

2022 DRAFT BUSINESS PLAN

Brian Kelly
Chief Executive Officer
February 17, 2022



DRAFT 2022 BUSINESS PLAN

- **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



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- **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



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- **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



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- **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



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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



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- **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



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- **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

