



CALIFORNIA
High-Speed Rail Authority

2024 Draft Business Plan

February 29, 2024

2024 Draft Business Plan

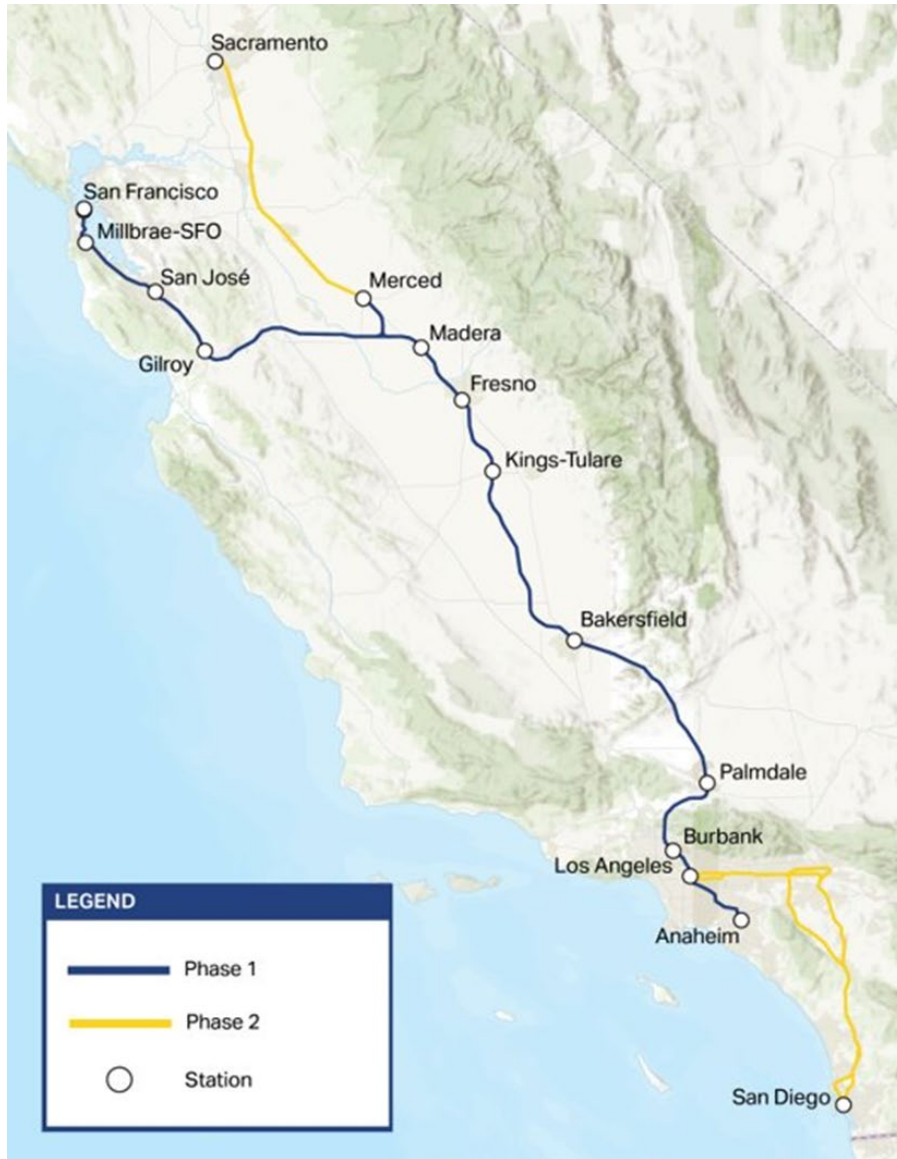
- Required by PUC Section 185033
 - » Every two years (even years)
- 2022 Business Plan
 - » Included limited updates to forecasts at the time
 - » COVID impacted release date of final 2020 Business Plan to 2021, so the 2022 updates were more limited
- 2023 Program Update Report (PUR)
 - » Provided more 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 program 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 December 2023
 - » Discussion about risk identification, management and mitigation

2023 Project Update Report

Released in March 2023:

- 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 CA Legislative budget decisions and the federal Bipartisan Infrastructure Law
- 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 2023 Project Update Report



- 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 record number of structures completed
- Exceeded goals for the percentage of right-of-way parcels acquired (98%) and the number of utilities relocated in a single year (250+)
- Met contract milestones, keeping design designs for the extensions to Merced and Bakersfield on schedule







Central Valley Progress

- Completed 17 structures
- Improved right-of-way planning and management resulting in 98% parcels delivered
- Increased executive engagement and third-party task force efforts, resulting in 97% of third-party agreement and design approvals
- Finalized revised baseline schedules for CP 1 and CP 4, working on revised baseline schedule for CP 2-3
- Funding to support final design and right-of-way for the Merced and Bakersfield extensions



Central Valley Progress

- Reached 100% design completion for all construction packages
- Design, Right-of-Way, Utilities Relocations project to be nearing completion in 2024
- Structures and Guideways continue to progress forward
- Construction Packages are on schedule
 - » CP 4 Reached 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%

Stations

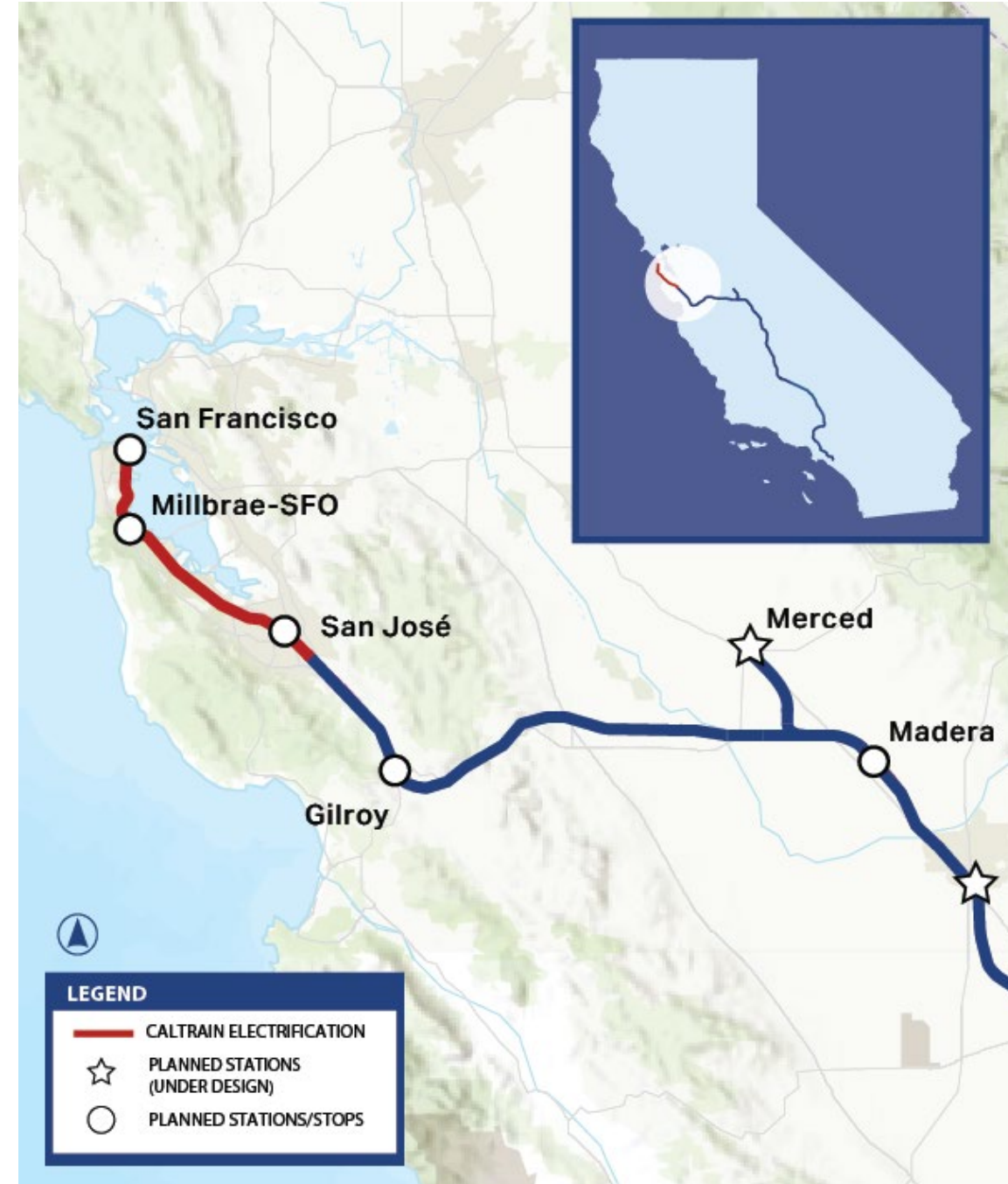
- Collaborating with officials and stakeholders for pre-rail activities
- Gathering feedback for successful station site planning
- Schedule
 - » Contract executed in March 2023
 - » Completed concept designs for all four stations in November 2023
 - » Continuing design work in 2024 for schematic design phase



Rendering: Merced Station Interior

Northern California

- Completed environmental clearance, preparing for advanced design
- Integration with existing rail networks, including \$700+ million investment in Caltrain corridor electrification
- Portal (Downtown Extension Project) linking rail line to Salesforce Transit Center
- Diridon Integrated Concept Plan for transforming Diridon Station into intermodal hub
- Actively seeking additional funding for design work and geotechnical studies in Pacheco Pass to link to Central Valley



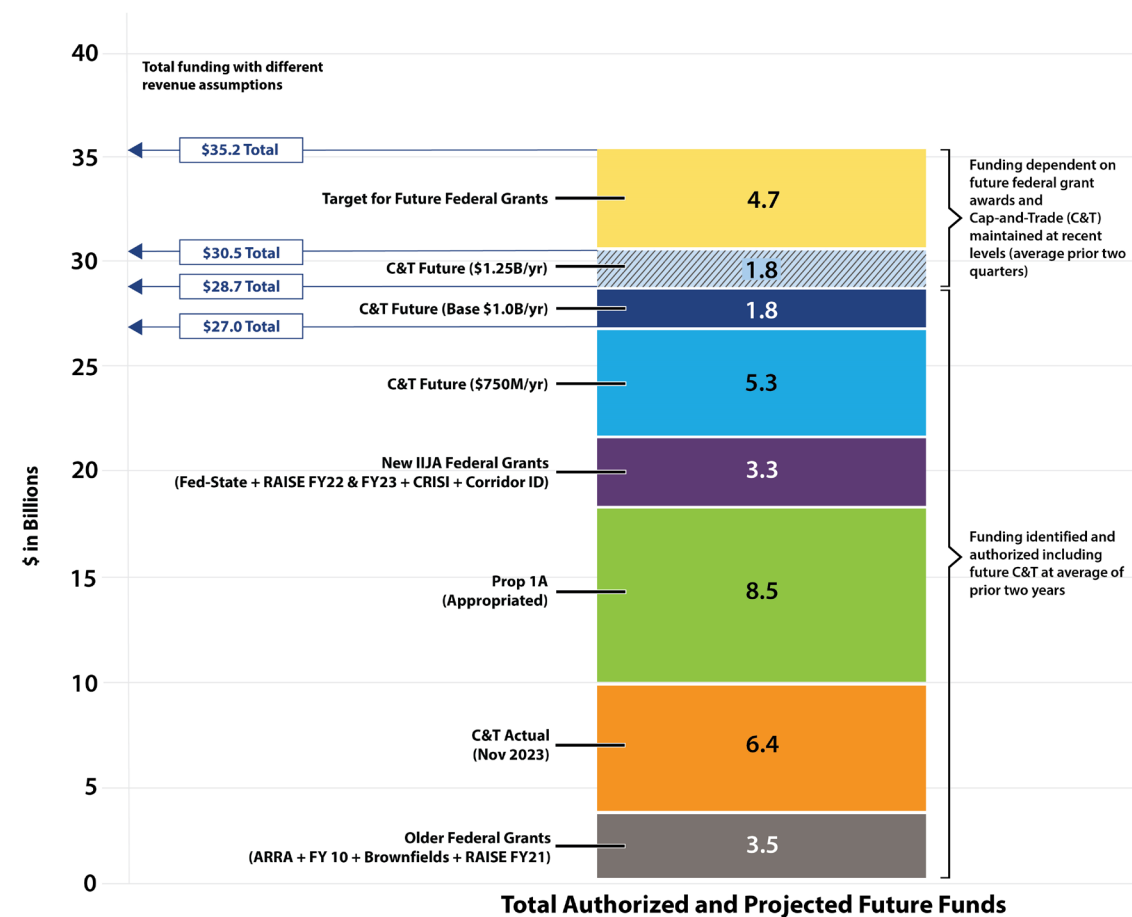
Southern California

- Focus on enhancing regional connections and infrastructure, funding early projects, and completing environmental clearance
- LA Metro's Rosecrans and Marquardt Avenue Grade Separation to be completed in early 2025
- Draft Environmental Impact Report (EIR) for Palmdale to Burbank section released in fall 2022, Final EIR/EIS expected this summer, marking complete environmental clearance
- Exploring a connection to Brightline West via High Desert Corridor, extending to Las Vegas



Funding the Program

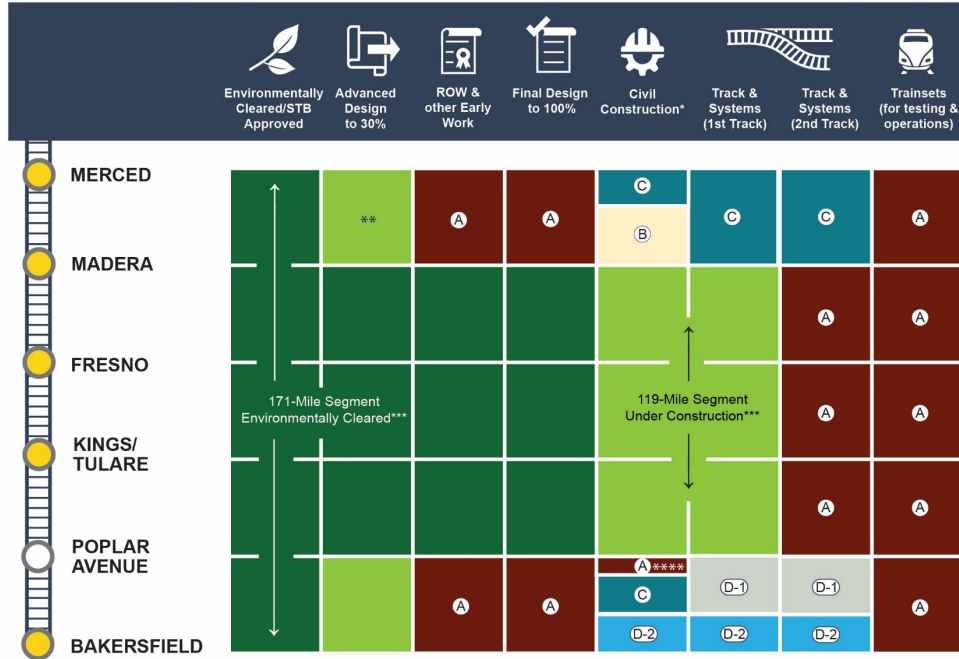
- The Authority committed to securing funding for the Merced to Bakersfield extensions
 - Funding efforts include \$4.2 billion from Proposition 1A and Cap-and-Trade allocations
- Developed an approach to secure \$8 billion in new federal grants over the next five years
 - \$3.3 billion in federal grants obtained so far, with ongoing efforts to secure additional funding
 - Seeking another \$4.7 billion from the Federal-State Partnership (FSP) National Program and other BIL programs
- Current and projected funding of \$27 billion to \$30.5 billion assuming Cap-and-Trade revenue scenarios



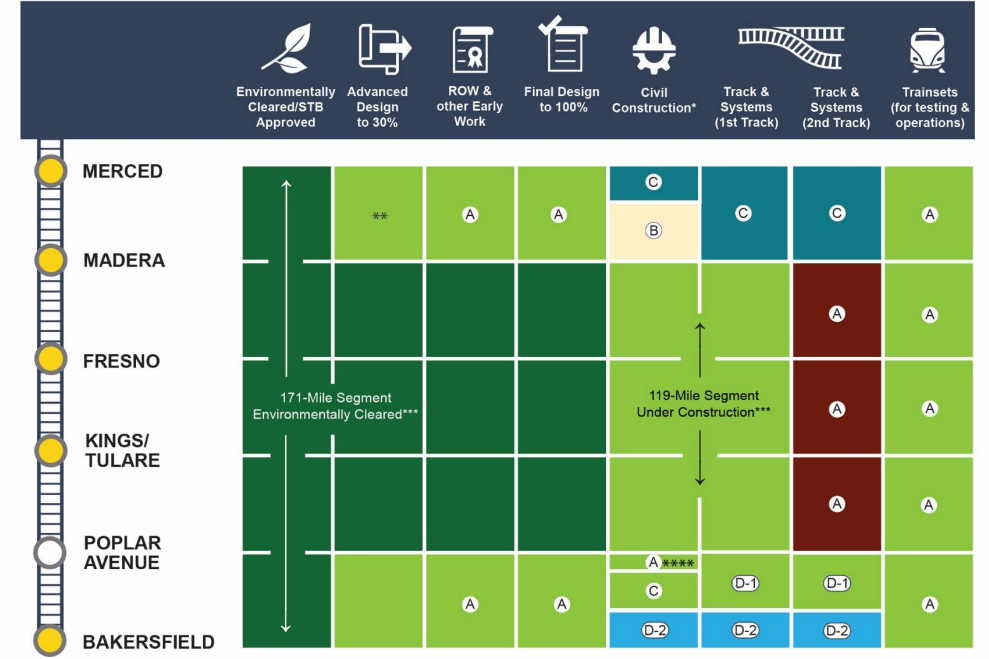
*Totals may not sum due to independent rounding
 **Portion of future C&T revenues may be used to fund admin support activities
 ***Portion of Prop 1A may be used to fund admin support activities

2024 Draft Business Plan – Federal Infusion of Funds

2023 PUR



2024 Business Plan (as of Dec 2023)



- Completed
- Funded & Underway
- PHASE A (2023): Future Federal IJIA Grants, including applications submitted & awards pending (RCE/CRISI)
- PHASE B (2024): Future Federal IJIA Grants for Final Design, ROW, Civil Construction to Merced
- PHASE C (2025): Future Federal IJIA Grants for Civil Construction to Merced Station, to North Bakersfield, Track & Systems to Merced
- PHASE D-1 (2026): Future Federal IJIA 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 IJIA Grant Awards for portions of A, C, D-1
- PHASE A (2024): Future Federal IJIA Grants for second track on 119-Mile segment
- PHASE B (2024): Future Federal IJIA Grants for Final Design, ROW, Civil Construction to Merced
- PHASE C (2025): Future Federal IJIA Grants for Civil Construction to Merced Station, Track & Systems to Merced
- PHASE D-1 (2026): 2023 Federal IJIA 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

*Full Stations Build-out will be separately procured from Civil Works Construction.
**2022 RAISE Award
***ARRA, FY 10, 2021 RAISE Grants
****2023 CRISI Grant Award (6 Grade Separations in Shafter)

Capital Cost

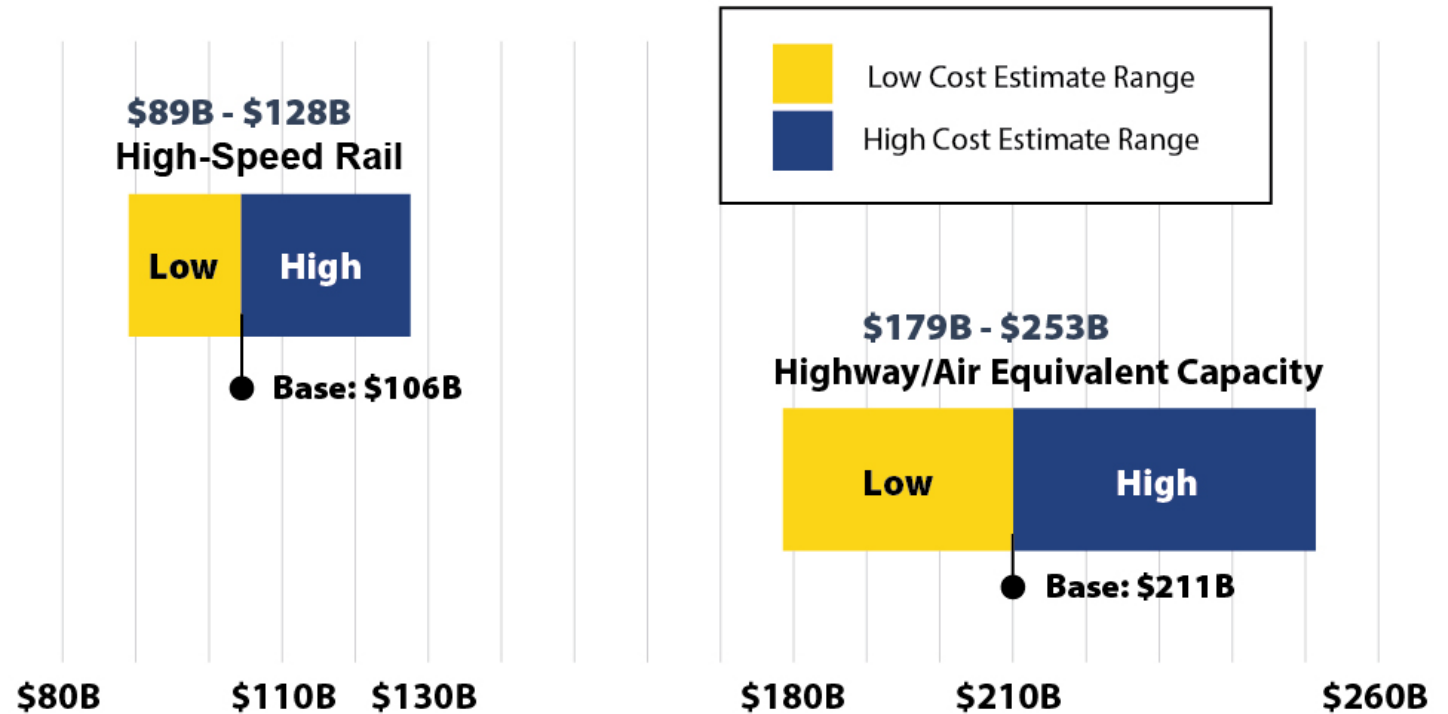
San Francisco to Los Angeles/Anaheim (Phase 1) Capital Cost Estimates (YOE \$ in Millions)

Program Wide Scope Element	Low	Base	High
Merced to Bakersfield	29,833	31,497	32,976
Northern California	21,180	27,865	35,514
Southern California	31,908	40,650	52,807
Program Wide	5,624	6,151	6,636
Total	88,545	106,163	127,933

- Segments outside the Central Valley are typically updated at the time of environmental clearance.
 - Palmdale to Burbank is scheduled for a cost update in Summer 2024.
 - LA to Anaheim is scheduled for a cost update in December 2025.
 - Both segments are expected to have cost updates above the baseline estimate.

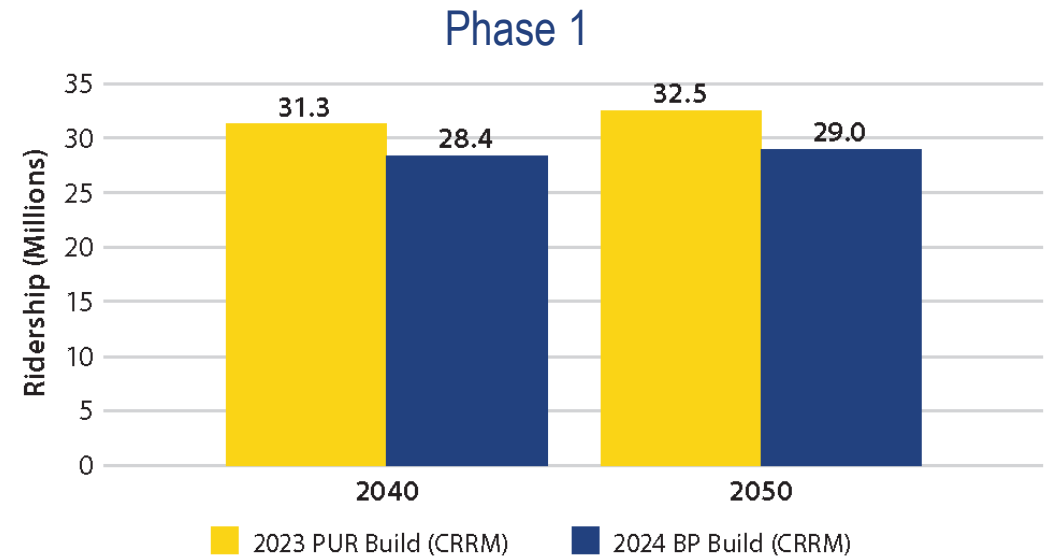
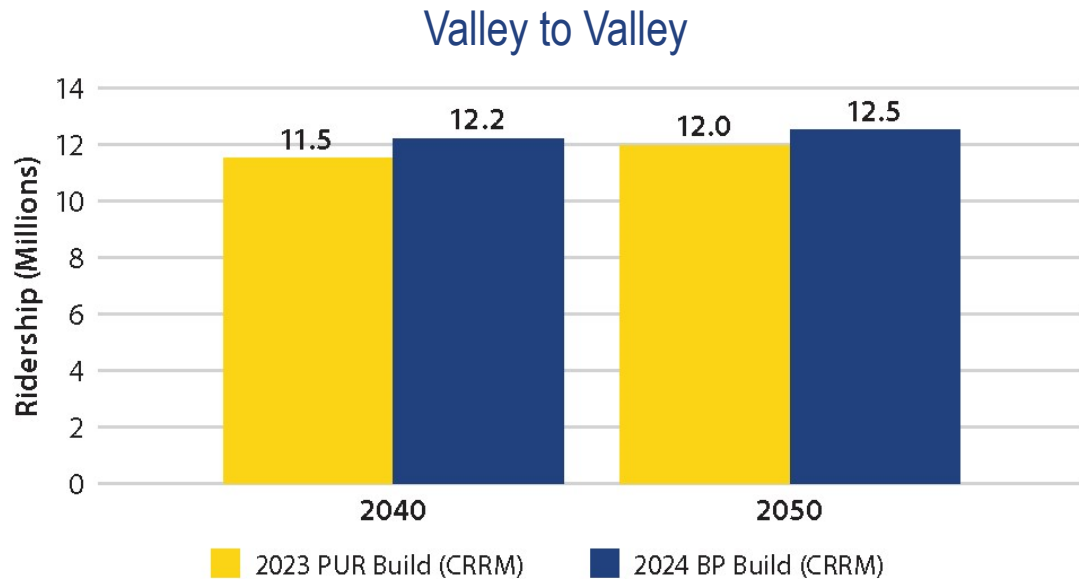
High-Speed Rail Remains Best Value Investment

- High-speed rail is the most cost-effective and policy-effective mode of transportation to address intercity transportation needs
 - High-speed rail cost range of \$89 billion to 128 billion
 - Highway/Air cost range of \$179 billion to \$253 billion
- Updated figures include updated inflation factors from California specific cost indices



Ridership Projections

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



* Central Valley ridership forecasts are in progress, being developed in collaboration with the various stakeholders involved in the Central Valley Service.

Risk

- Achievements include
 - Improved and accelerated parcel acquisition in the Central Valley
 - Resolution of commercial issues
 - Settlement with the Burbank-Glendale-Pasadena Airport Authority
 - Stay agreements in Bay Area litigation
 - Completion of the Semitropic Water Storage District canal realignment in Kern County
- Top risks include
 - Funding uncertainty
 - Third-party management
 - Workforce planning
 - Program integration management

2024 Draft Business Plan – 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 collaborative projects in Northern and Southern California regions
- Execute procurements to advance rail strategy (Trainsets, Track & Systems, Overhead Contact System)
- Continue to work on station designs
- Advocate for additional future funding



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

Schedule to Complete Business Plan

- February 9 Released Draft Business Plan for 60-day public comment period
- February 29 Board Meeting and Public Comment Hearing
- March 11 Assembly Transportation Committee Hearing
- March 12 Senate Transportation Committee & Budget Subcommittee Hearing
- April 11 Board Meeting and Business Plan approval
- May 1 Final 2024 Business Plan due to Legislature

How to Provide Public Comment

- Today following this presentation
- Online comment form through the Draft 2024 Business Plan website at: <https://hsr.ca.gov/2024-draft-business-plan-comment-form/>
- Email: BusinessPlan2024@hsr.ca.gov
- U.S. mail to the Authority:
 - California High-Speed Rail Authority
 - Attn: Draft 2024 Business Plan
 - 770 L Street, Suite 1180
 - Sacramento, CA 95814



Questions



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