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January 30, 2018

Chairman Smith and Member of the Board
Nevada High Speed Rail Authority
C/O The Southern Nevada Regional Transportation Commission
600 S. Grand Central Pkwy
Suite 350
Las Vegas, NV 89106

RE: January, 2018 XpressWest Report

Dear Chairman Smith and Members of the Board:

Please find attached a report on the status of the XpressWest project.

As indicated in the attached, coordination activities have continued with Federal, state and local agencies for the project between Las Vegas and Victorville. Progress also continued on the development of the High Desert Corridor project to extend rail connectivity to Palmdale.

XpressWest continues to preserve the entitlements for the project while exploring financing options for construction. As previously reported, a significant challenge to finalizing the project's financing has been uncertainty of the Trump Administration's infrastructure plan. While there has been speculation as to specifics of the plan, it is expected to be discussed in the President's State of the Union speech with details to be released mid-February.

In the event there is significant progress on the project financing or other development activities, we will update the Board accordingly.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Anthony A. Marnell II". The signature is fluid and cursive, with the Roman numeral "II" clearly visible at the end.

Anthony A. Marnell II
Manager



Presentation to the Nevada High Speed Rail Authority

Board of Directors

January 30, 2018

Las Vegas, NV



Agenda

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I. Project Status Report

- XpressWest Project Development Activities
- Coordination with Project Stakeholders
- High Desert Corridor Implementation Status

II. Project Financing and Implementation Status and Next Steps



Project Development Activities Federal, State and Local Agency Coordination

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- **Federal Railroad Administration**
 - Engineering Task Force for Tier III Trainsets for rules governing trainset
 - Implementation of the Section 106 requirements prior to construction
- **Bureau of Land Management**
 - Right-of-Way lease agreement
 - Preconstruction Requirements per BLM ROW Grant and preconstruction mitigation requirements
- **Federal Aviation Administration**
 - Permits for elevated structure and appurtenances in Las Vegas
- **US Army Corps of Engineers**
 - 404 Permit reverification work



Project Development Activities Federal, State and Local Agency Coordination

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- California High Speed Rail
 - Palmdale to Anaheim Segment coordination
 - Palmdale Station Area Planning
 - System interoperability
- City of Palmdale
 - Cooperation on Palmdale station area planning
- Regional Transportation Commission of Southern Nevada
 - Las Vegas Circulation in and around the station
- Caltrans / NDOT
 - Right-of-Way Acquisition
- HDC JPA – Environmental and Engineering work to ensure consistency with XpressWest



Project Status

High Desert Corridor Implementation

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- The High Desert Corridor Joint Powers Authority continues to develop the high speed rail connector between Palmdale and Victorville with dedicated local and potential additional state funding.
- **Dedicated Local Funding**
 - \$270 million in Measure R funds in Fiscal Years (FY) 2019 through 2021 dedicated to the High Desert Corridor
 - \$1,878,700,000 in Measure M funds were programmed for the LA County segment in FYs 2063 through 2067.
- **State Funding Opportunity**
 - There are California state funding opportunities through SB1 which is projected to raise \$52B over 10 years through increased gas tax and vehicle fees
 - 10% of the revenues are dedicated to transit and intercity rail
 - The High Desert Corridor has applied for SB1 Funding under the Transit and Intercity Rail Capital Program (\$2.4B available)
 - Application for \$100M/year for 10 years to fund track, infrastructure, power, and ROW acquisition
 - Grant decision will be made in April



Project Status

High Desert Corridor Implementation

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- With the Final NEPA Environmental Impact Statement and CEQA Environmental Impact Report issued and the Project Financial Plan still pending as a requirement to issuance of a Record of Decision (ROD) for the entire corridor project, the Federal Railroad Administration has agreed to serve as the lead agency for the rail portion of the corridor.
- The High Desert Corridor Joint Powers Authority Board has approved completing additional work to optimize the rail alignment engineering.
- Staff will also work to protect the right of way by working with the counties and cities along the alignment to designate the full corridor width as a transportation corridor in local planning and land use documents while completing an analysis for acquisition of the entire corridor.



Next Steps

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- XpressWest will continue coordination with and support of the High Desert Corridor to extend rail connectivity to Palmdale.
- Discussions continue with Strategic Investors (both foreign and domestic)
- President Trump's infrastructure funding proposal is anticipated to be released in mid-February and include \$200B in federal funding, RRIF reform, modification of Private Activity Bonds, and dedication of funds to transformative projects.
- Funding for transformative projects including for up to 80% of capital construction costs through a financial partnership agreement with the Federal Government requiring that if a project begins to generate value, the Government would have rights to share in the project value.

