



CALIFORNIA
High-Speed Rail Authority

2024 Revised Draft Business Plan

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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
 - » How we plan to proceed, notably with \$3.1B Fed-State funding granted in December 2023
 - » Discussion about risk identification, management and mitigation

Review of Schedule for the 2024 Business Plan

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

Revised 2024 Draft Business Plan

- Documents summarize the proposed changes to the Draft 2024 Business Plan based on the comments received:
 - » Staff Recommended Edits table of proposed substantive text edits
 - » Errata table of minor technical corrections for punctuation, spelling and updated current data
 - » Revised Draft 2024 Business Plan incorporating both the Staff Recommended Edits and Errata and Updates
- Public Comment Period – February 9 through April 9:
 - » Authority received 51 comments (as of April 2)
 - » Authority received 4 letters of support (as of April 2)

Proposed Changes for Final 2024 Business Plan

- Chapter 1: Statewide Progress:
 - » Office of the Inspector General (OIG) recommendation: Added narrative about timing of project segments outside the Central Valley, outlining that these sections are unfunded, and included a graphic of the Authority's Staged Project Delivery approach
- Chapter 1: Environmental Clearance:
 - » Provided additional narrative on additional steps the Authority takes during construction related to approvals from environmental agencies
- Chapter 2: Expanding into Merced and Bakersfield
 - » Expanded on how the Authority is minimizing risk by completing ROW before construction begins
- Chapter 2: The Portal
 - » Updated language from the TJPA about the timing and federal funding for the project

Proposed Changes for Final 2024 Business Plan

- Chapter 3: Current Funding
 - » **OIG recommendation:** Added a new table identifying target dates for future funding and included best-fit federal grant programs
- Chapter 3: Federal Funding
 - » **OIG recommendation:** Added narrative on the Authority's confidence level to receive funds from Proposition 1A, Cap-and-Trade, federal grants and local funding
- Chapter 3: Local and Regional Funding
 - » **OIG recommendation:** Clarified that the Authority does not have any current financial commitments to shared corridor projects
- Chapter 3: Private Sector Financing
 - » **OIG recommendation:** Included more details on the Authority's plans to issue a Request for Expressions of Interest (RFEI) in 2024

Proposed Changes for Final 2024 Business Plan

- Chapter 4: Authority Committee Structure
 - » Added the Development Review Committee and described its role
- Chapter 4: Top Risks
 - » OIG recommendation: Revised chapter to include 7 of the Authority's top risks and mitigation strategies
- Chapter 5: Capital Costs
 - » OIG recommendation: Expanded Capital Costs tables to include expenditures to date
- Chapter 5: Central Valley Service
 - » Revised to reflect that ridership numbers will be completed and included in the 2025 Project Update Report

Capital Cost Estimates Policy for Annual Reports

- The Office of Inspector General (OIG) recommended in its 2023 Project Update Report (PUR) letter that the Board adopt a policy that describes the conditions under which the Authority will update cost estimates in its annual reports.
- The policy provides guidance to Authority staff on the timing and preparation of updating project capital cost estimates for Board consideration as part of the Authority's annual updates:
 - » Release updated capital cost estimates at the appropriate time for the various project elements as work has reached a sufficient level to provide a meaningful update
 - » Use industry norms for cost-estimating methodologies and use inflation and escalation estimates from credible and appropriate sources
 - » Include actual costs from the most recent quarter-end financial reporting

2024 Final Business Plan Highlights



- Renewed partnership with federal partners with \$3.3 billion in new federal funds
- Progress in procurements that focus on moving the project into operations
- First construction package (CP 4) 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 (254)
- Met contract milestones, keeping design designs for the extensions to Merced and Bakersfield on schedule

Looking Ahead – 2025 Project Update Report

- Details on advancements toward trainset procurements
- Continued progress on the Central Valley construction packages
- Revised costs following environmental clearance of the remaining project segments in Southern California
- Models and data on Central Valley Service ridership



Questions



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