

ASSEMBLY JOINT HEARING REVISED DRAFT 2020 BUSINESS PLAN

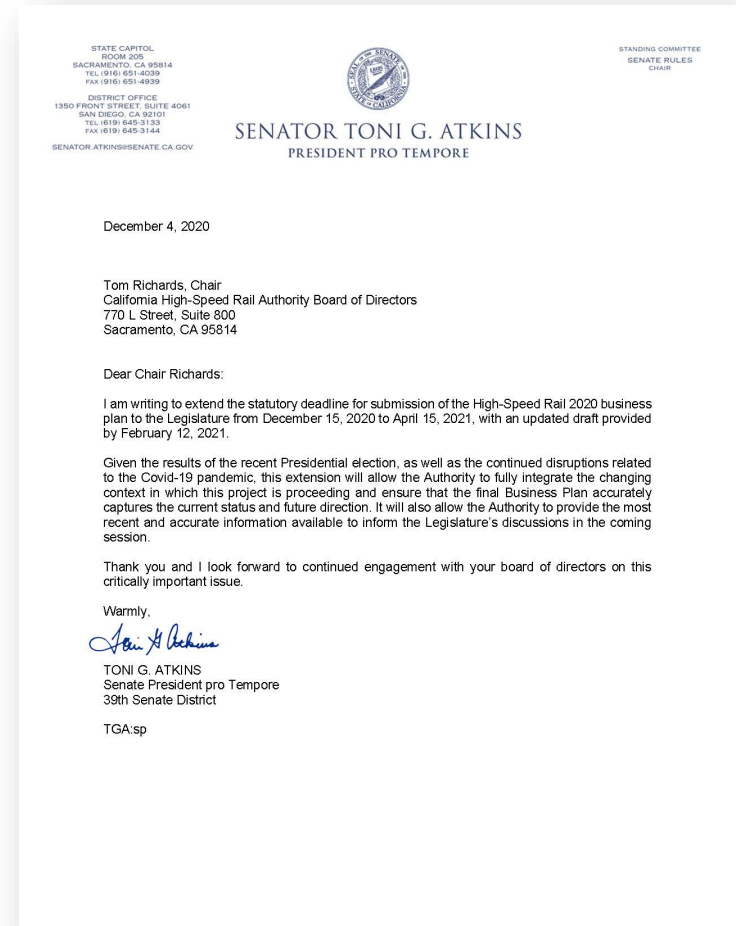
Brian Kelly
Chief Executive Officer
March 10, 2021



REVISED DRAFT 2020 BUSINESS PLAN

CALIFORNIA HIGH-SPEED RAIL

- Revised Draft Plan released on **February 9, 2021**
- 30-day public review through **March 12, 2021**
- Final Business Plan to Legislature by **April 15, 2021**



2020 COVID-19 Impacts to High-Speed Rail:

244 workers quarantined;

» \$288 million in lost Cap and Trade revenue;

» Environmental schedules extended for 4 project sections;

» Track and Systems procurement delayed until Q3 2021;

» Right of Way acquisition affected by court delays



REVISED DRAFT 2020 BUSINESS PLAN

SCHEDULE UPDATES

» We anticipate needing more time to complete Central Valley Segment construction

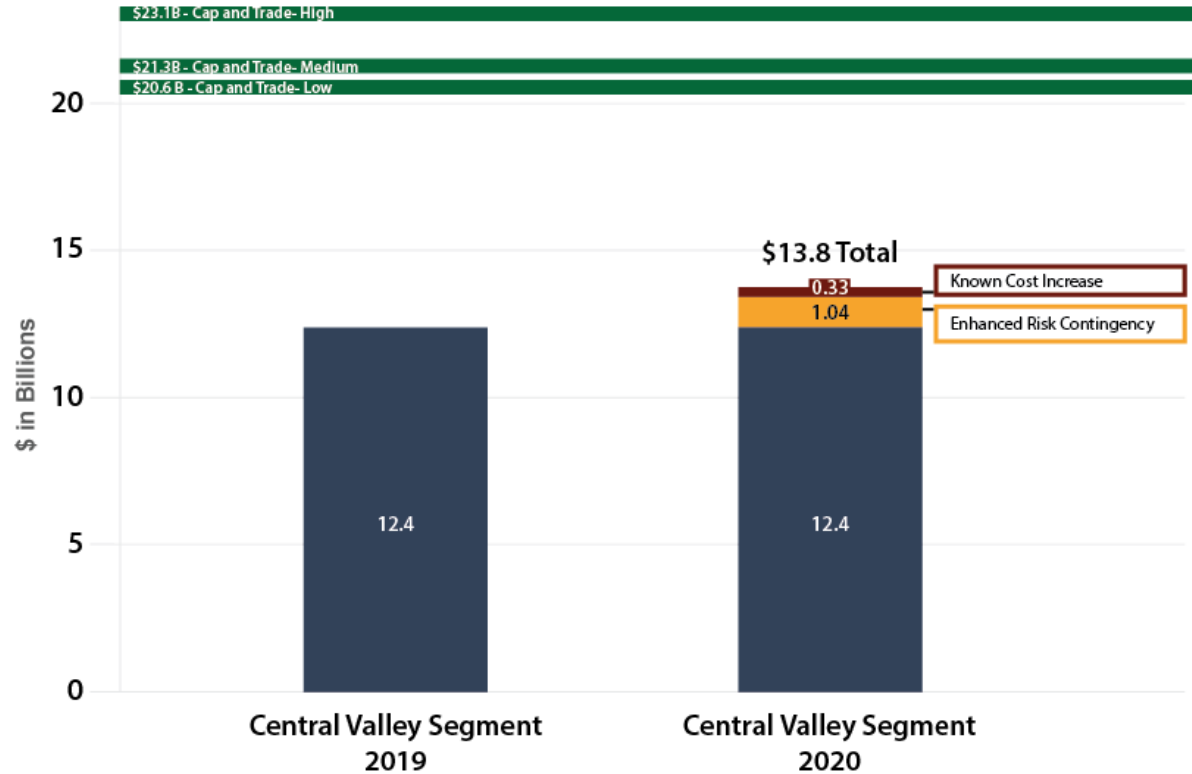
Construction Elements	Projected Completion
Construction Package 1	December 2023
Construction Package 2-3	December 2023
Construction Package 4	April 2022
Track and Systems Contract Award	Q3 2021



REVISED DRAFT 2020 BUSINESS PLAN

CENTRAL VALLEY SEGMENT COST UPDATES

- » Construction costs have increased by \$330 million
- » Remaining construction still has risk and impacts due to the pandemic.
 - Recommend adding approximately \$1.0 billion to contingency
- » Estimate includes phased track implementation (single track for system testing)



REVISED DRAFT 2020 BUSINESS PLAN

SCHEDULE UPDATES FOR RECORDS OF DECISION

Project Section	Draft EIR/EIS	Projected ROD Date
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



WHY EXTEND TO BAKERSFIELD AND MERCED

171-MILE INTERIM SERVICE

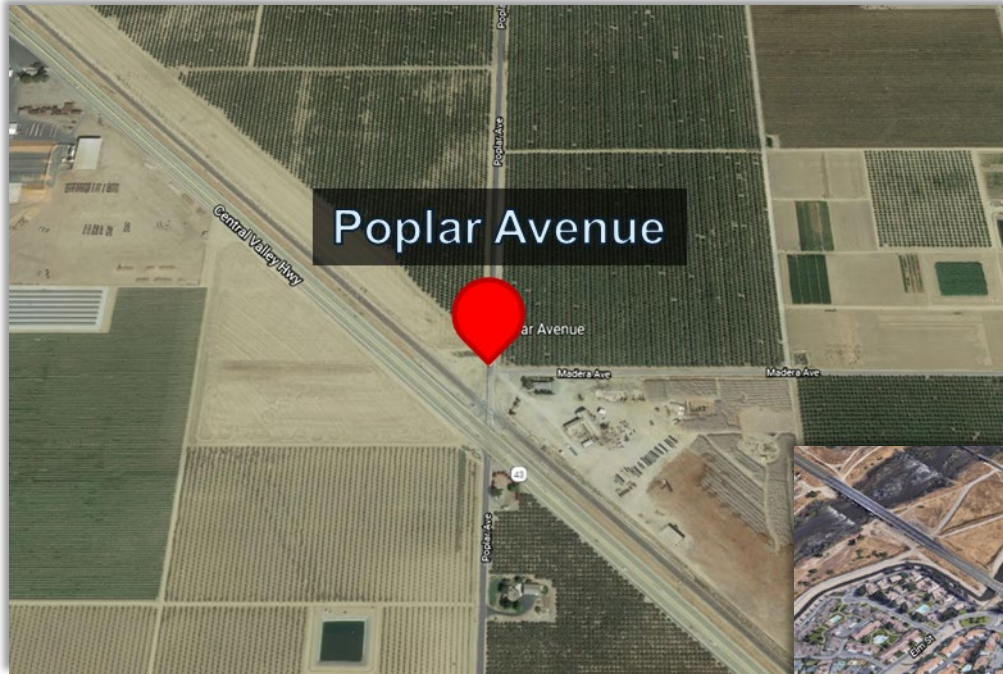
- It reduces travel time by 90-100 minutes
- It provides a valuable state asset and more than doubles service through the Central Valley from – 7 daily trips to 18
- It connects three of the fastest growing cities of the state
- It produces the greatest ridership increase and farebox benefit for the smallest investment compared to other corridors
- Provides for interim connection to parts north via the San Joaquin service (into Bay Area and Sacramento) and bus connection in the south to the LA Basin
- Implementation for 171-mile segment is expected to generate 203k job years and \$40B in economic activity

Bakersfield Station Artist Concept



REVISED DRAFT 2020 BUSINESS PLAN

Southern Terminus Options



SHAFTER – Poplar Avenue

- Southern terminus of 119-mile first construction segment



BAKERSFIELD – F Street

- Southern terminus of Newsom Administration's first high-speed operating segment (171 miles)



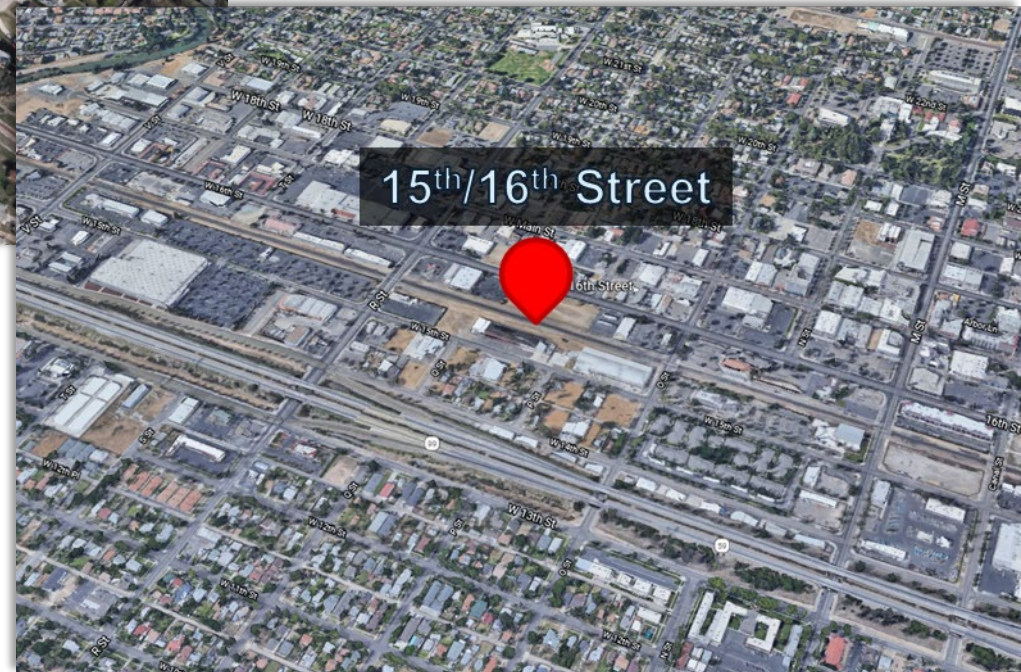
REVISED DRAFT 2020 BUSINESS PLAN

Northern Terminus Options



MADERA – Road 26

- Northern terminus of 119-mile FRA-funded first construction segment (current Amtrak station)



MERCED – W 15th/W 16th St

- Northern terminus of Newsom Administration's first high-speed operating segment (proposed station where HSR, ACE and San Joaquin service will connect)



REVISED DRAFT 2020 BUSINESS PLAN

ADDRESSING COMMENTS ON INTERIM SERVICE: MERCED TO BAKERSFIELD

We evaluated questions raised by Legislature and Peer Review Group:

- » Independent peer review of ridership forecasts
- » Memorandum of Understanding with CalSTA and San Joaquin Joint Powers Authority for interim service roles and responsibilities



Further analysis conducted to address questions on ridership estimates:

- » Peer Review Group helped define the scope of independent review
- » Resource Systems Group – a third party transportation research and analytics firm – assessed whether assumptions and results were reasonable
- » Resource Systems Group review concluded:
 - » “No fatal flaws” with the work performed by the Early Train Operator
 - » Ridership estimates are within expected “ranges for travel time and frequency”
 - » Merced to Bakersfield initial operating segment “Obtains the highest forecast gain in ridership and does so at the lowest increase in cost” compared to the Burbank-Anaheim and San José-Gilroy corridors



REVISED DRAFT 2020 BUSINESS PLAN

MERCED AND BAKERSFIELD EXTENSIONS

These studies and efforts reaffirm value in the Merced to Bakersfield interim service:

- » The Merced and Bakersfield extensions are environmentally cleared
- » We recommend advancing design which will include engineering and:
 - » Right-of-way mapping
 - » Identifying utility relocations
 - » Third-party agreements
 - » Establishing the project footprint (project configuration)
- » This will refine our cost estimates and prepare these extensions for pre-construction activities



Funding:

- » Business Plan updates funding forecast through 2030 as a range based on Cap-and-Trade projections
 - Total funding range is \$20.6 billion to \$23.1 billion
 - Cost estimate to complete Merced to Bakersfield Line ranges from \$21.3 billion to \$22.8 billion (base cost estimate is \$22.2 billion)
- » Funding Plan to seek appropriation of remaining Proposition 1A funds as part of the 2021 Budget Act to complete construction currently underway



REVISED DRAFT 2020 BUSINESS PLAN

PROGRESS – 2018 to 2020

		Dec. 2018		Dec. 2020		March 2021
	Construction Jobs Created	2,573	vs.	5,216	vs.	5,532
	Structures Completed or in Construction	19	vs.	56	vs.	65
	Environmental Drafts Released and ROD's Certified	5	vs.	12	vs.	12
	Right-Of-Way Parcels Acquired	1,423	vs.	1,771	vs.	1,799
	Miles of Guideways	47	vs.	79	vs.	80
	Monthly Average Expenditures on Design-Build Contracts	\$30.47M	vs.	\$68.13M	vs.	\$68.13M
	Design Completed	46%	vs.	92%	vs.	95%



REVISED DRAFT 2020 BUSINESS PLAN

2021 MILESTONES

Over the next 12-15 months:

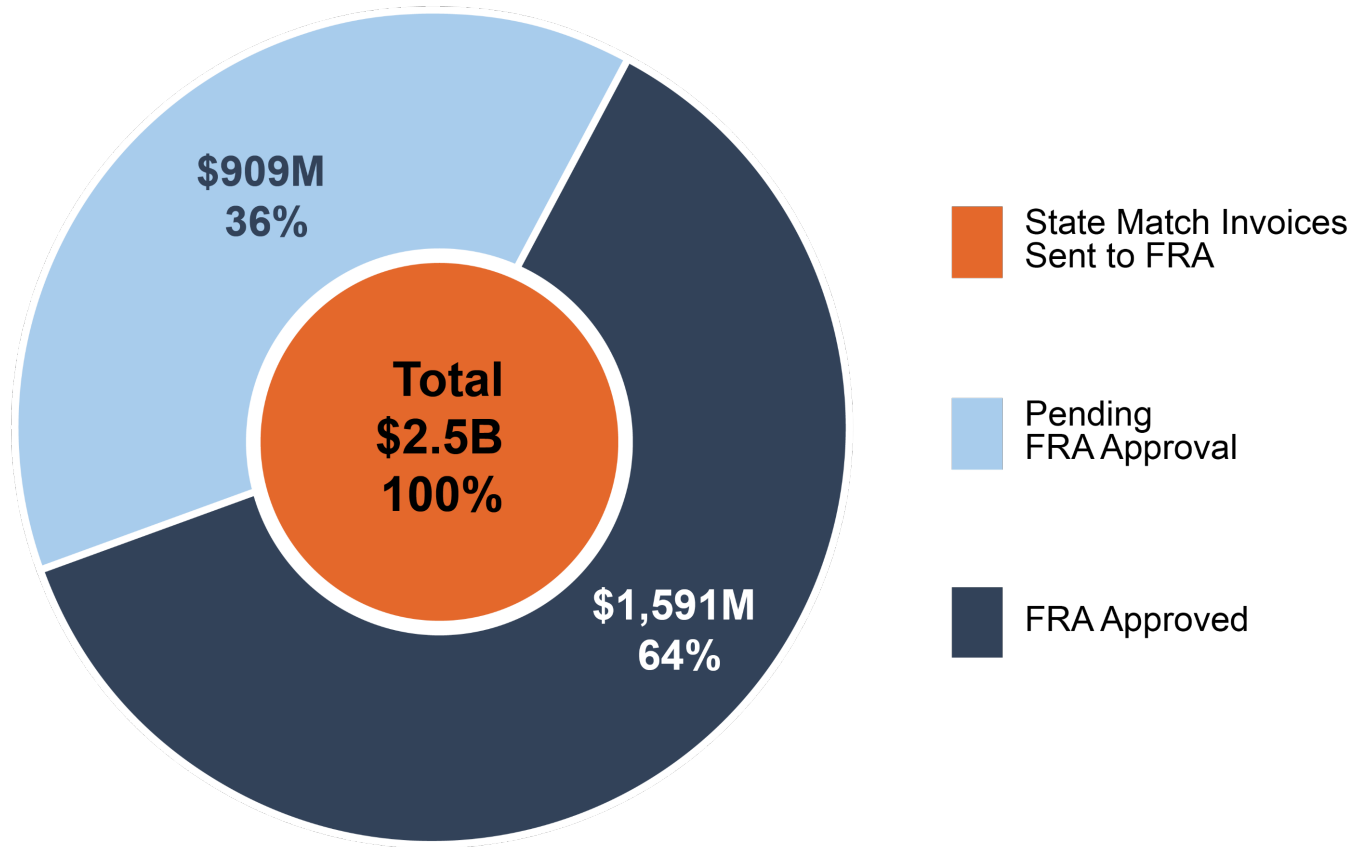
- » 100% of ARRA state match will be completed in Q1 2021 – 22 months ahead of December 2022 deadline
- » Substantial completion of Construction Package 4
- » Environmental clearance of first two segments in Los Angeles County
 - Bakersfield to Palmdale
 - Burbank to Los Angeles
- » Award Track and Systems contract, commence work in 2022
- » Begin advance design work on Merced and Bakersfield extensions
- » Construction completed or underway on
 - 83 of 93 structures
 - 106 of 119 miles of guideway



REVISED DRAFT 2020 BUSINESS PLAN

FULFILLING OUR ARRA GRANT COMMITMENTS

ARRA matching funds:



The Biden administration presents an opportunity to re-establish our federal partnership:

- » The Authority is engaging with new administration on:
 - » Restoration of Federal Partnership
 - » Settling litigation to restore FY/10 grant funding de-obligated by the Trump Administration
 - » Program delivery schedule flexibility
- » New administration and Congress create opportunity for increased federal investment in electrified high-speed rail
 - » California is well-prepared to benefit (i.e., SB 1, Cap and Trade \$, commitment to cleaner transportation future)



“It always seems impossible until it is done”

Nelson Mandela



REVISED DRAFT 2020 BUSINESS PLAN

CALIFORNIA HIGH-SPEED RAIL



Headquarters

California High-Speed Rail Authority

770 L Street, Suite 800

Sacramento, CA 95814

www.hsr.ca.gov

