



# CITY OF MOUNTAIN VIEW

## PUBLIC WORKS DEPARTMENT

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April 12, 2016

Mr. Dan Richard, Chair  
California High-Speed Rail Authority  
770 L Street, Suite 620 MS-1  
Sacramento, CA 95814

### DRAFT 2016 CALIFORNIA HIGH-SPEED RAIL BUSINESS PLAN

Dear Chair Richard:

The City of Mountain View appreciates the opportunity to provide comments on the Draft 2016 Business Plan released by the California High-Speed Rail Authority (CHSRA) on February 18, 2016.

The Draft 2016 Business Plan (Business Plan) updates the previous funding plan developed for the high-speed rail project and also proposes a new initial operating segment (IOS) for the project. The City of Mountain View's comments regarding the updated funding plan and proposed change to the IOS for the rail project are detailed below.

#### **Updated Funding and Financing Plan**

The City of Mountain View has the following concerns pertaining to how the high-speed rail system will be funded based on its review of the updated Business Plan:

- Although the Business Plan identifies funding sources to complete the proposed IOS North of Phase 1, as well as pay for some of the additional bookend improvements, the Business Plan does not outline a specific funding plan to pay for the construction of the remaining improvements (estimated at \$43.5 billion) planned for Phase 1.
- Approximately one-half of the funding identified in the Business Plan for the new IOS North (Central Valley to Silicon Valley) portion of the rail system is expected to come from cap-and-trade auction revenues after 2020. However, the future availability of this funding source is uncertain and reliance on this funding source for such a large portion of the IOS North may be considered speculative and risky.

Legislative action to continue the cap-and-trade program beyond 2020 will be required to ensure these funds as a viable funding source for the rail project.

- While the draft Business Plan discusses the possibility of securitizing the net operating revenues once the proposed IOS North is complete to support part of the costs to complete the remainder of Phase 1, it is unclear whether the system will actually generate an operating surplus. The Business Plan does not address how Phase 1 will be completed if the net operating revenues generated fall short of estimates or do not materialize at all.

*City Comment: To ensure that Phase 1, as well as all future phases, of the high-speed rail system is completed as planned, it is imperative that the CHSRA develop a detailed, comprehensive, and less-speculative funding plan for the project.*

#### New IOS/Impacts to the Peninsula Rail Corridor

The decision to shift the IOS for the rail project northward from the Central Valley to the Silicon Valley will impact the scope and timing of improvements needed within the Peninsula rail corridor between San Jose and San Francisco. The initiation of high-speed rail operations within the Peninsula corridor without these improvements in place could have significant negative impacts on rail service and traffic conditions along the Peninsula corridor.

The City of Mountain View applauds the Business Plan's commitment to contribute \$600 million in support of Caltrain electrification and make other capital investments along the Peninsula rail corridor. However, the City is concerned about the reductions, elimination, and/or deferral of funding for other important rail investments along the Peninsula corridor outlined in the Business Plan.

The City of Mountain View also supports the Business Plan's inclusion of as much as \$500 million for grade separations in its funding and capital plan, but notes that this funding, even when combined with other local and regional funding, will not be enough to adequately address the need for rail grade separations in the Peninsula corridor. Mountain View is also concerned by the Business Plan's call to defer the availability of these funds until some time after 2025 or 2030.

The timing of implementing grade separations and other needed improvements in the Peninsula corridor (e.g., passing tracks) will be critically important to ensure the blended Caltrain/high-speed rail service operates effectively in the Peninsula rail

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corridor and does not result in further degradation of cross-traffic conditions at rail crossings because of more frequent and longer gate down times.

***City Comment: The Business Plan must provide more detail regarding the timing and certainty of needed rail improvements in the Peninsula corridor between San Jose and San Francisco to ensure both Caltrain and high-speed rail operations can be safely and efficiently accommodated in the Peninsula rail corridor.***

The City of Mountain View appreciates the opportunity to comment on the CHSRA's Draft 2016 Business Plan and looks forward to participating in future high-speed rail discussions and planning efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Fuller". The signature is fluid and cursive, with the first name "Michael" and last name "Fuller" clearly distinguishable.

Michael A. Fuller  
Public Works Director

MAF/LF/2/PWK  
901-04-11-16L-E

cc: CM, PWD, TBM, TP, F/c