



CALIFORNIA
High-Speed Rail Authority

2024 Business Plan

Brian Kelly

CEO

January 18, 2023

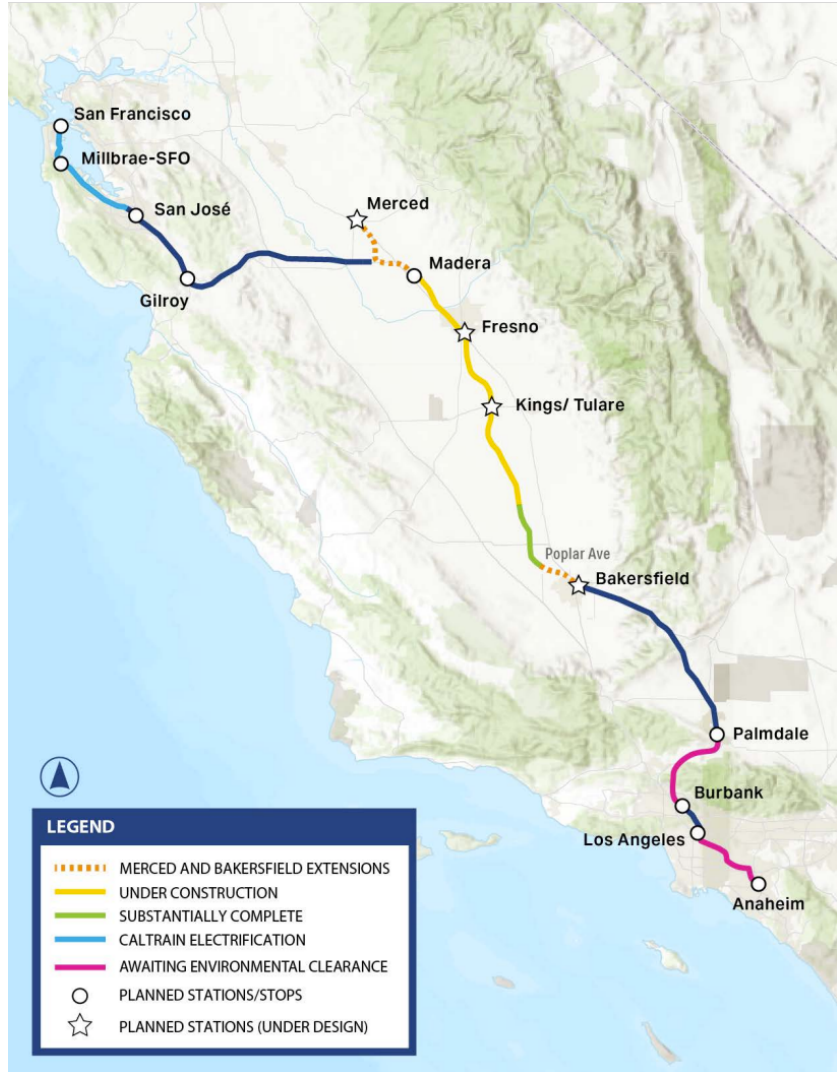
Background for 2024 Business Plan

- Required by PUC Section 185033
 - » Every two years (even years)
- 2022 Business Plan
 - » Included limited updates to forecasts at the time
 - » COVID impacted release date
- Program Update Report 2023 (PUR)
 - » Provided more time to work through forecasts and estimates
 - » Keystone document re-laid foundation for forward direction
 - » Updated cost and schedule estimates for Merced-to-Bakersfield segment
 - » Specified Merced-to-Bakersfield segment would be built as a dual-track, electrified railroad with a shared station in Merced
- 2024 Business Plan
 - » Significant progress since 2023 PUR
 - » Still aligned with 2023 PUR direction, schedule, budget and vision
 - » Where we plan to go, notably with \$3.1B Fed-State funding granted in Dec. 2023
 - » Extensive discussion about risk identification, management and mitigation

Highlights from March 2023 Project Update Report

- Set a target schedule for an Early Operating Segment (Merced to Bakersfield) to be ready for passenger service between 2030 and 2033 schedule envelope (in line with FRA and FTA guidelines)
- Updated cost estimates based on escalation and inflation, scope increases and risk analysis
- Set a funding strategy informed by Legislative budget decisions and pending federal action on Build Back Better at that time
- Established new Ridership/Revenue forecasts based on new model developed by Authority's Early Train Operator in coordination with CalSTA
- Updated Program Baseline Budget/Schedule informed by funding, finalizing commercial agreements, and Track and Systems
 - » CP 1: 2026
 - » CP 2-3: 2026
 - » CP 4: 2023 (substantially complete)
- Set targeted goals for critical procurements such as track and systems, trainsets, station and extension design





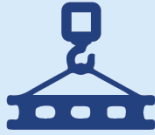

Major Accomplishments Since BP22 and PUR23



- Awarded \$3.3 billion in new federal funds federal government (reinvested/renewed partnership)
- Advanced procurements to move the project toward operations
- First construction package (CP 4) covering 22.5 miles in Central Valley near completion
- Construction jobs exceeded 12,200 in 2023, record high numbers for daily workers on job sites, and 10 new structures opened
- Exceeded goals for the percentage of right-of-way parcels acquired (98%) and the number of utilities relocated in a single year (250+)
- Designs for the extensions to Merced and Bakersfield are on schedule, meeting contract milestones

Key Updates

- Advancement across all major activities, consistent with direction in 2023 PUR
- Design, Right of Way, Utilities Relocations projected to be nearing completion in 2024
- Structures and Guideways continue to progress forward
- Construction schedules holding firm
 - » CP 4 Nearing substantial completion
 - » CP 1 Completion in 2026
 - » CP 2/3 Completion in 2026

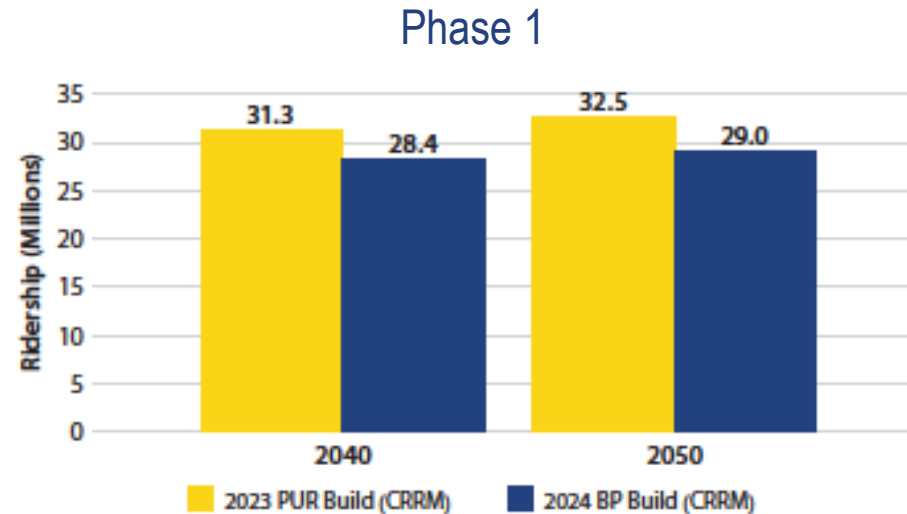
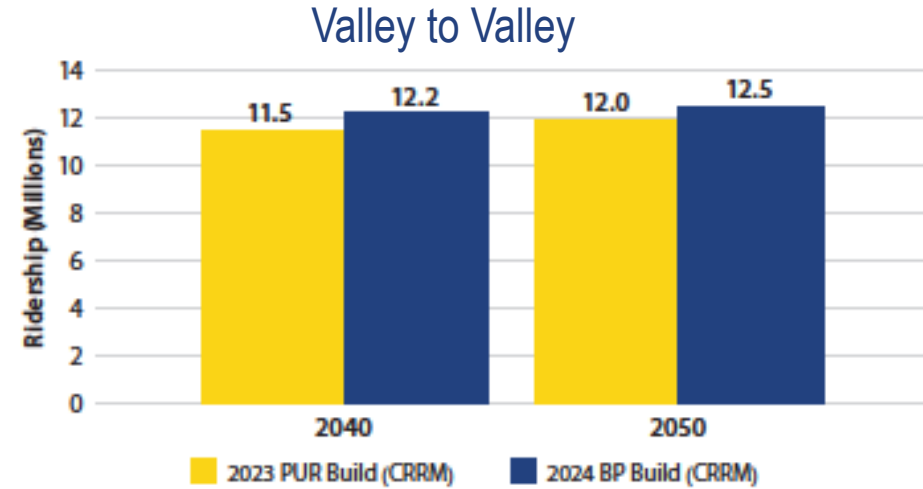
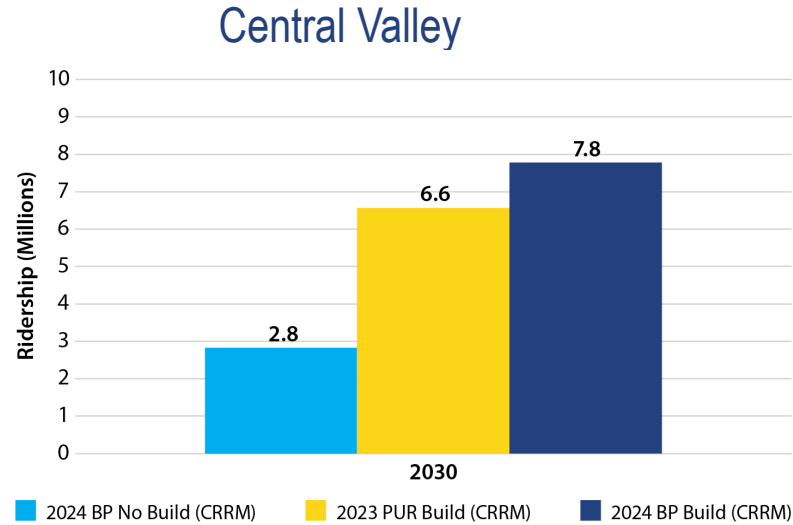
	CP 1	CP 2-3	CP 4
 Authority Approved Design Completed	100%	100%	100%
 Right-Of-Way Parcels Delivered to DB	98%	98%	100%
 Utility Relocation Complete/ In Progress	82%	80%	100%
 Structures Complete/ In Progress	85%	76%	100%
 Miles of Guideway Complete/ In Progress	63%	75%	100%
 Overall Contract	70%	72%	98%

Key Updates

- Cost and schedule generally remain consistent with 2023 Project Update Report
 - » Merced to Bakersfield – The costs estimates are unchanged from the 2023 PUR, released just 11 months ago. While the cost estimates are unchanged, the BP will update on cost risks for each construction package, with CP 2-3 carrying the highest risk due to:
 - Impacts of 2022/2023 flooding
 - A major change order in arbitration
 - Major third-party issues to be resolved
 - A final Revised Baseline schedule still in negotiation
 - » Phase 1 cost updates are pending completion of environmental documents for two Southern California sections.
 - Palmdale to Burbank EIS/EIR is expected to come to the Board in Q2 2024
 - LA to Anaheim is working on Supplemental Alternatives Analysis with EIS/EIR in 2025.
 - Analysis to date suggests cost for these two sections at the higher cost range as reported in the 2023 PUR.
 - However, total cost estimate for Phase 1, after environmental documents are certified, will remain in the range of costs identified in the 2023 PUR.

Key Updates

Ridership: Stagnant population in California continues to limit long-term ridership projections. However, 2024 Business Plan updates are largely in line with 2023 PUR:



Key Updates

- Recent \$3.1 billion federal grant will advance work in California's Central Valley
 - » Fund six electric trains for testing and use
 - » Fund design and construction of trainset facilities
 - » Fund design and construction of the Fresno station
 - » Fund final design and right-of-way acquisition for the Merced and Bakersfield extensions
 - » Fund civil works, traction power, track, OCS, and systems for Bakersfield Interim Extension

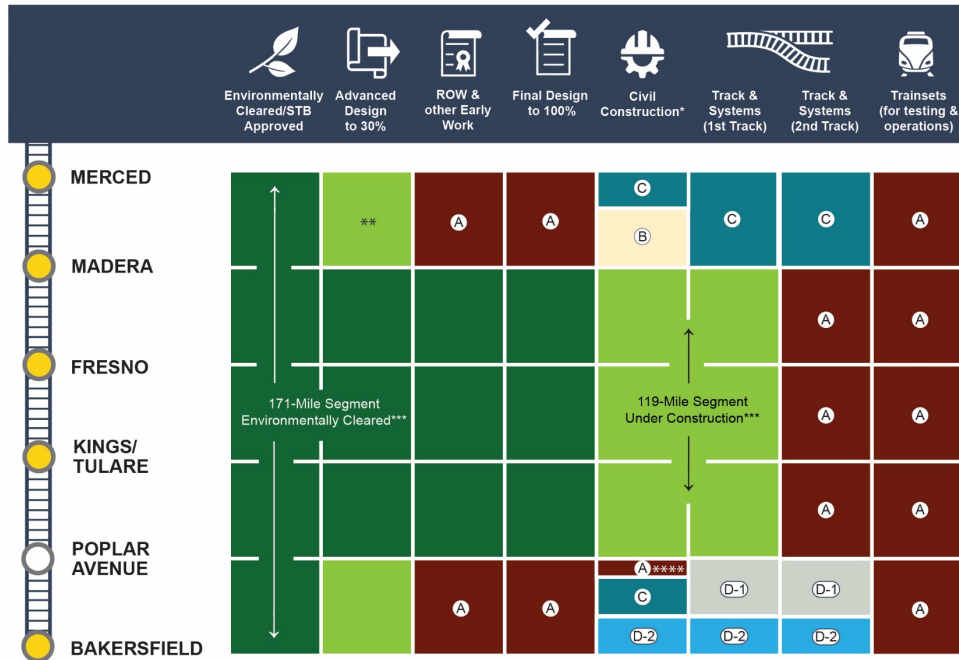
“Think of how this train will transform California’s Central Valley with new businesses, new residents, visitors, economic opportunities, or what it will mean for people who live in inland towns and commute to work in coastal cities. It’s a game changer.”

- President Biden

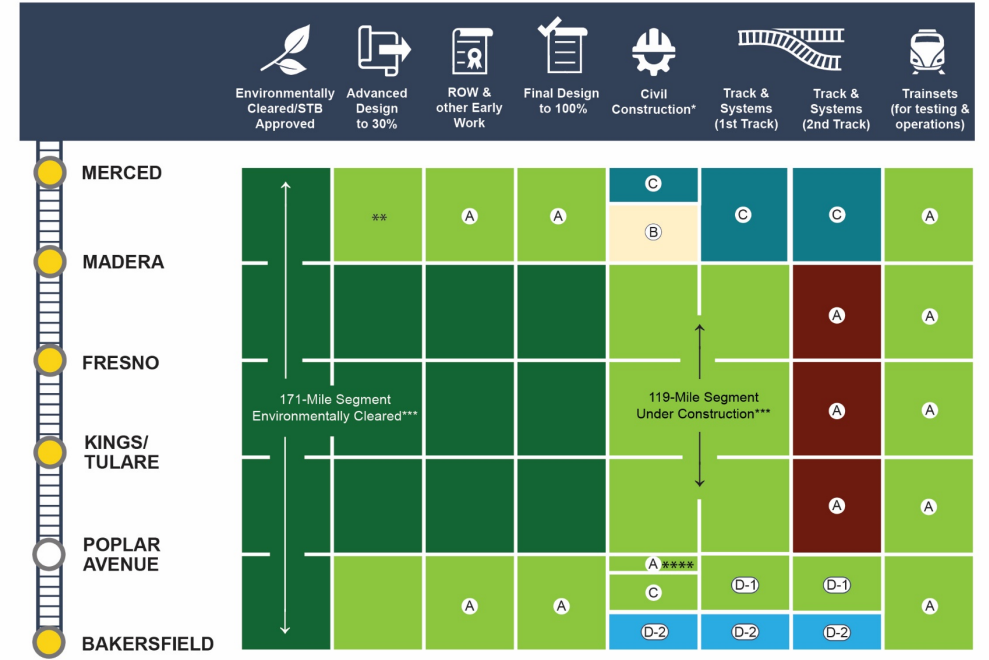


Key Updates – Federal Infusion of Funds (continued)

2023 PUR



2024 Business Plan (as of Dec 2023)



- Completed
- Funded & Underway
- PHASE A (2023): Future Federal IIJA Grants, including applications submitted & awards pending (RCE/CRISI)
- PHASE B (2024): Future Federal IIJA Grants for Final Design, ROW, Civil Construction to Merced
- PHASE C (2025): Future Federal IIJA Grants for Civil Construction to Merced Station, to North Bakersfield, Track & Systems to Merced
- PHASE D-1 (2026): Future Federal IIJA Grant for Track and Systems to North Bakersfield
- PHASE D-2 (2026): Future State and Federal Funds not currently identified to Bakersfield F Street Station

*Full Stations Build-out will be separately procured from Civil Works Construction.
 **2022 RAISE Award
 ***ARRA, FY 10, 2021 RAISE Grants
 ****2022 RCE & CRISI Application (6 Grade Separations in Shafter)

- Completed
- Funded and Underway, including 2023 IIJA Grant Awards for portions of A, C, D-1
- PHASE A (2024): Future Federal IIJA Grants for second track on 119-Mile segment
- PHASE B (2024): Future Federal IIJA Grants for Final Design, ROW, Civil Construction to Merced
- PHASE C (2025): Future Federal IIJA Grants for Civil Construction to Merced Station, Track & Systems to Merced
- PHASE D-1 (2026): 2023 Federal IIJA Grant Award for Track and Systems to North Bakersfield
- PHASE D-2 (2026): Future State and Federal Funds not currently identified to Bakersfield F Street Station

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 **2022 RAISE Award
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Key Updates – What's Next

- Finish CP 1-4 and design work for Merced (M-M) and Bakersfield (LGA) extensions
- Continue environmental review of remaining project sections (Palmdale to Burbank, LA to Anaheim)
- Advance work and collaborative projects in Northern and Southern California regions
- Execute procurements to advance rail strategy (Trainsets, Systems, OCS)
- Continue to work on station designs
- Advocate for additional future funding



Our goal remains unchanged: Electrified operating segment between 2030-2033

Schedule to Complete Business Plan

- January 18 Today's Board Meeting
- Early February Release Draft Business Plan for 60-day public comment period
- February 29 Board Meeting and Public Comments Hearing
- April 11 Board Meeting for public comments review and Business Plan approval
- May 1 Final 2024 Business Plan due to Legislature



Questions

