

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



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

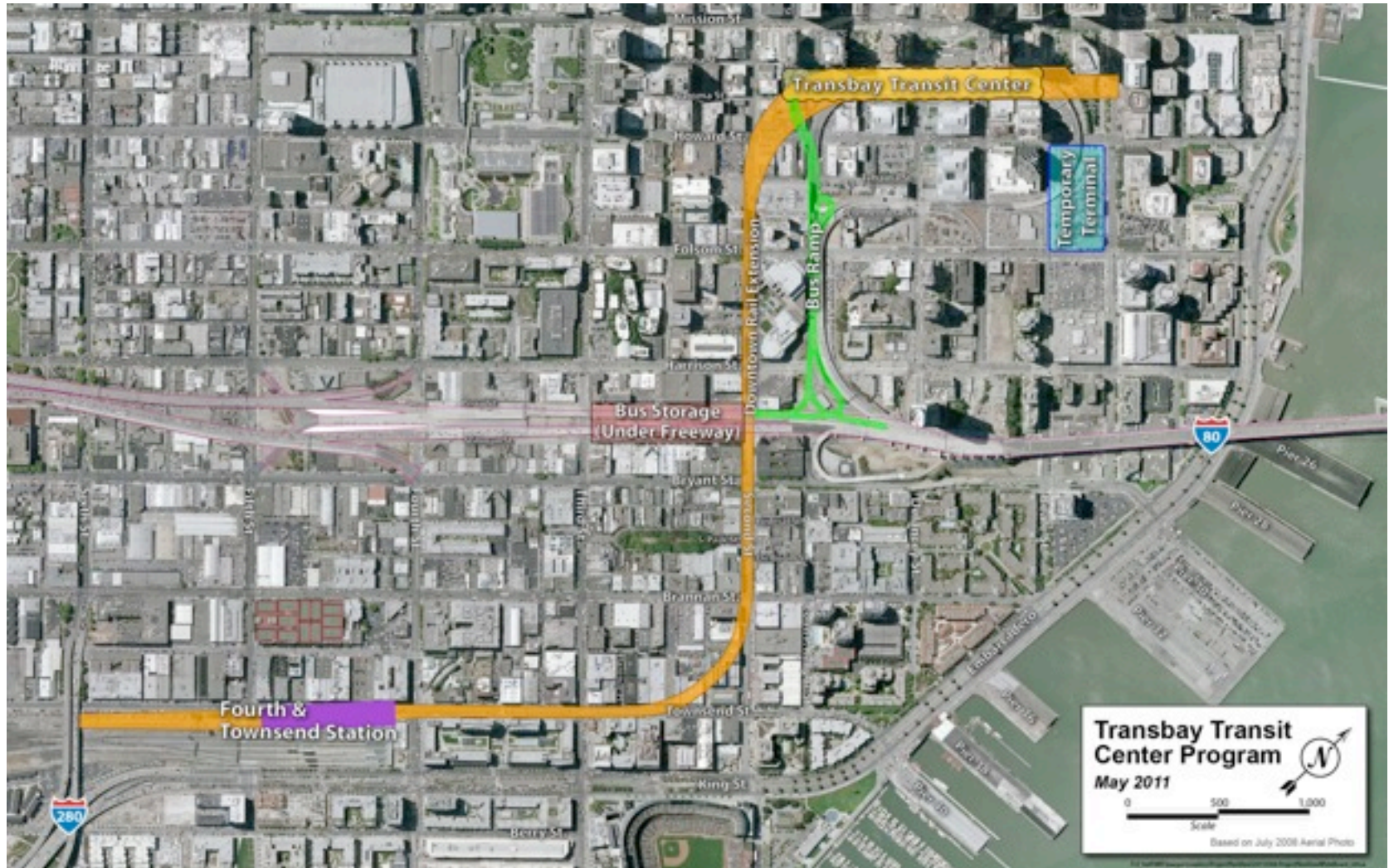
- Federal regulations permit USDOT to amend agreement with the High Speed Rail Authority to move ARRA funds to other segments of the Phase 1 Corridor.
- USDOT has full authority to do this and has done it before.

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

Project	ARRA	Prop 1A	Federal FY 2010 Grants	Local and Other Funds	Total
Transbay Terminal	\$1.250 billion	\$1.250 billion			\$2.5 billion
Los Angeles Union Station Run-Through Tracks	\$200 million	\$200 million			\$400 million
LA-Anaheim Grade Separation Projects	\$132 million	\$132 million			\$264 million
Blended Program				\$1.1 billion	\$2.2 billion
Caltrain electrification		\$600 million			
		\$500 million			
Madera to Fresno	\$401 million	\$651 million	\$923 million		\$2 billion (rounding)
Total	\$1.983 billion	\$3.333 billion	\$923 million	\$1.1 billion	\$7.364 billion

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.
- Has record of decision from Federal Rail Administration. <http://www.fra.dot.gov/rpd/freight/>

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

<u>Projects</u>	<u>Amount</u>
<u>Requested</u>	
NCTD Positive Train Control million	\$18
SCRRA Positive Train Control million	\$35
Caltrans San Joaquin Corr. Positive Train Control \$10 million	
Caltrans/SCRRA Pacific Surfliner Positive Train Control million	\$46
Caltrans Pacific Surfliner Positive Train Control million	\$27
ACE Stockton Passenger Track Extension (Gap Closure) million	\$15
LACMTA Regional Connector Transit Corridor million	\$115
SCVTA, BART & PCJPB Caltrain Advanced Signal System (CBOSS/ PTC) \$67 million	
San Diego MTS Blue Line Light Rail million	\$58
BART Millbrae Station Track Improvement & Car Purchase	\$257

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.