



SACOG Board of Directors

Item #16-4-5
Consent

April 14, 2016

Authorize Comment Letter on California High Speed Rail (CHSRA) Draft Business Plan

Issue: The California High Speed Rail (CHSRA) Draft Business Plan has been released for public comment.

Recommendation: The Transportation Committee unanimously recommends that the Board authorize the Chief Executive Officer (CEO) to submit a comment letter expressing concerns on the California High Speed Rail Authority Draft 2016 Business Plan, and include recommendations for refinements to the plan that may lead eventually to SACOG Board support.

Committee Action/Discussion: The California High-Speed Rail Authority (CHSRA) released a draft of its 2016 business plan, as required by state law. The plan provides updated information on the project and proposes changes to the project's construction plan. Specifically, the draft plan:

- Changes the initial operating segment (IOS) of the project from the south (Merced to San Fernando Valley) to the north (Silicon Valley to north of Bakersfield);
- Updates the capital cost and schedule for Phase I of the system (San Francisco to Anaheim);
- Identifies full funding for the proposed IOS North;
- Assumes additional funding will become available for the remainder of Phase I of the system (San Francisco to Anaheim).

Because the new CHSRA business plan includes significant changes from the last plan adopted in 2012, staff has been coordinating with rail coalition partners in Northern California and carefully reviewing relevant documents. A recently released analysis of the Business Plan by the Legislative Analyst's Office is available at <http://www.lao.ca.gov/Publications/Detail/3394>. The full Draft 2016 Business Plan is available for review at http://hsr.ca.gov/About/Business_Plans/Draft_2016_Business_Plan.html.

Staff has identified a number of concerns with the draft plan. Among the concerns is the fact that the draft business plan greatly delays closing the gap between Northern and Southern California. The 2012 Revised Business Plan stated the closing of this gap was “the state’s highest priority for intercity rail”. For many years the promise of the early HSR connection and improvements to conventional inter-city rail, commonly called the “blended service concept” have been essential for support from the Sacramento region. Not only does the draft plan leave

in doubt any real funding for connections between Sacramento to Merced, the draft plan also does not provide funds to support improved connections between Sacramento and San Jose.

The draft business plan includes a commitment to invest \$2.1 billion between Burbank and Anaheim. But previously, the CHSRA was also committed to providing funding support for investments in “conventional” services which would connect to the Initial Operating Segment (IOS) of high speed rail. While staff recognizes there are investment needs in the Burbank to Anaheim corridor, the draft plan does not propose near-term blended service investment priorities that will benefit Sacramento, the Northern San Joaquin, or portions of the Bay Area. In order to fulfil the commitment for blended service there is a strong case for significant inter-city rail funding to connect Sacramento to both Fresno and San Jose.

Staff is also concerned that the funding strategy laid out in the draft business plan is not clear and may not be feasible. This concern is based on the lack of clarity on what are the revenues that are reasonable to assume beyond IOS project savings.

The proposed SACOG comment letter calls on the CHSRA to fulfil the promise in the prior business plan to fund the blended service needs in Northern California. Three intercity rail corridors in Northern California offer significant promise to increase ridership for the IOS of HSR. Investing in these corridors also offer significant promise for better connections to our Northern California Megaregion partners at the San Joaquin Council of Governments (SJCOG) and Metropolitan Transportation Commission (MTC) in the Bay Area. The SJCOG Board has already endorsed these investment requests and a similar action is anticipated from MTC.

Specific corridor investment requests for the CHSRA business plan are consistent with the MTP/SCS policy strategies and reflect active rail corridor planning efforts SACOG has been involved in over recent years:

- \$1.0 billion in connectivity improvements along the Capital Corridor between San Jose and Sacramento
- \$1.0 billion in connectivity improvements for San Joaquin Rail between Fresno and Sacramento
- \$1.0 billion in connectivity improvements, on the ACE lines between Merced and San Jose through the Altamont Pass
- Include an amount to be determined for the Central Valley Wye connection to the Merced Station that will improve Northern California high speed rail ridership prospects.

Staff’s recommendation is also that the business plan include an enforceable commitment for investing in near-term conventional rail connectivity improvements between Sacramento, the San Francisco Bay Area and Northern San Joaquin Valley. It is important for the CHSRA to specify where this funding will come from and that it will be a priority to have improved “conventional” intercity rail service. Inter-city rail investments along the San Jose to

Sacramento and Fresno to Sacramento corridors can become important “feeder” services to the Phase 1 HSR system.

A final staff recommendation is that the CHSRA fulfill the earlier commitment for funds to support rail planning coordination in Northern California. As such, the Authority should release the \$53.9 m of Proposition 1A Funding authorized by the Budget Act of 2012 for planning work along the Merced to Sacramento Corridor.

The CHSRA has received important support from SACOG and its Northern California rail coalition partners for many years. This support helped pass Proposition 1A and members of the legislature have provided key votes in 2012 and 2014 to advance high speed rail implementation activities. This support has come despite the fact that Sacramento is a late year Phase 2 corridor and the Pacheco Pass route selected by CHSRA between the Bay Area and San Joaquin Valley does not serve the corridor between Merced and Sacramento as effectively as the Altamont Pass route would have.

With Board support, staff will move forward to submit a comment letter before the April 18 deadline. Our draft letter is included as Attachment A. Through providing a comment letter and staying engaged in the plan review process, SACOG and our Northern California rail coalition partners are hopeful that the final version of the CHSRA business plan can be one that benefits all of Northern California.

Approved by:

Mike McKeever
Chief Executive Officer

MM:MC:ds
Attachment

Key Staff: Matt Carpenter, Director of Transportation Services, (916) 340-6276

April 14, 2016

Mr. Dan Richard
Chairperson, California High-Speed Rail Authority
770 L Street, Suite 800
Sacramento CA 95814

RE: California High Speed Rail (CHSRA) Draft 2016 Business Plan

Dear Chair Richard:

SACOG has been an active participant on a number of working groups in Northern California that are coordinating passenger rail services along the Capitol Corridor, San Joaquin and Ace rail corridors. Among these groups is the newly formed MPO Mega-Region Partnership and the well-established Central Valley Rail Working Group (CVWRG).

SACOG and its rail coalition partners have identified a number of concerns with the draft plan. Among the concerns is the fact that the draft business plan greatly delays closing the gap between Northern and Southern California. The 2012 Revised Business Plan stated the closing of this gap was “the state’s highest priority for intercity rail”. For many years the promise of the early high speed rail (HSR) connection and improvements to conventional inter-city rail, commonly called the “blended service concept” have been essential for support from the Sacramento region. Not only does the draft plan leave in doubt any real funding for connections between Sacramento to Merced, the draft plan also does not provide funds to support improved connections between Sacramento and San Jose.

The draft business plan includes a commitment to invest \$2.1 billion between Burbank and Anaheim. But previously, the CHSRA was also committed to providing funding support for investments in “conventional” services which would connect to the Initial Operating Segment (IOS) of high speed rail. While staff recognizes there are investment needs in the Burbank to Anaheim corridor, the draft plan does not propose near-term blended service investment priorities that will benefit Sacramento, the Northern San Joaquin, or portions of the Bay Area. In order to fulfil the commitment for blended service there is a strong case for significant inter-city rail funding to connect Sacramento to both Fresno and San Jose.

SACOG and its rail coalition partners request that the CHSRA fulfill the promise in the prior business plan to fund the blended service needs in Northern California and to extend HSR to Merced. Three intercity rail corridors in Northern California offer significant promise to increase ridership for the IOS of HSR. Investing in these

Auburn
Citrus Heights
Colfax
Davis
El Dorado County
Elk Grove
Folsom
Galt
Isleton
Live Oak
Lincoln
Loomis
Marysville
Placer County
Placerville
Rancho Cordova
Rocklin
Roseville
Sacramento
Sacramento County
Sutter County
West Sacramento
Wheatland
Winters
Woodland
Yolo County
Yuba City
Yuba County

corridors also offer significant promise for better connections across the Northern California Mega-region.

Specific investments along these three corridors would be developed through active rail corridor planning efforts SACOG and its coalition partners have been involved in over recent years:

- \$1.0 billion in connectivity improvements for San Joaquin Rail Service between Fresno and Sacramento
- \$1.0 billion in connectivity improvements, for the Altamont Corridor Express (ACE) Service between Merced and San Jose through the Altamont Pass
- \$1.0 billion in connectivity improvements along the Capital Corridor between San Jose and Sacramento
- Include an amount to be determined for the Central Valley Wye connection to the Merced Station that will improve Northern California high speed rail ridership prospects.

The CHSRA 2016 Business Plan should include an enforceable commitment for investing in near-term conventional rail connectivity improvements between Sacramento, the Bay Area and Northern San Joaquin Valley. It is important for the CHSRA to specify where this funding will come from and that it will be a priority to have improved “conventional” intercity rail service. Intercity rail investments along the San Jose to Sacramento and Fresno to Sacramento corridors can become important “feeder” services to the Phase 1 HSR system.

A final recommendation from SACOG and its rail coalition partners is that the CHSRA fulfill the earlier commitment for funds to support rail planning coordination in Northern California. As such, the Authority should release the \$53.9 million of Proposition 1A Funding authorized by the Budget Act of 2012 for planning work along the Merced to Sacramento Corridor. These funds are needed to enable the planning/environmental/engineering work needed to provide improved passenger rail service between the future Phase 1 HSR service and Sacramento and to provide the foundation for full Phase 2 HSR implementation. The CVRWG believes the legislative intent behind the inclusion of the Merced to Sacramento planning funding in SB 1029 was to do the planning needed to support near-term passenger rail improvements. Despite the support and high level of interest from the region, there has been no progress in the planning for improved early investment for connecting rail service between Merced and Sacramento.

The CHSRA has received important support from SACOG and its rail coalition partners for many years. Support from our regions helped pass Proposition 1A and members of the legislature have provided key votes in 2012 and 2014 to advance high speed rail implementation activities. This support has come despite the fact that Sacramento is a late year Phase 2 corridor and the Pacheco Pass route selected by CHSRA between the Bay Area and San Joaquin Valley does not serve the corridor between Merced and Sacramento as effectively as the Altamont Pass route would have.

SACOG and our Northern California rail coalition partners are hopeful that the final version of the CHSRA business plan can be one that benefits all of Northern California.

Approved by:

Mike McKeever
Chief Executive Officer

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cc. Matt Carpenter