2022 DRAFT BUSINESS PLAN

Brian Kelly
Chief Executive Officer
February 17, 2022
• Required by PUC Section 185033
  » Every two years (even years)

• 2020 Business Plan finalized just 10 months ago
  » COVID-19 impacted timing and cadence of our business plans
  » A Project Update Report will be prepared for Legislature by March 1, 2023

• Because of that, the 2022 Business Plan is a “bridge” document
  » It provides update on progress and new opportunities since April 2021;
  » Includes limited updates to forecasts; and
  » Previews what will be covered in the 2023 Project Update Report
DRAFT 2022 BUSINESS PLAN

• **New Funding Opportunities**

• **Federal – Bipartisan Infrastructure Law**
  » We remain hopeful about additional funds in pending Build Back Better
  » We are evaluating federal programs and developing a grants strategy

• **Governor Newsom’s Proposed Transportation Infrastructure Package**
  » $4.2 B for California high-speed rail (remaining Proposition 1A funds), plus
  » $3.75 B for rail and transit, including safety grade separations
  » $750 M for active transportation
  » $1.2 B for port-related supply chain projects
  » $400 M for climate adaptation projects
With opportunity for new, more stable funding we will work to:

» Deliver an electrified, two-track initial operating segment connecting Merced, Fresno and Bakersfield as soon as possible

» Invest statewide to advance engineering and design work as every project section is environmentally cleared

» Leverage new federal and state funds for targeted statewide investments, particularly in shared corridors in the Bay Area and Los Angeles Basin

» Advance a longer-term funding strategy to extend high-speed rail beyond the Central Valley to the Bay Area as soon as possible
• **Progress: Central Valley Construction**
  » Since 2018, design advanced from 30% to nearly 100%
  » Working to get design changes that address third-party concerns into contracts
  » 71% of structures in construction or completed (66 out of 93)
  » 72% of the miles of guideway completed or in progress (86 out of 119 miles)

• **Progress: Central Valley Right-of-Way**
  » Took steps to improve performance: new leadership, more conservative schedule, established 30-, 60- and 90-day goals, more comprehensive mapping and tracking
  » Result: more than 2,050 parcels delivered to contractors – 90% of the total needed

• **Progress: Statewide Environmental Clearance**
  » Approximately 300 miles cleared—working to clear 430 by July 2022
  » Essential step for advancing entire statewide program
Other Updates in Business Plan

• **Program Baseline Budget**
  » Additional $2.3B expenditure authorization approved by Board in December
  » Deferring updated Program Baseline Budget until Legislature acts on $4.2B Proposition 1A funds

• **Northern and Southern California updates**
  » New Connectivity Maps show how high-speed rail will connect to other public transportation services
  » More information about partnerships, progress, key benefits and next steps

• **Updated capital cost estimates**
  » Updated recently-cleared Bakersfield-Palmdale and Burbank-Los Angeles section estimates
  » Reflects scope changes made based on extensive interactions with stakeholders, including:
    - Cesar E. Chavez National Monument/Nuestra Senora Reina de La Paz National Historic Landmark
    - Enhanced noise barriers in city of Tehachapi
    - Stream restoration and safety enhancements along Pacific Crest Trail
    - Design changes to minimize disruptions near Hollywood Burbank Airport and allow direct air-rail connections
• Preview – March 2023 Project Update Report

  » Funding strategy – informed by Legislative budget decisions and potentially federal action on Build Back Better

  » Updated Program Baseline Budget/Schedule - informed by funding, finalizing commercial agreements and Track and Systems bids

  » Design procurements - Merced, Bakersfield and Central Valley stations

  » New ridership/revenue forecasts – based on new model developed by Authority’s Early Train Operator in coordination with CalSTA

  » Updated capital cost estimates – informed by Records of Decision and other factors
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• **Schedule / Board Meetings**
  » February 8  Draft Business Plan out for 60-day public review
  » February 17 Board Meeting
  » March 17  Board Meeting
  » April 11  End of 60-day public comment
  » April 21 Board Meeting – Action/direction on preparing final plan
  » May 1  Final 2022 Business Plan due to Legislature
• **Options for submitting comments:**

  » **Online comment form** through Draft 2022 Business Plan website at: https://hsr.ca.gov/about/high-speed-rail-business-plans/2022-business-plan

  » **By email at:** DraftBP2022@hsr.ca.gov

  » **By U.S. mail to:**

    California High-Speed Rail Authority
    Attn: Draft 2022 Business Plan
    770 L Street, Suite 1180, Sacramento, CA 95814

  » **At Board of Directors meetings** February 17 and March 17