Northern California Project Sections

Community Working Groups

March 2021

Webinars

AGENDA

COMMUNITY WORKING GROUPS

1. Welcome, Agenda Review & Introductions
2. Revised Draft 2020 Business Plan
3. California High-Speed Rail Funding 101
4. Partner Update
5. Public Comment

WEBINAR GUIDELINES

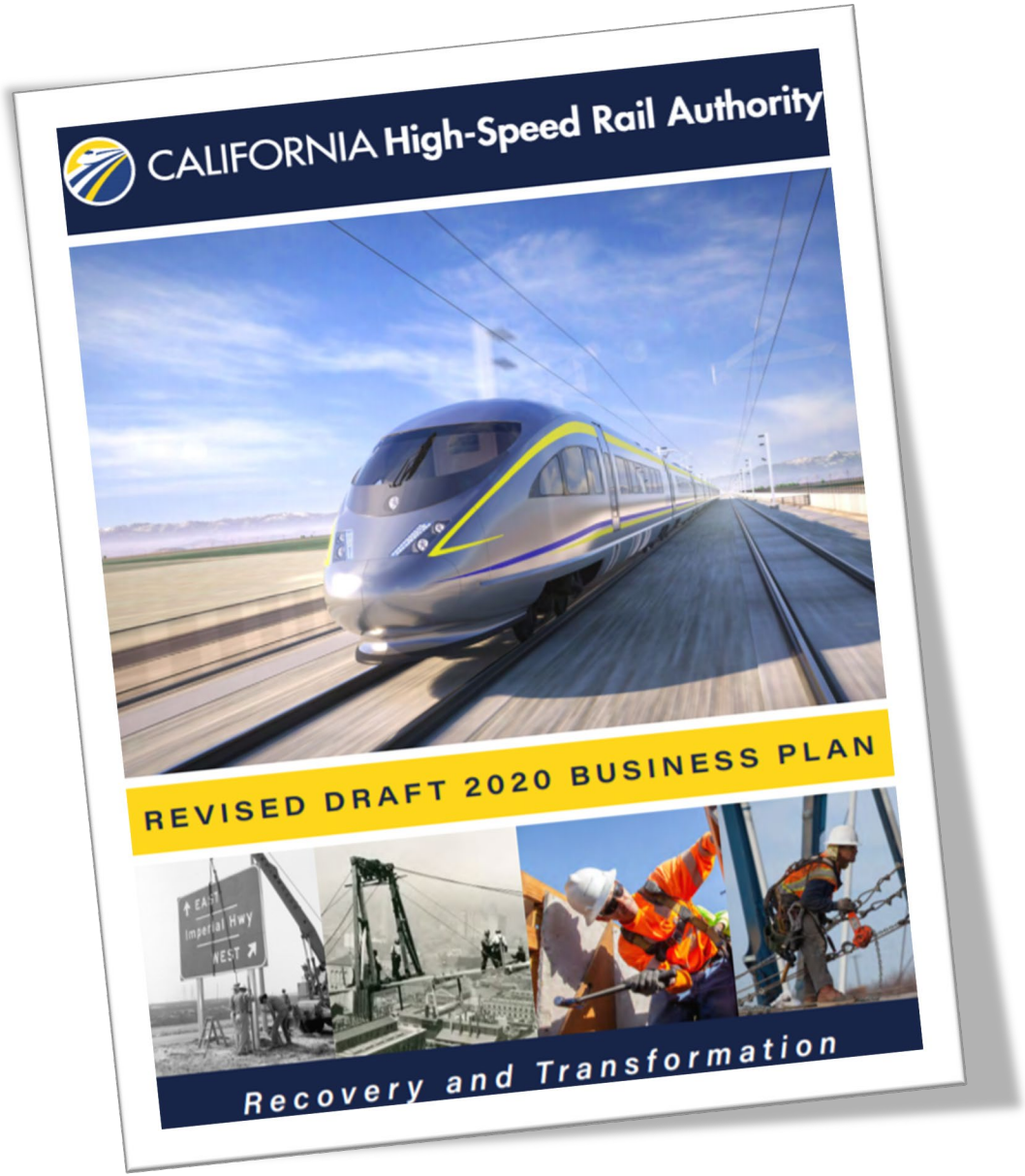
COMMUNITY WORKING GROUPS

- **Be respectful**
- **Be patient**
- **Mute your line when you are not speaking**
- **Only one person speaks at a time**
- **If CWG members would like to speak:**
  - » Please “raise your hand” *or*
  - » Send a message via webinar chat
- **Members of the public are welcome to listen**
- **Disruptive participants will be removed from the webinar**
- **If you are having a technical problem, please send a message via webinar chat**
  - » Or, send an email to afullem@kearnswest.com

REVISED DRAFT 2020 BUSINESS PLAN

BUSINESS PLAN & THE PUBLIC REVIEW PROCESS

- **What is the Business Plan?**
  - » Required by PUC Section 185033
  - » Represents current program status
  - » Summarizes implementation approach
- **Public review process**
  - » **February 9, 2021:** Release
  - » **February 9 – March 12, 2021:** 30-day public review
  - » **March 2, 2021:** Board hearing
  - » **March 25, 2021:** Board meeting
  - » **April 15, 2021:** Submittal to Legislature

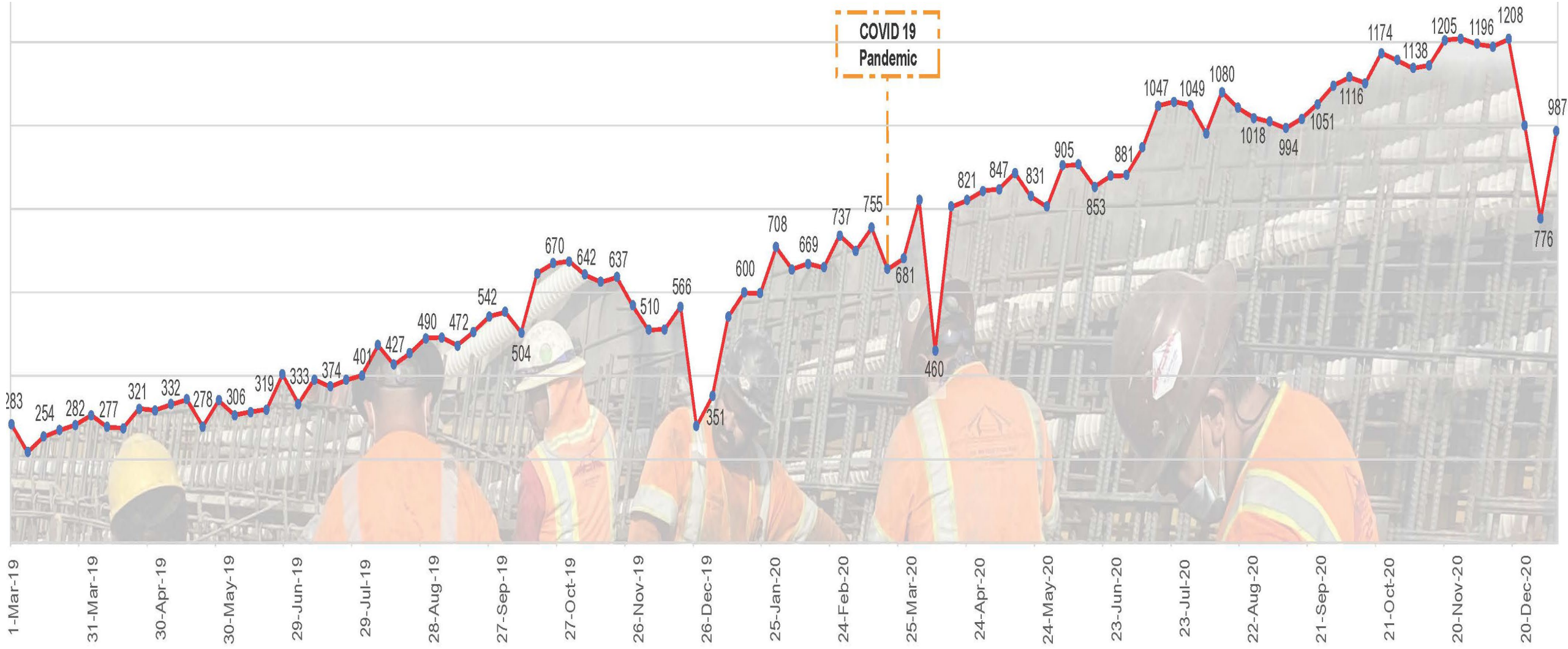


COVID-19 PANDEMIC IMPACTS ON CALIFORNIA HIGH-SPEED RAIL

- 240+ workers quarantined
- $280+ million in lost Cap and Trade revenue
- Environmental schedules extended for 4 project sections
- Track and Systems procurement delayed until August 2021
- Right of Way acquisition affected by court delays
- Cost and schedule impacts

PROJECT PROGRESS

WEEKY AVERAGE CONSTRUCTION WORKERS



PROJECT PROGRESS

2018 to 2020

	2018		2020
Construction Jobs Created	2,573	VS.	5,216
Structures Completed or in Construction	19	VS.	56
Environmental Drafts Released and ROD's Certified	5	VS.	12
Right-Of-Way Parcels Acquired	1,423	VS.	1,771
Miles of Guideways	47	VS.	79
Monthly Average Expenditures on Design-Build Contracts	$30.47M	VS.	$68.13M

MERCED TO BAKERSFIELD

171-MILE INITIAL SERVICE

- Reaffirms initial operating segment
- Environmentally cleared with highest ridership potential
- MOU with CalSTA and San Joaquin JPA to align interim service roles and responsibilities
- Exploring phased track implementation
- Independent peer review of ridership forecasts

Steps to completion

Advance design

Complete extensions

Procure trains

Complete stations

Rendering: Artist concept of high-speed rail platform

ENVIRONMENTAL DOCUMENTS FOR ADVANCEMENT

Project Section	Draft EIR/EIS	Projected ROD
Bakersfield to Palmdale	Complete (February 2020)	Q2 2021
Burbank to Los Angeles	Complete (May 2020)	Q4 2021
San José to Merced	Complete (April 2020)	Q1 2022
San Francisco to San José	Complete (July 2020)	Q2 2022
Palmdale to Burbank	Q3 2021	Q4 2022
Los Angeles to Anaheim	Q4 2021 to Q1 2022	Q4 2022 to Q2 2023

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Los Angeles to Anaheim	Q4 2021 to Q1 2022	Q4 2022 to Q2 2023

NORTHERN CALIFORNIA ENVIRONMENTAL PROCESS

MANAGING RISK

RISK MANAGEMENT MEASURES

- Increased risk contingency
- Enterprise risk management
- Stage Gate process for development & delivery

INITIATE	PRELIMINARY ENGINEERING & ENVIRONMENTAL APPROVAL		EARLY WORKS	PROCUREMENT	DESIGN & BUILD	PROJECT CLOSE OUT
STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5	STAGE 6	STAGE 7
Project Initiation	Identify Preferred Alternative & Begin Preliminary Design	Environmental Clearance, Prepare for Pre-Construction	Early Works and Right-of-Way Acquisition	Procurement for Construction	Final Design, Construction, Testing and Commissioning	Project Close Out
Define initial scope, cost and schedule Initial scope evaluated in programmatic environmental impact statement Identify risks	15% Preliminary Engineering Draft Environmental Impact Report/ Statement (EIR/EIS) Evaluate range of alternatives Identify Preferred Alternative Risk assessment	30% Preliminary Engineering Final EIR/EIS Record of Decision - Environmental Clearance Risk assessment Develop Procurement/ Delivery Plan Right-of-Way Mapping Identify Utility Relocations	Right-of-Way acquisition Third party agreements - railroads, local jurisdictions, utilities Environmental permits - federal agencies Risk assessment	Request for Qualifications/ Proposals Select contractor/ award contract Issue Notice to Proceed Finalize right-of-way, third party agreements, permits and environmental mitigation	Contractor completes final design Construction initiated Change order management Construction completed Project tested & commissioned Substantial completion milestone Ready for track and systems	Transfer completed project from contractor to Authority Detailed project documentation complete

Stakeholder and Community Engagement

STEPS AFTER ENVIRONMENTAL CLEARANCE

Environmental clearance completion

Geotechnical investigations

Right-of-way mapping

Third-party agreements

Understanding risks and costs

Utility relocations Identification

Construction preparation

FEDERAL PARTNERSHIP

"We are strengthening our state by investing in California's High Speed Rail project and other infrastructure investments on water, housing, and climate resilience."

– Governor Gavin Newsom

"We are most focused on restoring the federal commitment to California's High Speed Rail project, partnering to develop 21st century water infrastructure, and prioritizing investments in schools, broadband, housing, and renewable energy."

– Governor Gavin Newsom

OFFICE OF THE GOVERNOR

January 19, 2021

Dear President Biden,

Congratulations on your historic victory and for setting America on a path to build back better. I offer you my full partnership and support as you take office and inherit the tremendous responsibility to restore our nation's economy and place of leadership on the global stage—all while working to bring the COVID-19 pandemic to an end. As America's largest economy and a model for what's possible, California is eager to support your bold agenda by sharing our experiences implementing progressive policy on everything from workers' rights to climate change.

Your American Rescue Plan is a welcome roadmap for how the federal government can take the lead in these perilous times by investing in helping individuals, families, and communities. Your vision charts an ambitious but necessary course for the country. So much of what Californians need is included in your proposal; we support it in its entirety.

Beyond the American Rescue Plan, we also stand ready to assist your administration by highlighting many of the policy innovations we advanced in the Golden State to help you scale them nationally.

In the past few years, the White House abdicated its responsibility on key issues like climate change, wildfires, and infrastructure. And the lack of leadership from Washington on COVID-19 has been well chronicled and truly deadly. But every time we lacked for a partner, California stepped up anyway.

We accelerated our clean car efforts and made record investments in wildfire mitigation. On housing and homelessness we launched programs like Project Roomkey and Homekey to provide housing to individuals experiencing homelessness during the pandemic, and removed barriers to building affordable housing. And we are strengthening our state by investing in California's High Speed Rail project and other infrastructure investments on water, housing, and

GOVERNOR GAVIN NEWSOM • SACRAMENTO, CA 95814 • (916) 445-2841

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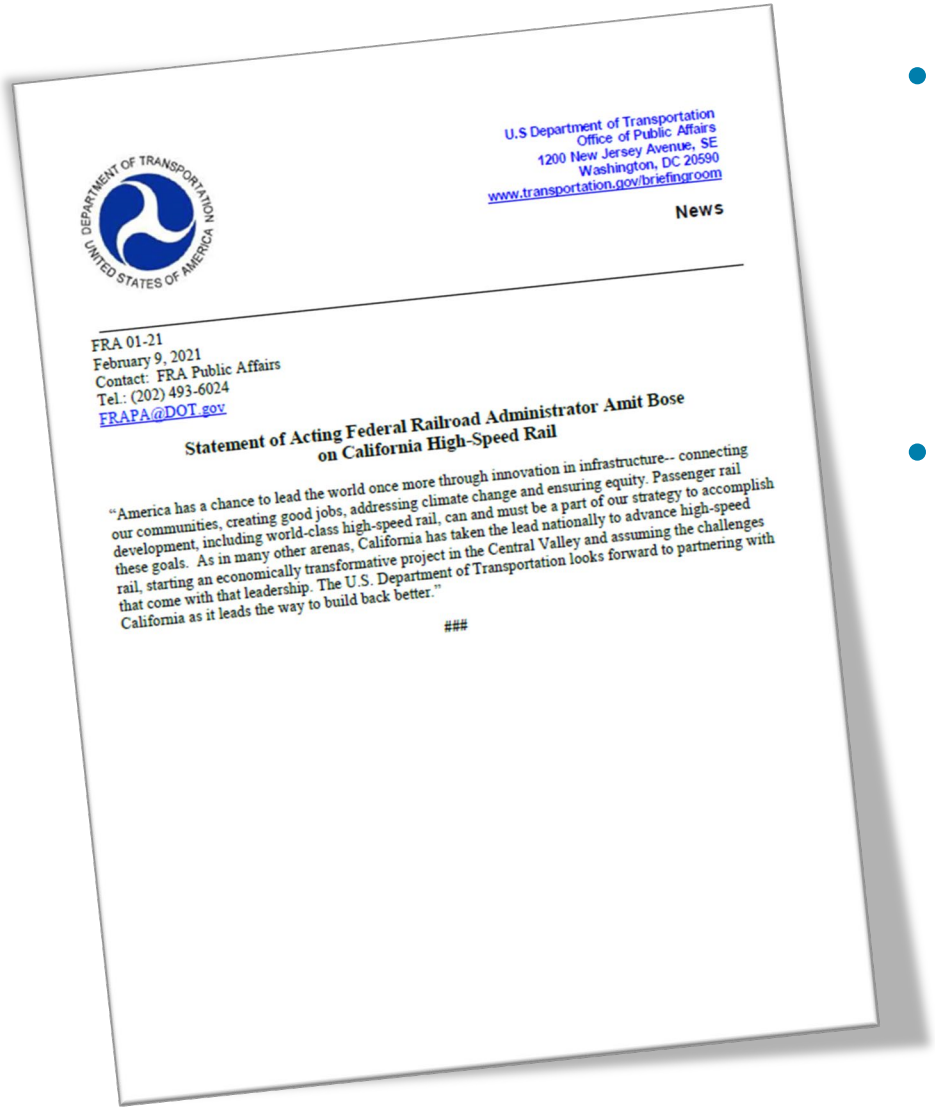
FEDERAL PARTNERSHIP



U.S Department of Transportation
Office of Public Affairs
1200 New Jersey Avenue, SE
Washington, DC 20590
www.transportation.gov/briefingroom

News

FRA 01-21
February 9, 2021
Contact: FRA Public Affairs
Tel.: (202) 493-6024
FRAPA@DOT.gov

Statement of Acting Federal Railroad Administrator Amit Bose on California High-Speed Rail

"America has a chance to lead the world once more through innovation in infrastructure-- connecting our communities, creating good jobs, addressing climate change and ensuring equity. Passenger rail development, including world-class high-speed rail, can and must be a part of our strategy to accomplish these goals. As in many other arenas, California has taken the lead nationally to advance high-speed rail, starting an economically transformative project in the Central Valley and assuming the challenges that come with that leadership. The U.S. Department of Transportation looks forward to partnering with California as it leads the way to build back better."

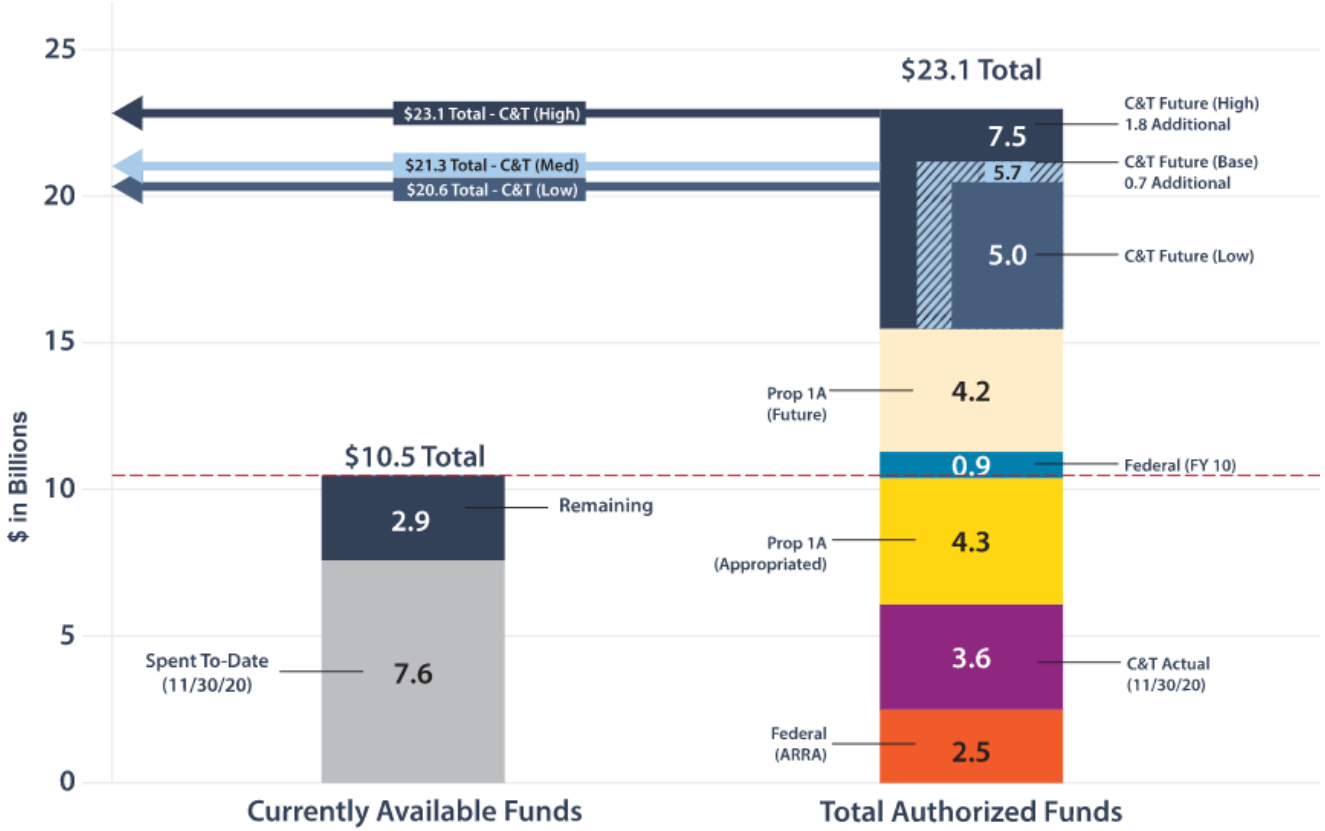
###

- **The Authority is engaging the Biden administration on:**
  - » Restoration of Federal Partnership
  - » Re-obligation of FY/10 grant funding
  - » Program delivery schedule flexibility
- **Opportunity for increased federal investment in electrified high-speed rail**

> "We've been asked to settle for less in this country, and I just don't know why people in other countries ought to have better train service and more investment in high-speed train service than Americans do."
> – Transportation Secretary Pete Buttigieg

CURRENT FUNDING

- **Funding forecast through 2030 based on Cap-and-Trade projections**
  - » Total available:
    $20.6 to $23.1 billion
  - » Estimate to complete Merced to Bakersfield (and other statewide investments):
    $21.3 to $22.8 billion
- **Authority will seek appropriation of remaining Proposition 1A funds to complete construction underway**



FUNDING PLAN

- **Funding plan required to request appropriation of Proposition 1A funds**
- **Consistent with Revised Draft 2020 Business Plan**
- **Focused on usable segment in the Central Valley to complete ongoing construction**
- **Funding plan milestones**
  - » **February 9, 2021**: Authority Board approved funding plan for submittal to the Director of Finance, Peer Review Group, and Legislature (transportation and finance committees).
  - » **May 2021**: Proposed appropriation to be included in Governor's revised budget
  - » **June 2021**: Final budget adopted by the Legislature
- **Additional funding plan required to access funds once they are appropriated.**

HOW TO COMMENT ON THE BUSINESS PLAN

30-day public comment period: February 9 – March 12

Online at: www.hsr.ca.gov/about/business_plans/business_plan_2020_comment_form.aspx

By phone: 916-384-9516

By email: DraftBP2020@hsr.ca.gov

Verbally: March 2, 2021 Board hearing

By mail:

California High-Speed Rail Authority
Attn: Draft 2020 Business Plan
770 L Street, Suite 620, MS-1
Sacramento, CA 95814

CALIFORNIA HIGH-SPEED RAIL FUNDING 101

HOW HIGH-SPEED RAIL IS FUNDED

California High-Speed Rail Funding

1 **$9.95 billion**
Bond measure

2008 Proposition 1A

2 **$2.5 billion**
Federal Grant

2009 American Recovery and Reinvestment Act (ARRA)

3 **$929 million**
Federal Funding

FY 2010 Appropriations Bill

4 **$500-$750 million**
per year

Annual Cap and Trade Auction Market

PROPOSITION 1A

California voters approved Proposition 1A in 2008 to begin construction of a high-speed rail system

- Bond included funding for HSR planning and development, HSR construction, and connected projects
- Downpayment provided 20% of the estimated cost of the program at the time
- Required 1:1 match from other funding sources that did not exist at the time
- Included system requirements on speed, travel time, system design, approval processes, and operating subsidies

2008 — Proposition 1A Approved

2012 — Last appropriation of Prop 1A funds for construction in the Central Valley, Caltrain Electrification, and other projects

2021 — The Authority will be requesting the remaining $4.1 billion in Prop 1A funds

2012 PROP 1A ALLOCATION

SENATE BILL 1029 (2012)

- **Senate Bill (SB) 1029, 2012**
  - » Appropriated $2.6 billion in Proposition 1A bonds to begin construction in the Central Valley, matching $3.5 billion in federal funds
  - » Appropriated $2 billion in Proposition 1A funds leveraging $5 billion in other funds for connectivity and bookend projects

CONNECTIVITY PROJECTS provide direct connectivity to high-speed rail lines and facilities. Example – BART Maintenance Shop and Yard Improvements.

BOOKEND PROJECTS are projects in the Bay Area and Los Angeles area that were allocated funding as part of the high-speed rail system. Example – Caltrain electrification project.

Statewide Rail Modernization

FEDERAL FUNDS

Central Valley Construction

California received almost 40% of the available HSR federal funds from the American Recovery and Reinvestment Act (ARRA) and FY'10 appropriations.

Salesforce Transit Center

Provided $400 million for trainbox construction at the Salesforce Transit Center in San Francisco.

Matching Funds

Matched state funds to begin construction in the Central Valley. $2.5 billion in ARRA funds had a 2017 expenditure deadline.

Included funds (and requirement) to complete environmental clearance for Phase 1 system from San Francisco to Los Angeles / Anaheim.

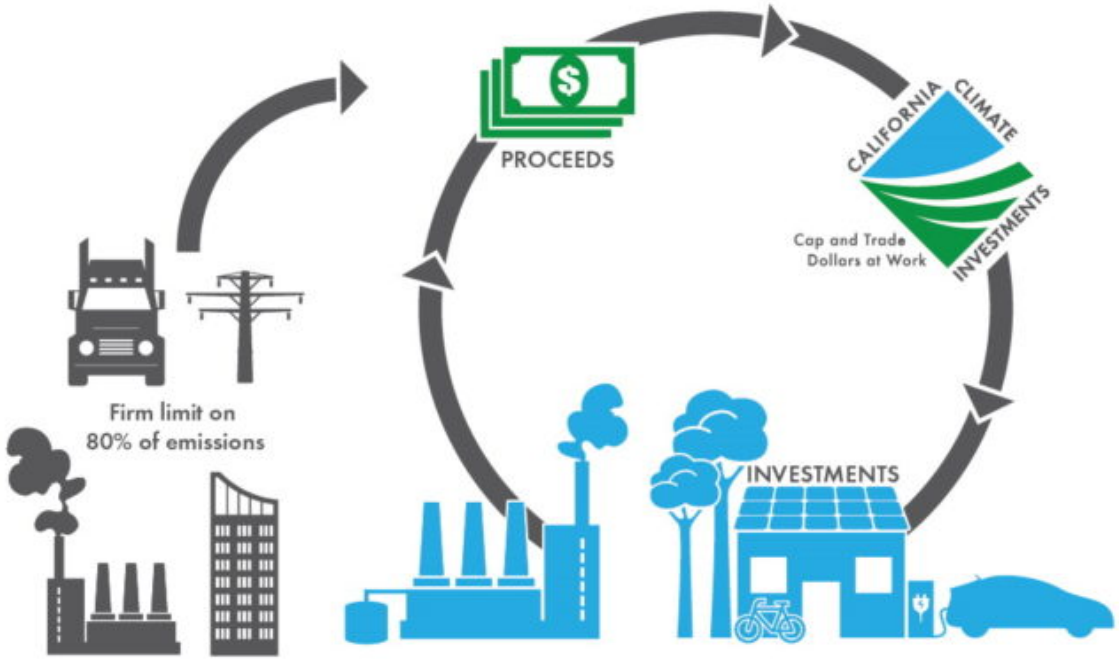
No additional federal funds have been provided since 2010, leaving the federal share at about 17% of the program funding.*

* Compared to 80-90% for historical highway projects and 30-50% for contemporary transit projects.

CAP AND TRADE AND HIGH-SPEED RAIL

2014 Appropriations (SB 852 and SB 862):

- One-time appropriation of **$650 million**
- Continuous appropriation of **25 percent** of the annual proceeds from Cap and Trade Program

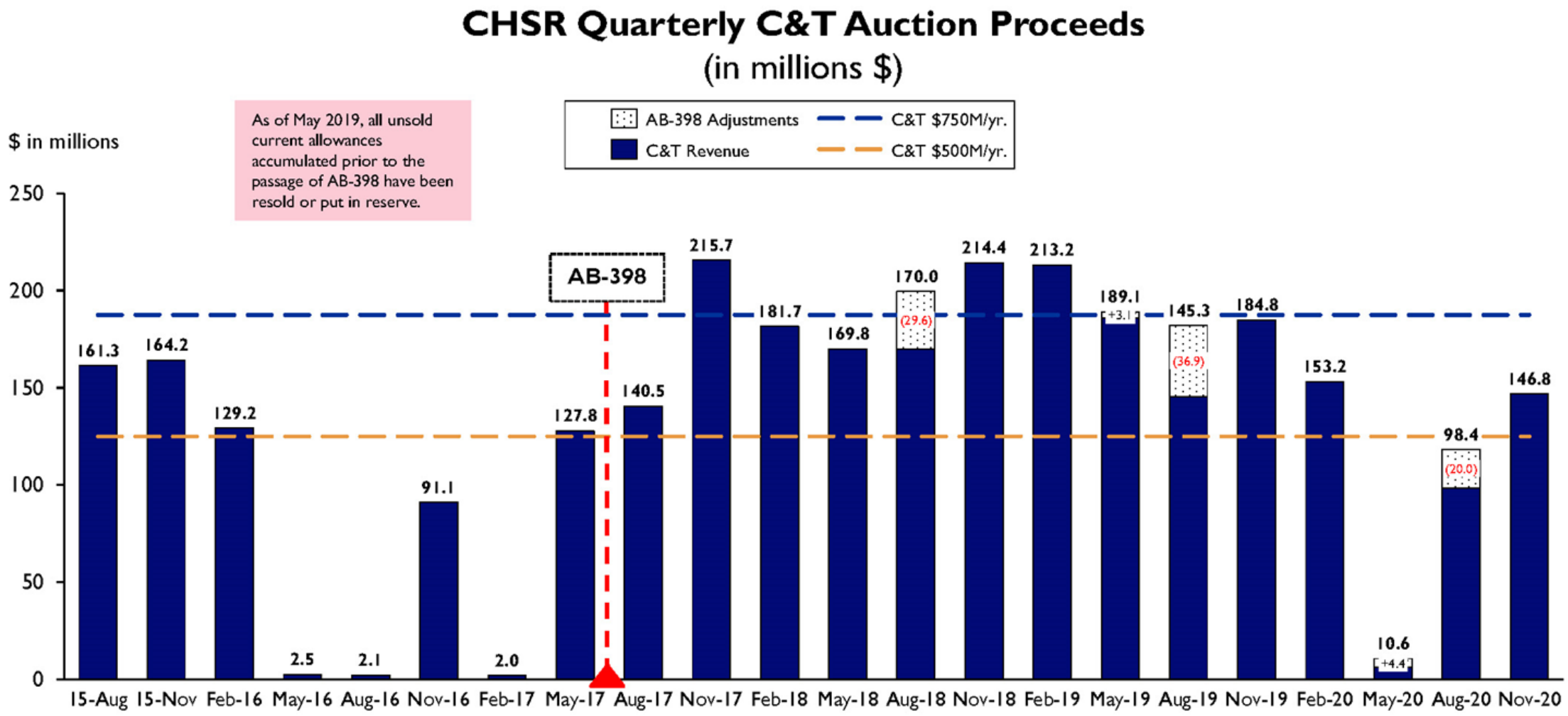


Cap and Trade also funds other transit and intercity rail programs, affordable housing, and other efforts to reduce emissions.

2017 (AB 398):

- The Legislature **extended the Cap and Trade Program through 2030**

HISTORICAL CAP AND TRADE AUCTION PROCEEDS



POTENTIAL FUNDING SOURCES

FEDERAL

- **High-Speed Rail Corridor Development Act of 2020 (Rep. Costa)**
  Would provide $32 billion in federally designated high-speed rail corridors through 2024
- **American High-Speed Rail Act (Rep. Moulton)**
  Would invest $205 billion in high-speed rail across the country
- **Transportation reauthorization and recovery plans**

STATE

- The Authority would benefit from the expected extension of the Cap and Trade program to 2050
- A Cap and Trade extension would also benefit local transit and other interrelated programs

REGIONAL/LOCAL

- Metropolitan Transportation Commission's (MTC) Plan Bay Area 2050 blueprint includes investment in bringing high-speed rail to the Bay Area as part of the region's long-range plans
- MTC was the first region in the state to take such action and positions the Authority to leverage regional, state, and federal funds

IMPLEMENTATION STRATEGY

The Authority will continue to advance the program in building blocks based on available funding.

Goals include:

- Initiate high-speed rail service in California as soon as possible
- Make strategic, concurrent investments that will be linked over time
- Position ourselves to construct additional segments as funding becomes available

Consistent with Proposition 1A and the federal grants strategy in 2009/2010, the Authority is:

- Advancing construction work to begin service in the Central Valley
- Completing its commitments to bookend projects in NorCal and SoCal
- Completing environmental clearance statewide and using available funds to advance those segments to the next stage of project development

Partner Update

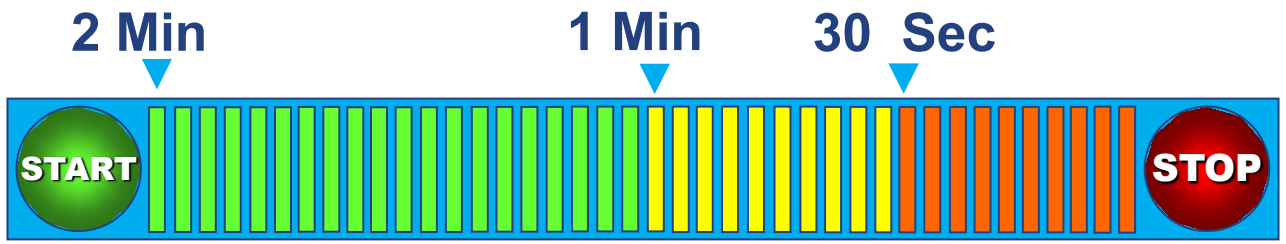
PUBLIC COMMENT

PUBLIC COMMENT PERIOD GUIDELINES

- **Public comment is intended for the CWG members and staff to hear from the public**
- **Comments will be captured in meeting summaries**
- **2-minute time limit**
- **Please be respectful and follow CWG meeting guidelines**
- **To be added to the queue:**
  - » "Raise your hand" in the webinar, or
  - » Send a message via webinar chat, or
  - » Email afullem@kearnswest.com
- **Written comments may be submitted via webinar chat or via email after the webinar**
  - » San.Jose_San.Francisco@hsr.ca.gov

SPEAKING TIME – 2 MINUTES

Time Up



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