



CALIFORNIA
High-Speed Rail Authority

2022 Business Plan

Brian Kelly, Chief Executive Officer

April 27, 2022

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



DRAFT 2022 BUSINESS PLAN

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

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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.*

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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.

Revised Draft 2022 Business Plan

Achieving Merced to Bakersfield

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



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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

