World Class Passenger Rail for California’s Future

First Things First

An Alternative Approach

A Vision Based on California’s Fiscal Realities
California High-Speed Train Map, Statewide Overview

Legend

- Urban Area
- Farmland
- National Forest
- Public Lands
- State Parks
- Open Space
- Water
- HST Alignments
- Altamont Corridor Rail Project
- Stations
- Potential Station

Map based on preferred alignments and station locations in 2005 and 2008* program EIR/SIs.

* Authority rescinded 2008 Pacheco Pass selection to comply with Atchison judgment. Board will make new decision after revising Bay Area to Central Valley IRR. New decision could change depicted alignment connecting Bay Area and Central Valley.

April 2010
Challenges

- Debt Service for High Speed Rail ($4.718 billion proposed in SB 1029 / AB 1496).
  - Annual debt service -- $377 million
  - Total debt service -- $11.3 billion
- CTC Needs Assessment.
Challenges

- There is no money for high speed rail in federal reauthorization.
- California’s Budget Realities:
  - California’s historic budget challenges (historic cuts in vital services)
  - Need public support for increased revenues
  - Opponents will characterize high speed rail as wasteful
Guiding Principles

• Be consistent with voters (Proposition 1A).
• Attract additional public and private funds as soon as possible.
• Commit ARRA funds to Phase I segments.
• Complete projects sooner rather than later.
• CEQA ready with no exemptions needed.
• Low risk – Unlikely litigation.
Guiding Principles

- Projects are essential for high speed rail.
- Consistent with the peer review report.
- No stranded assets – independent utility.
- Fund Madera to Fresno.
- Meet the ARRA 2017 deadline.
- Reduce traffic congestion.
- Maximize economic development and...
Guiding Principles

• Benefit both today’s commuter rail and Amtrak passengers as well as tomorrow’s high speed rail passengers.
• Take advantage of the flexibility of federal funds. The 2009 ARRA grant can be used for Phase I segments:
  San Francisco-San Jose
  Merced-Fresno
  Fresno-Bakersfield
  Los Angeles-Anaheim
ARRA Funds Can Be Moved

• Federal regulations permit USDOT to amend agreement with the High Speed Rail Authority to move ARRA funds to other segments of the Phase 1 Corridor.
• USDOT has full authority to do this and has done it before.
List of Specific Projects

1. Transbay Terminal
2. Los Angeles Union Station Run-Through Tracks
3. Los Angeles–Anaheim Grade Separation Projects
4. Blended Program
5. Madera to Fresno High Speed Rail line
<table>
<thead>
<tr>
<th>Project</th>
<th>ARRA</th>
<th>Prop 1A</th>
<th>Federal FY 2010 Grants</th>
<th>Local and Other Funds</th>
<th>Total</th>
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<tbody>
<tr>
<td>Transbay Terminal</td>
<td>$1.250 billion</td>
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<td>Los Angeles Union Station Run-Through Tracks</td>
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<td>$264 million</td>
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<tr>
<td>Blended Program</td>
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<td>$1.1 billion</td>
<td>$2.2 billion</td>
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<td>Caltrain electrification</td>
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<td>$600 million</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>$500 million</td>
<td></td>
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<tr>
<td>Madera to Fresno</td>
<td>$401 million</td>
<td>$651 million</td>
<td>$923 million</td>
<td>$2 billion (rounding)</td>
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<tr>
<td>Total</td>
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<td>$1.1 billion</td>
<td>$7.364 billion</td>
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Transbay Terminal
Transbay Terminal

• A new intermodal facility in downtown San Francisco.
• Designed to provide terminal services for commuter, conventional intercity, and high-speed passenger rail services as well as ten public transit bus services.
• http://transbaycenter.org/
Transbay Terminal
(Downtown Rail Tunnel)

• The tunnel allows Caltrain service to terminate downtown San Francisco.
• Compatible with future HSR service.
• This project will allow one or more Amtrak trains from Bakersfield/Fresno to go directly to San Francisco.
Transbay Terminal
Transbay Terminal

• Biggest project of its kind in California “Grand Central of the West”:
  – Creates the most jobs (nearly 27,000 permanent jobs and 8,000 job years for the project)
  – Will be the highest building on the west coast
  – Four times bigger than Rockefeller Center
  – $3.6 billion in new tax increment annually
Los Angeles Union Station
Los Angeles Union Station

- Removes the necessity to reverse trains at Union Station.
- Removes 20 minutes from train schedules for Orange County commuters.
- Required for future high speed rail operations.
Los Angeles Union Station

- Supplemental environmental document for modifications necessary to accommodate high-speed trains is currently being prepared.
- Creates an estimated 3800 – 4300 Job-years.
- Increases overall capacity of the terminal by 30% – 40%.
Los Angeles Union Station
Los Angeles Union Station

• Part of the master plan to transform the iconic and historic Union Station into a transportation hub of the future.

• http://www.metro.net/projects/LA-union-station/
Los Angeles – Anaheim
Grade Separation Projects

• Allows high-speed trains to proceed by closing street crossings.
• Allows high-speed trains to proceed by creating grade separations.
• CEQA ready.
• Two of the grade separation projects are rated first and second on the PUC’s priority list.
Los Angeles – Anaheim
Grade Separation Projects

• Street Closures $4 million
• Norwalk Blvd./ Los Nietos
  Grade Separation $40 million
• Rosecrans/Marguardt Ave.
  Grade Separation $150 million
• State College Blvd
  Grade Separation $70 million
Blended Program

Integration of high speed trains with existing intercity and commuter rail services.
• Los Angeles to Palmdale
• Caltrain Electrification (between San Jose and San Francisco)
## Connectivity Projects

<table>
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<th>Projects</th>
<th>Amount</th>
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<tr>
<td>NCTD Positive Train Control</td>
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<tr>
<td>SCRRA Positive Train Control</td>
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<td>Caltrans San Joaquin Corr. Positive Train Control</td>
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<td>Caltrans/SCRRA Pacific Surfliner Positive Train Control</td>
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<tr>
<td>Caltrans Pacific Surfliner Positive Train Control</td>
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<td>ACE Stockton Passenger Track Extension (Gap Closure)</td>
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<td>LACMTA Regional Connector Transit Corridor</td>
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<td>SCVTA, BART &amp; PCJPB Caltrain Advanced Signal System (CBOSS/PTC)</td>
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<tr>
<td>BART Millbrae Station Track Improvement &amp; Car Purchase</td>
<td>$257</td>
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Madera to Fresno
Madera to Fresno

- Minimizes risk per LAO recommendation.
- This 29 mile project from east of Madera to south of Fresno is the first segment of the high-speed rail to be constructed in the state.
- It requires a connection at both ends to the Burlington Northern Santa Fe so
Madera to Fresno

• Allows Fresno to construct on the west side of town a new railroad station to be jointly used by Amtrak and high-speed rail service. This is consistent with Fresno’s long-term development plan for the central city.

• A temporary railroad station will be required to be constructed near Madera until the line is extended to Merced. This is to conform to
Managing Risk

• The High Speed Rail Authority must have a risk manager. They agree that this is a priority, but have done little to identify and hire one.

• The High Speed Rail Authority must have a robust risk management plan.

• LAO reports that Central Valley risks can be best managed by appropriating funds only for Madera to Fresno and nothing else in the Central Valley in
Cap and Trade Auction Revenue

• With higher ridership in more populated areas California motorists can expect to:
  – Reduce vehicle miles travelled
  – Reduce greenhouse gas emissions

• Cap and Trade auction revenues must be spent on activities that reduce GHG emissions.

• To improve legal defensibility, expenditures should also be
Cap and Trade Auction Revenue

- High speed rail will convert some vehicles trips to rail. As a result, it may be appropriate to use some portion of cap and trade revenues for high speed rail construction.
Possible Use of Tax Increment Financing

- High speed rail will add substantial value to properties within proximity of the stations as well as to the surrounding communities more generally.
- These increased values will result in increased property tax receipts for the respective local governments.
Possible Use of Tax Increment Financing

• In order to ensure that high speed rail arrives to fully realize these increases, it may be appropriate to share some portion of future tax increment from station areas with the high speed rail project itself.

• Any commitments of future tax increment could be bonded against to provide upfront capital for the high speed rail construction.
Summary

• This alternative directs funds to projects that have both short and long-term benefits.
• Projects are truly “shovel ready.”
• Commitment to build San Joaquin Valley segment as recommended by the LAO.
• New two-year federal transportation bill has no authorization or appropriation for high-speed rail.