Revised Draft 2022 Business Plan

• Required by PUC Section 185033
  » Every two years (even years)

• 2020 Business Plan finalized just a year ago
  » COVID-19 impacted timing and cadence of the 2020 Business Plan
  » The 2023 Project Update Report to the Legislature due March 1, 2023

• 2022 Business Plan is a “bridge” document
  » Provides an update on progress and new opportunities
  » Includes limited updates to forecasts and estimates
  » Previews what will be covered in the 2023 Project Update Report
Revised Draft 2022 Business Plan
Board Materials

• Documents summarize the proposed changes to the Draft 2022 Business Plan based on the comments received
  » A Staff Recommended Edits table of proposed substantive text edits
  » An Errata and Updates table of minor technical corrections, such as punctuation, spelling and updated current data
  » A Revised Draft 2022 Business Plan incorporating both the Staff Recommended Edits and Errata and Updates

• A separate document shows additional edits to be included pending Board action on the San Jose to Merced environmental document
  » San Jose to Merced Staff Recommended Edits table
Revised Draft 2022 Business Plan
Public Review Summary

• February 8  Draft Business Plan released for 60-day public review
• February 17 Board Meeting and public comment
• February 23 Assembly Budget Subcommittee No. 3 On Climate Crisis, Resources, Energy, and Transportation
• March 8  Joint Senate Transportation Committee and Senate Budget & Fiscal Review Committee Sub-Committee
• March 17 Board Meeting and public comment
• April 11  End of 60-day public comment
Revised Draft 2022 Business Plan
Public Comment Summary

• The Authority received 98 separate comments
• Comments were received from:
  » 30 local agencies (transit agencies/cities/counties)
  » 31 businesses and organizations
  » 34 individuals
  » 3 elected officials
• Comments were received primarily through email/website and public hearings
  » 55 electronically through e-mail and website
  » 42 through public meetings (Board meeting, Legislative hearings)
  » 1 letter through USPS mail
Revised Draft 2022 Business Plan
Proposed Revisions for Final 2022 Business Plan

Small Business Program – Update on the Authority’s Small Business program

Chapter 1 – Updates and Highlights
• An updated summary describing the small business program.

Central Valley Construction/Change Orders – Updated information regarding the status of construction and outstanding change orders on the 119-mile Central Valley Segment.

Chapter 2 – Regional Updates, Central Valley Construction Update
• A new section summarizing change order progress to date and those that staff are working to resolve.
• Describes the process to finalize change orders, settling scope and resetting schedules to effectively manage construction completion.

Merced to Bakersfield Initial Operating Segment – Responding to questions and comments about the benefits of the Merced to Bakersfield Initial Operating Segment.

Chapter 2 – Regional Updates, Advancing Merced and Bakersfield
• Updated to reiterate the range benefits of completing this segment.
• Reflects the Board’s recent actions to procure design contracts to advance design and other steps to complete Stage 3 of the Authority’s Staged Project Delivery process.
Federal Funding Strategy – Responds to questions regarding the Authority’s plan to seek and secure new federal funds made available through the Bipartisan Infrastructure Law.

» Chapter 3 – Funding the Program, Authority Federal Funding Strategy
  • Additional information on the Authority’s objectives for securing additional funds from specific federal programs.

Building Blocks for Funding/Constructing High-Speed Rail – Responds to questions regarding program goals versus current and potential future funding.

» Chapter 3 – Funding the Program, Building Blocks for Funding and Constructing High-Speed Rail
  • A new section has been added to describe and illustrate how the Authority proposes to use existing and potential future funding to continue building high-speed rail following the building block approach.

Private Investment – Responds to questions regarding the timing of when private investment might occur and under what conditions.

» Chapter 3 – Funding the Program, Private-Sector Finance
  • Additional information on the milestones that must be achieved and information that must be developed to meaningfully engage with potential private investors.
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Capital Cost Estimates/Phasing – Responding to comments on how and when the Authority updates capital cost estimates and the framework and assumptions used for projecting year of expenditure (YOE) estimates.

» Chapter 5 – Forecasts and Estimates, Capital Cost Estimates for Full 500-Mile System
  • Additional information on the types of cost estimates and the Staged Project Delivery process.
  • Clarifying the challenges of forecasting system phasing/YOE estimates given that the program is not fully funded.
  • Additional information on the issues and assumptions used in forecasting YOE estimates.

Potential Edits: San Jose to Merced – Additional edits pending Board action on environmental document.

» A separate Staff Recommended Edits table has been prepared pending Board action on the San Jose to Merced project section FEIR/FEIS.

» Includes edits to text, tables, maps and other exhibits pending Board action on the environmental document.
Our mission remains unchanged; our goal is to achieve an electrified operating segment by 2030

- Final designs are nearly complete on the entire 119-mile segment, allowing right-of-way and third-party efforts to be completed and construction to advance without impediment.
- Outstanding change orders are being resolved which will allow greater certainty on contractor costs and schedules.
- Design on the Merced and Bakersfield extensions and Central Valley Stations is being advanced.
- Track and System bids will be received, and design work will begin.
- We will pursue Bipartisan Infrastructure Law federal funds to advance construction.
Revised Draft 2022 Business Plan
Project Update Report

The March 2023 Project Update Report will continue to see advancement in many other areas

• Program Baseline update based on completed negotiations with contractors and remaining risk analysis
• Updated funding strategy based on state legislative decisions and potential federal funding responses
• Updated capital cost estimates informed by Records of Decision and other factors
• New ridership/revenue forecasts – based on a new model developed in coordination with CalSTA

“High-Speed Rail is not a nice to have — it’s a must have”

Federal Transit Administration (FTA) Administrator Nuria Fernandez
Questions

Consider Adoption of the Final 2022 Business Plan