



MORGAN HILL – GILROY COMMUNITY WORKING GROUP MEETING SUMMARY MARCH 5, 2019

SUMMARY

Introductions & Agenda Review

Boris Lipkin, Northern California Regional Director, gave an update on Governor Gavin Newsom's comments regarding high-speed rail in his 2019 State of the State Address. Lipkin clarified that the project is not cancelled or scaled back. Rather, the Governor described his strategy for delivering high-speed rail within available resources consistent with the California High-Speed Rail Authority's (Authority) 2018 Business Plan. Lipkin also addressed the Authority's response to the Federal Railroad Administration's (FRA) threat to take back federal funding from the project, noting that the Authority has continuously demonstrated compliance with federal grant requirements and that withdrawing federal funds would be an unprecedented, unproductive, harmful course of action.

The following questions, comments, and responses were recorded following Lipkin's remarks.

Project Funding and Timeline

- A member commented that they would like the Authority to demonstrate availability of sufficient funds prior to signing any construction contracts. They also asked what work the Authority could complete with their current funding.
 - Staff responded that the 2018 Business Plan outlines a process for funding the project in stages, including a focus on prioritizing the Central Valley and the potential for early service. Additional information on project next steps will be available in the upcoming Project Update Report.
- A member asked about the anticipated construction costs and timeline for the Central Valley.
 - Staff responded that the anticipated cost to complete the 119 miles currently under construction in the Central Valley is \$10.6 billion. An updated estimate to complete the additional 51 miles for service between Merced and Bakersfield will be available in the Project Update Report. The Authority expects service to begin in the late 2020s following the end of construction and a period of testing.
- A member asked when construction contracts will be issued for the project locally.
 - Staff stated that the Authority will be ready to issue construction contracts in three to five years if project development work advances and funds are available.

Federal Funding Agreement

- A member asked if only \$900 million were in dispute or if the federal government wanted to revoke \$3 billion.
 - Staff responded that the FRA threatened to revoke the \$929 million and was considering demanding the return of \$2.5 billion based on an assertion of non-compliance. However, there had been over 400 approvals by the FRA of submittals under the grant agreement stating that the Authority was in compliance.
- A member asked if the Authority is confident that they are compliant with their federal contract and asked if they are in contract with third-party construction companies.
 - Staff responded that the Authority is in compliance, citing the annual grant review process, which, except in one occasion that was addressed immediately, stated the project was in compliance. Staff also confirmed that the Authority currently has design-build contracts in the Central Valley.

Community Outreach

- A member requested that the Authority keep Community Working Group (CWG) members informed of proposed legislation relevant to high-speed rail, particularly any legislation proposed by Senator Beall.
 - Staff assured members that Authority will keep CWGs updated on the project.
- A member asked if the Authority will continue to receive feedback from the CWG and other stakeholders as they continue the environmental review process for Phase 1.
 - Staff responded that they will continue to welcome input and will host CWG meetings and open houses in July and August before the Authority Board identifies the Preferred Alternative (PA) in September 2019 and after that process for the Draft EIR/EIS.

Other

- A member stated that they thought the Authority needed their own tracks before any electrification between San Jose and Gilroy could begin.
 - Staff replied that the extension of Caltrain electrification to Gilroy was a feature of the blended at-grade alternative, however the Authority has not identified a PA yet. This alternative requires an agreement with Union Pacific Railroad (UPRR) and negotiations between the Authority and UPRR are ongoing.

Rationale for Preferred Alternative

Gary Kennerley, Project Manager San Jose to Merced Project Section reviewed the criteria used to develop the range of alternatives for evaluation in the San Jose to Merced Project Section. Dave Shpak, Deputy Project Manager, provided an overview of the rationale and process for identifying a PA. He described the criteria that are part of current evaluations that will lead to a recommendation to the Authority Board in September of 2019. The recommended PA will be the subject of another round of public and stakeholder input before the Board identifies the PA.

The following questions, comments, and responses were recorded following the presentation.

PA Criteria

- A member commented that they would like to the Authority to consider disruptions due to construction of high-speed rail, not just operations.
 - Staff responded that they will consider those factors.
- A member asked if the Authority will consider impacts to private properties along the alignment in the PA selection process. And then asked if there is any chance of the project being postponed.
 - Staff responded that private property impacts are considered as part of the PA evaluation. The environmental review process will continue so that the Authority can start construction once federal and state approval is granted and funds are identified.
- A member asked if the environmental document will take cost into account.
 - Staff responded that cost is a factor considered by the Authority.

Identification of the PA

- A member asked if the September 2019 Board Meeting at which the PA will be identified could be held in a community impacted by the project.
 - Staff answered that the Board meeting will be held in Northern California (i.e. between San Francisco and Carlucci Road in Merced County) but the exact location has not yet been scheduled.
- A member asked if, when making the PA recommendation, Authority staff would consider objective or subjective measures.
 - Staff answered that the focus of the staff recommendation is on objective measures, yet the analyses also consider aspects of the project that are intrinsically subjective.
- A member asked to what extent CWG input is considered in the PA identification process, adding that members have a unique outlook on the project and could have useful recommendations.
 - Staff assured members that their input has been crucial in forming the range of alternatives. Alternative 4, for example, reflects input from throughout the corridor that recommended high-speed rail use the existing railroad corridor. There will be multiple opportunities for CWG members to provide input on the PA, including CWG meetings,

open houses, and at the Board meeting in September 2019. Stakeholder input is incorporated into the Staff Report that will be presented to the Board.

Other

- A member asked if the Authority will submit all four alternatives for environmental review.
 - Staff responded that all four alternatives are being evaluated at the same level of detail and the environmental document will consider each alternative from end to end.
- A member commented that they do not believe the Morgan Hill community indicated the train should follow the current Caltrain tracks. The CWG is not in agreement on everything.
- A member asked about the timeline and expressed concern that an agreement with Union Pacific Railroad (UPRR) has not yet been reached.
 - Staff responded that negotiations with UPRR are ongoing and the aim is to reach an agreement before the PA is identified.

Early Train Operator

Hayden West of Deutsche Bahn (DB) provided an overview of the role of the Early Train Operator. DB will help support the Authority by ensuring system readiness, operational readiness, and sustainable operations.

The following questions, comments, and responses were recorded following the presentation.

High-Speed Rail in Germany

- A member asked if there were dedicated high-speed rail lines in Germany.
 - ETO staff responded that in Germany rail lines are shared between high-speed trains, freight trains, and local trains.
- A member asked about the impact of high-speed trains on small towns in Germany.
 - ETO staff answered that access to high-speed rail lines can have significant positive economic impacts on smaller cities and towns and can help disperse passengers throughout a region in order to better fulfill the mobility demands of the region.

Role of the ETO

- A member asked about status of the ETO's role in light of the Governor's comments in the State of the State Address.
 - ETO staff responded that the ETO contract is for Valley to Valley service and staff clarified that the ETO has been helping the Authority by providing big picture advice on the system operations as well as more focused regional advice.
- A member asked about the business relationship between DB and the Authority.
 - ETO staff clarified that DB is currently the ETO consultant. The next phase will be for the Authority to enter into a franchise agreement for train operation. If DB becomes the franchise owner, they will operate and maintain the system and assume revenue risks.

Other

- A member asked if the cost of building the trains was part of the \$2.5 billion being disputed by the federal government.
 - Staff answered that trains will be purchased using state funds, and rolling stock is included in the estimate for an initial operating segment.

Outreach and Engagement Update

Morgan Galli, Interim Northern California Regional Stakeholder Manager, provided an update on recent outreach efforts by the Authority.

The following questions, comments, and responses were recorded following the presentation.

CWG Process and Future Meetings

- A member commented that it would be helpful to get the summary from the previous meeting sooner.
- A member asked who will be doing the design build process and if members will get a chance to look at this.

- Staff replied that the preliminary engineering of the project has been developed by the Authority and that the technical work will be done by environmental and engineering consultants. Staff added that they will have the preliminary engineering for project definition complete when the environmental document is released in December 2019.
- Final design and construction using the design-build approach will require a new contract between the Authority and contractors procured by a competitive process. This procurement has not been started for local portions of the project.
- A member asked if the Authority is looking for consensus or a formal recommendation on the PA from the CWG.
 - Staff replied that it is up to the CWG how they want to formulate their feedback but that there was no goal of reaching consensus.
- A member commented that they would like to have a say in the development of the agenda for future CWG meetings.
- A member stated that CWG members have not had many opportunities to interact with each other and gain an understanding of their different perspectives.
- Members voted to discuss how they will provide input to the Authority on the PA at the next CWG meeting.

Other

- A member urged the Authority to improve the process of procurement for right-of-way acquisition, stating that the current process is not friendly to property owners.
- A member asked if the Authority will continue to meet with community service providers.
 - Staff answered that they will and asked CWG members to share additional recommendations of community service providers they should reach out to.

PUBLIC COMMENT

- A member of the public commented that 220 mph trains are not cost effective and asked why the project is clearing an alignment from San Jose to Merced if more people are coming in to San Jose from Salinas. They added that going through the Panoche Pass would be better than the Pacheco Pass because after Hollister the train would have a straight path east to Fresno.
- A member of the public said that they were not previously aware of these meetings and asked how they are publicized.

ADDITIONAL MEMBER COMMENTS

- A CWG member submitted a written comment after the meeting which outlined a proposed policy on high-speed rail for their community. The member noted the proposal represented their individual perspective only, and requested that the comment be discussed at a future meeting. The comment is included at the end of this summary.

ATTENDANCE

Working Group Members		
Affiliation	Name	Present
Bicycle and Pedestrian Commission	Eldon Chappell	
Casa de Fruta	Gene Zanger	
Committee for Green Foothills	Julie Hutcheson	X
Economic Development Corporation	Greg Sellers	
General Plan Advisory Committee	Dick Oliver	X
Gilroy Chamber of Commerce	Mark Turner	
Gilroy Downtown Business Association	Steve Ashford, Nancy Maciel	
Gilroy Historic Heritage Committee	Steve Seebart	X

Gilroy Historical Society	Connie Rogers	
Greenbelt Alliance	Kiyomi Yamamoto	
Morgan Hill Chamber of Commerce	John Horner	
Morgan Hill Downtown Association	Rosy Bergin	
Morgan Hill Downtown Property Owner/Developer, Weston Miles Architects	Leslie Miles	X
Morgan Hill Economic Blueprint Thought Leader	Karl Bjarke, Ed Tewes	X
Morgan Hill Planning Commission	Wayne Tanda	
Morgan Hill Property Owner	John Kent	
Planning Commission & Tourism Alliance/Morgan Hill Downtown Association	John McKay	X
Planning Commissioner	Tom Fischer	X
San Benito County Farm Bureau	Richard Bianchi	
San Martin Neighborhood Alliance	John Sanders	X
Santa Clara County Farm Bureau	Jess Brown	
Santa Clara Valley Water District	John Varela	
Visit Gilroy	Jane Howard	

Authority Staff: Morgan Galli, Dan Galvin, Gary Kennerley, Boris Lipkin, Elizabeth Scott, Dave Shpak, Hayden West, Mary Beth Day, Nora De Cuir, Jorge Kalil

ACTION ITEMS AND NEXT STEPS

- The Authority will upload the PowerPoint presentation to the high-speed rail website [here](#).
- A meeting summary will be developed and distributed to CWG members.
- Authority Staff will follow up with members of the public interested in being on the CWG mailing list.
- The Authority will include time in the next CWG meeting agenda for CWG members to discuss how they want to provide input on the PA to the Authority.

CWG MEMBER COMMENT

Morgan Hill endorses the HSR project as being good for the State, good for the Silicon Valley Region, and good for the local community if implemented in accordance with the following principles:

HSR must demonstrate an early connection of San Jose to the HSR backbone in the Central Valley and then to the Los Angeles basin. The full benefits of the project will be realized by connection of San Francisco to LA and beyond, but the connection to San Jose is critical, because it may take decades for the ultimate extension to San Francisco. This will strengthen Silicon Valley and Morgan Hill.

Completion of the segment from Bakersfield to Merced is not sufficient. There must be a Valley to Valley connection within the next ten years.

Morgan Hill would benefit even more by having a station in town, but we recognize that the current planning is for the station to be located in Gilroy. If, however, a Gilroy station is ultimately determined to be infeasible or undesirable, Morgan Hill will cooperate with HSR for a multi modal station in town.

The alignment through Morgan Hill, must be one that is compatible with the community's values and vision.

The alignment should improve local transportation systems; not simply "avoid making them worse."

The alignment should minimize adverse impacts from construction and operation on residents, property owners and businesses.

The project's implementation must be conducted with full transparency and opportunities for meaningful community input.

Specific policies that flow from these principles:

An alignment that is on or near the UP tracks must improve safety by eliminating some or all of the current at grade crossings.

An alignment should enhance the feasibility of improved CalTrain service or future extension of light rail to Morgan Hill

An alignment near residences must fully protect them from noise impacts, and minimize adverse visual impacts.

An alignment that "takes" valuable community assets must modernize and replace those assets

The HSR Agency must improve its outreach to property owners who are impacted by the possible purchase or "take" of their property for right of way.

Others?