Diridon Integrated Station and Caltrain Service Vision into its implementation planning for San José to Gilroy and San José to San Francisco.***

The development of San José Diridon Station, as one of the most important transit hubs in the state and an anchor for the expansion of downtown San José, continues to be a top priority for the City. We thank the Authority for its contributions as a key partner of the Diridon Integrated Station Concept Plan (DISC) in recent years. With the acceptance of the Concept Layout in early 2020 by the partner agencies, including San José and HSR Authority, our agencies must continue to develop the project and start integrating it into our implementation plans. The City has started implementation work, such as right-of-way (ROW) protection for Diridon Integrated Station and high-speed rail

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needs into both the in-process update of the Diridon Station Area Plan and development proposals along the Caltrain corridor.

The DISC effort has also demonstrated the need for integrated multi-agency planning for all rail services leading into and out of the station throughout San José and much of Santa Clara County for all operators and the City to realize their true potential. This Business Plan is the time to for the HSR Authority to commit to including DISC, the Caltrain Service Vision, and other efforts in their project implementation planning going forward.

We propose as the first step signing a Memorandum of Understanding between the HSR Authority and the City of San José covering the Diridon Integrated Station, ROW protection, and grade separations in San José. This MOU should be in place before the Authority finalizes its environmental impact reports for the segments that include San José in early 2022, and address identified environmental impact and environmental justice findings.

Further San José supports the HSR Authority pursuing strategic property acquisitions to further Valley to Valley, such as in Millbrae, San José Diridon Station, and the Pacheco Pass as soon as possible. This will reduce uncertainty for property owners and mitigate future delays and cost increases when connecting San José to the Central Valley. Completion of the Valley to Valley HSR system must remain the highest priority. The Final 2021 Business Plan should lay out several potential Valley to Valley HSR funding strategies for the state and federal elected officials to consider.

***3. The HSR Authority and State completing an agreement with Union Pacific to acquire the San Jose to Gilroy corridor, enabling frequent rail service and improved infrastructure in southern San José.***

The blended passenger rail and freight rail corridor through San José is one of the most important and complex in California, as it runs through highly urbanized and established neighborhoods, with significant multi-modal transportation activity crossing the corridor. Thus, it will require thoughtful and sufficient investment to accommodate HSR in a safe, context-sensitive way.

For the last several years the HSR Authority and State Transportation Agency (Cal STA) has been in negotiations to acquire rights to the San José to Gilroy from Union Pacific Railroad (UPRR) in order to build the blended corridor from San José to Gilroy. During that time, the City, Caltrain, and HSR have advanced planning for rail service in southern San José through the Caltrain Service Vision and Business Plan. Further planning, design, and construction of important improvements in San José, such as grade separations and a new rail yard in San José, are dependent on the completion of an agreement with Union Pacific. Critical components of the agreement would include:

- Allowing the construction of two or more electrified passenger rails for blended corridor use
- Use of blended corridor design criteria
- Including, or enabling a further agreement with UPRR regarding the track changes needed for the Diridon Integrated Station

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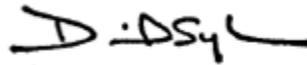
The City is ready to move ahead with HSR on joint planning for the future of the rail corridor through southern San José as soon as an agreement with UPRR is finalized. As stated in comments to the draft 2018 and initial 2020 Business Plan, when over 200 passenger trains a day operate along Monterey Road, grade separations are essential to safety, circulation, emergency access, and community connectivity. Just as our partnership on DISC has helped to move that station forward, the City would like to see similar partnership efforts from the HSR Authority and other public agency partners on pursuing priority grade separations in the City.

In conclusion, the City of San José sees the build out of HSR connecting the Capital of Silicon Valley with the economic centers of the Central Valley and Southern California as essential to the future mobility, sustainability, and equitable economic development of the City and the State. We ask the HSR Authority staff and Board to take concrete actions and commitments to advance the Valley to Valley System expeditiously, connecting first to San Jose's Diridon Station as the southern gateway to the Bay Area, and with the quality of infrastructure that our communities require. By collaborating as partners, we can develop a shared vision and plan for improved rail service connecting San José to the rest of the State, and the City will continue to be a committed champion for advancing and building HSR throughout California.

Sincerely,



Sam Liccardo  
Mayor  
City of San José



David Sykes  
City Manager  
City of San José

cc: Boris Lipkin, Northern California Regional Director, California High-Speed Rail Authority