

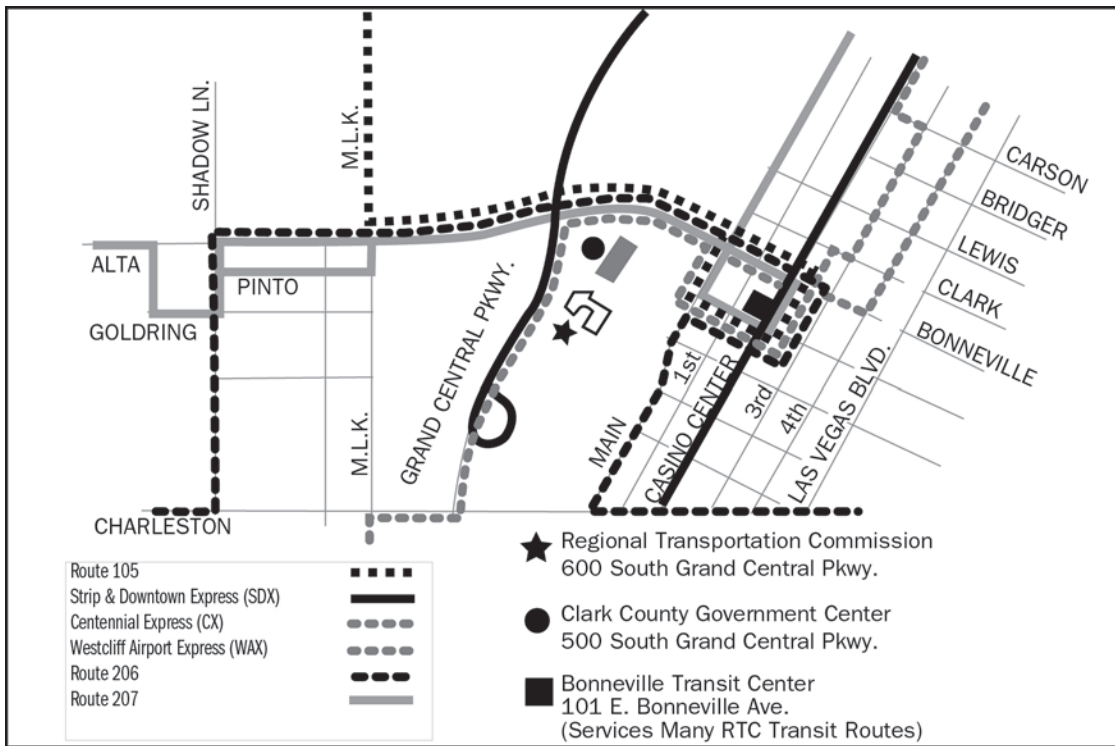
**NOTICE AND AGENDA OF
PUBLIC MEETING**

NEVADA HIGH-SPEED RAIL AUTHORITY

10:00 A.M. NOVEMBER 9, 2016

**RTC/RFCO ADMINISTRATION BUILDING
600 S. GRAND CENTRAL PARKWAY, ROOM 296
LAS VEGAS, NV 89106
(702) 676-1500**

*****NOTE:
MEETING ROOM CHANGE**



This agenda with full backup is available at the Regional Transportation Commission Administration Building, 600 S. Grand Central Parkway, Las Vegas, Nevada; the Regional Transportation Commission's website, <http://www.rtcnv.com>; or by contacting Tammy McMahan at (702) 676-1538.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED IN THE FOLLOWING LOCATIONS:

Clark County Government Center
500 S. Grand Central Pkwy.
Las Vegas, NV 89155

City of Henderson
Office of the City Clerk
240 Water Street
Henderson, NV 89015

CC Regional Justice Center
200 Lewis Ave.
Las Vegas, NV 89155

RTC
600 S. Grand Central Pkwy.
Las Vegas, NV 89106

RTC website
www.rtcnv.com

Nevada Public Notice website
<https://notice.nv.gov>

DocuSigned by:

Tammy McMahan

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BY: _____

Items 2 through 4 are items for possible action. Items 1 and 5 are discussion items and no action can be taken. Please be advised that the Nevada High-Speed Rail Authority has the discretion to take items on the agenda out of order, combine two or more agenda items for consideration, remove an item from the agenda or delay discussion relating to an item on the agenda any time.

1. CONDUCT A COMMENT PERIOD FOR CITIZENS PARTICIPATION: No action can be taken on any matter discussed under this item, although the Committee can direct that it be placed on a future agenda.
2. APPROVAL OF THE MINUTES: Meeting of May 31, 2016 (FOR POSSIBLE ACTION)
3. RECEIVE A PROGRESS REPORT FROM THE FRANCHISEE, XPRESSWEST (FOR POSSIBLE ACTION)
4. DISCUSS THE MEETING SCHEDULE (FOR POSSIBLE ACTION)
5. CONDUCT A COMMENT PERIOD FOR CITIZENS PARTICIPATION: No action can be taken on any matter discussed under this item, although the Committee can direct that it be placed on a future agenda.

During the initial Citizens Participation, any citizen in the audience may address the Authority on an item featured on the agenda. During the final Citizens Participation, any citizens in the audience may address the Authority on matters within the Authority's jurisdiction, but not necessarily featured on the agenda. No vote can be taken on a matter not listed on the posted agenda; however, the Authority can direct that the matter be placed on a future agenda.

Each citizen must be recognized by the Chair. The citizen is then asked to approach the microphone at the podium, to state his or her name, and to spell the last name for the record. The Chair may limit remarks to three minutes' duration, if such remarks are disruptive to the meeting or not within the Authority's jurisdiction.

The Regional Transportation Commission keeps the official record of all proceedings of the meeting. In order to maintain a complete and accurate record, copies of documents used during presentations should be submitted to the Recording Secretary.

The Regional Transportation Commission appreciates the time citizens devote to be involved in this important process.

The Regional Transportation Commission Meeting Room and Conference Room are accessible to the disabled. Assistive listening devices are available for the hearing impaired. A sign language interpreter for the deaf will be made available with a forty-eight hour advance request to the Regional Transportation Commission offices. Phone: (702) 676-1500 TDD (702) 676-1834

Slip Sheet

NEVADA HIGH-SPEED RAIL AUTHORITY

AGENDA ITEM

SUBJECT: CITIZENS PARTICIPATION
PETITIONER: BOARD MEMBERS NEVADA HIGH-SPEED RAIL AUTHORITY
RECOMMENDATION BY PETITIONER: THAT THE NEVADA HIGH-SPEED RAIL AUTHORITY CONDUCT A COMMENT PERIOD FOR CITIZENS PARTICIPATION
GOAL: SUPPORT THE IMPLEMENTATION OF NEVADA HIGH-SPEED RAIL SYSTEM

FISCAL IMPACT:

None

BACKGROUND:

In accordance with State of Nevada Open Meeting Law, the Nevada High-Speed Rail Authority (Authority) shall invite interested persons to make comments. For the initial Citizens Participation, the public should address items on the current agenda. For the final Citizens Participation, interested persons may make comments on matters within the Authority's jurisdiction, but not necessarily on the current agenda.

No action can be taken on any matter discussed under this item, although the Authority can direct that it be placed on a future agenda.

Slip Sheet

MINUTES
NEVADA HIGH-SPEED RAIL AUTHORITY
MAY 31, 2016

These minutes are prepared in compliance with NRS 241.035. Text is in summarized rather than verbatim format. For complete contents, please refer to meeting recordings on file at the Regional Transportation Commission.

**THIS MEETING WAS PROPERLY NOTICED AND POSTED
IN THE FOLLOWING LOCATIONS ON MAY 23, 2016**

Clark County Government Center 500 S. Grand Central Pkwy. Las Vegas, NV 89155	City of Henderson Office of the City Clerk 240 Water Street Henderson, NV 89015	CC Regional Justice Center 200 Lewis Ave. Las Vegas, NV 89155	RTC 600 S. Grand Central Pkwy. Las Vegas, NV 89106	Nevada High-Speed Rail Authority website http://nvhsra.com/
RTC website www.rtcnv.com	Nevada Public Notice website https://notice.nv.gov			

CALL TO ORDER

George Smith, Chair, called the meeting to order at 4:04 p.m. in Meeting Room 296 of the Regional Transportation Commission Administration Building.

MEMBERS PRESENT:

George Smith, Chair
Fred Dilger
Tina Quigley
Hualiang Teng

MEMBERS ABSENT:

Peter Thomas

RTC STAFF:

Angela Castro, Senior Director of Government Affairs/Media Relations & Marketing
David Clyde, Government Affairs and Legal Supervisor
Tammy McMahan, Management Analyst
Brittany Walker, Legal Intern

INTERESTED PARTIES:

Dave Brough, DAVE
David Wood, Local 525
Edward Arbuckle, RailPAC
Andrew Mack, XpressWest
Eliot Jameson, Macquarie Group
Mehdi Khalili, NOVA Geotechnical
Brendan Busmann, CTL Group
Cesar Malaga, Muller Construction
Stanley Washington

NHSRA Item #2
November 9, 2016

Item:

1. CONDUCT A COMMENT PERIOD FOR CITIZENS PARTICIPATION

Comments:

Chair George Smith said: We are going to start now. I'd like to call the meeting to order. Thank you for coming today. I'm excited to hear what's going on with XpressWest and their progress. I want to note that Mr. Peter Thomas could not make it today. He's still with the Authority though. Let's start with the meeting—we will cover about four things. The first thing is open comment for the public. If someone has comments...no action can be taken on those comments. We will also have time for comments at the end of the meeting.

Mr. Stanley Washington came forward to address the Nevada High-Speed Rail Authority.

Mr. Washington said: I'm ready to go, sir. Ready to go. It's always a pleasure to come here for any public body of the state. We're anxiously looking forward to this project moving forward and I've been working with the veterans for quite some time. Mr. Mack can attest to this. We were ready in 2010. We are certainly looking forward as things unfold, getting all the ducks in the row. Participant slot. We have a strong veteran lineup. My job is to make sure...I'm a veteran myself and the son of veteran. I understand that Mr. Mack has a good update for us. Looking forward to the update.

Chair Smith responded: Thanks, Stan. I appreciate that.

Chair Smith inquired: Other comments?

Next, Mr. David Brough made comment: David Brough. As you know, I requested to be on this agenda and I am not posted on the agenda. The issue is fraud. I would like a reply to that.

Chair Smith responded: You're in the open, public comment period.

Mr. Brough replied: I realize that. I'm not on the agenda. You didn't know it? They didn't convey that to you?

Chair Smith answered: No, I saw that you were to speak today on the open, public side.

Mr. Brough replied: No, I wasn't to speak on the open, public side. I was to speak on the agenda, an agendized issue.

Addressing Mr. David Clyde, Regional Transportation Commission of Southern Nevada, Ms. Tina Quigley asked him: Has to be on the agenda and then open citizens comment?

Mr. Clyde answered: Yes.

Mr. Clyde commented: Mr. Brough, the Authority members determine what is on the agenda and your request was passed on to them. And now you have three minutes if you would like to talk about it.

Mr. Brough responded: This is going to be a lot more than three minutes.

Ms. Quigley stated: The first citizens participation has to be limited to an item posted on the agenda. The second citizens participation is open to discussion on anything not on the agenda.

Mr. Brough replied: I'll wait.

Mr. Andre Smith next spoke, saying: Hello, my name is Andre Smith. I am the CEO of General Steel and Aluminum Manufacturing here in Las Vegas, Nevada. I am a 100 percent disabled veteran. I want to supply steel and aluminum to this XpressWest project, being a veteran vendor and a wholesale trade agent. I just want to get that on the record. I spoke with Mr. Mack at a high-speed rail summit back in I think 2009, 2010. I specifically asked him "how much steel would this project need?" He said "I don't know, but a lot." I am that veteran component that Mr. Washington is working with and, as well, Mr. Cesar Malaga here. I just want to let you know that I'm here to serve once again. As I served my country, I want to serve this project as a veteran-owned business. Thank you.

Chair Smith inquired if anyone else wished to speak. No one came forward.

Chair Smith went on to say: Before we go on to the next section, we got several emails in the past six months on the process. I want to talk about the process. I want to go on the record on the process, what it was to select a franchisee. If you go back and review Senate Bill 457, it states clearly some things: 1) You want a system of high-speed rail that operates on standard gauge train tracks; 2) Operates with existing rail lines; 3) Services southern California and Nevada; and 4) Operates at least 150 miles per hour. These were the criteria for the franchise. It created this Authority, which is us, here in front of you. The Authority is asked to judge the franchisee based on four things: 1) Extent to which environmental studies have been done; 2) Level of private investment made; 3) Readiness to engage in construction; and 4) Pending or completed permit applications. As an Authority, we received five applications. And going through the applications, three of four didn't match the four criteria. Four of the five didn't really answer the four criteria. Mr. Brough, your application was only one page with a couple of maps without discussing the actual four criteria. Your presentation was about 10 minutes and didn't really address the four concepts we had to address either. I'm not here to defend XpressWest. They can handle themselves...

Mr. Brough responded: But don't be here to pick me apart and lie.

Chair Smith continued, stating: XpressWest had a cover letter that was about 18 pages long and detailed and addressed all the criteria in detail. Information on all four criteria. In fact, we have two full banker boxes of data supporting all four of the criteria. We went through those. They've spent about 10 years on the project themselves. They spent \$50 million. If you go look at the five applications, only one addressed the criteria of what we asked with all kinds of information. They spent a lot of time and money. So you shouldn't be surprised, and I wanted to go on the record, as to how the process happened and why it happened.

Motion:

No motion was necessary.

Vote/Summary:

No vote was taken.

Item:
2. APPROVAL OF THE MINUTES: Meeting of November 18, 2015 (FOR POSSIBLE ACTION)
Comments:
No comments were made.
Motion:
Ms. Tina Quigley made a motion to approve the minutes.
Vote/Summary:
4 Ayes. 0 Nays. The motion carried.

Item:
3. RECEIVE A PROGRESS REPORT FROM THE FRANCHISEE, XPRESSWEST (FOR POSSIBLE ACTION)
Comments:
Following a detailed PowerPoint presentation [attached], Mr. Andrew Mack, XpressWest, addressed the Nevada High-Speed Rail Authority.
First, Mr. Mack highlighted the matters that would be covered as follows:
<ul style="list-style-type: none"> • Statutory purpose of implementing a high-speed rail system in Nevada • Nevada and California jurisdictional overlay for a southwest rail network • Status report on the multi-phased approach of connecting Las Vegas, Nevada (Las Vegas) to southern California by high-speed rail • Project financing update • Key milestones
Statutory Guidance
Mr. Mack set forth that the statutory purpose of implementing a high-speed rail system was as follows:
<ul style="list-style-type: none"> • Provide economic benefits to Southern California and Southern Nevada • Reduce reliance on engines fueled by gasoline and diesel and encourage the use of alternative energy sources • Reduce congestion and travel delay on Interstate 15 (I-15) <ul style="list-style-type: none"> ○ Mr. Mack noted that XpressWest had been collaborating with the Regional Transportation Commission of Southern Nevada (RTC) regarding what actions could be taken to reduce congestion on the I-15 in the area of Resort Corridor and provide transportation solutions for the whole of the Las Vegas Valley. • Provide a working example of a transportation system that plays an essential role in the development of a future commuter and high-speed rail service <ul style="list-style-type: none"> ○ Mr. Mack stated that this aim was not explicitly set forth in the statute, but it was reasonable to perceive it as an implicit goal of the legislation. He said that interoperability of a California and Nevada high-speed rail system was crucial to make this a reality. • Provide quick, convenient, and reliable transportation service for residents and visitors between southern California and southern Nevada. <ul style="list-style-type: none"> ○ Mr. Mack pointed out that this objective has been a motivating force for XpressWest as the company has worked on establishing high-speed rail service over the past 15 years.
Southwest Rail Network Jurisdictional Overlay
Mr. Mack explained that XpressWest was coordinating with multiple entities in the development of a high-speed rail system that would be situated in both Nevada and California. Regarding Nevada, he stated that the Nevada High-Speed Rail Authority, Nevada Department of Transportation (NDOT), and RTC all had significant roles in this endeavor. He went on to list the California agencies as follows: Caltrans, High

Desert Corridor Joint Powers Authority (HDC JPA), California High Speed Rail Authority (CHSRA), Southern California Association of Governments, Los Angeles County Metropolitan Transportation Authority (LA Metro), and Amtrak. Mr. Mack briefly described the function of some of the California entities as it related to the development of that state's high-speed rail system. He stated that the counties of San Bernardino and Los Angeles had established the HDC JPA which was responsible for the environmental-related review and approval of the high-speed rail system segment between Palmdale, California (Palmdale) and Victorville, California (Victorville). Mr. Mack explained that the California High Speed Rail Authority would plan, design, build, and operate the system which would connect the northern and southern ends of the state. The XpressWest executive went on to say that the Southern California Association of Government is a metropolitan planning organization and a regional transportation planning agency. Mr. Mack informed attendees that LA Metro was like the RTC in that it is a transportation planning and coordinating agency and the operator of a bus service. He said that Amtrak served as the current provider of rail service in California. He added that Amtrak did provide service to Las Vegas at one time, but the service was suspended in 1997. Mr. Mack expressed that other entities could become involved in the process to create an interoperable system in Nevada and California.

Multi-Phased Approach

Next, Mr. Mack talked about the project phases.

- ***Phase I: Build the initial system between Las Vegas and Victorville***
 - Mr. Mack shared that Phase 1 was being situated at sites to address the immediate need of southern California travelers.
- ***Phase I Entitlement Update***
 - ***National Historic Preservation Act Section 106 Cultural Resource Work***
 - Mr. Mack explained that the environmental assessments involved in this process would involve hundreds of mitigation obligations. One of the most significant would involve undertakings related to the Section 106 Cultural Resource provision of the National Historic Preservation Act. The executive informed attendees that XpressWest had been coordinating with the Bureau of Land Management (BLM) and the Federal Rail Authority regarding this matter. Also, he noted that the company had hired a consultant to facilitate compliance.
 - ***Federal Aviation Administration (FAA) Permit Extensions***
 - Mr. Mack explained that FAA approval would be required due to the system's proximity to McCarran International Airport.
 - ***US Army Corps of Engineers Clean Water Act Section 404 Permit Updates***
 - Mr. Mack stated that the system would be close to waterways in both California and Nevada and as such permits had to be procured from this federal body.
 - ***BLM Right-of-Way (ROW) Agreement***
 - Mr. Mack set forth that the BLM maintained the ROW agreement and XpressWest worked with the agency regarding the construction schedule to keep the permit active.
 - ***NDOT and Caltrans Right-of-Way Work***
 - Mr. Mack mentioned that these public bodies had authority over state-controlled roadways that were not under BLM control. He added that XpressWest was conducting research to determine the specific property rights that must be secured in the states of California and Nevada.

- ***XpressWest high-speed rail system project was included in the Southern Nevada Regional Transportation Plan and Southern California Association of Governments Regional Transportation Plan***
 - Mr. Mack detailed that the inclusion featured the system segment from Palmdale, California, along the High Desert Corridor (HDC) to Las Vegas. He noted California’s HDC project was considered a strategic regional plan and, as such, is eligible for federal funding. He added that the project cost might be covered by a state-issued bond.

Chair George Smith asked if XpressWest had any concerns regarding the phases. Mr. Mack responded that the company did not anticipate any “fatal flaws” with any of the phases. He explained that completing them would take considerable time though.

Phase II: Extension to Palmdale, California

Following the PowerPoint, Mr. Mack continued to discuss the phases.

- ***The High Desert Corridors Joint Powers Authority in partnership with LA Metro and Caltrans would soon release an environmental impact statement (EIS)/environmental impact report (EIR) for a multi-purpose corridor connecting Palmdale and Victorville.***
 - Mr. Mack mentioned that the HDC was being designed as a multipurpose freeway/tollway with a high-speed rail system, green energy corridor, and a bikeway.
- ***XpressWest had been providing EIS/EIR-related information since the rail portion was added to the HDC project plan in 2010.***
 - The XpressWest executive stated that the final EIS was expected in June 2016.
- ***Mr. Mack shared that Cooperation Agreements had been executed between XpressWest and the HDC JPA, LA Metro, California High Speed Rail Authority, and Metrolink.***
 - He elaborated the XpressWest and Metrolink were collaborating to determine how to establish service in Palmdale, California that would be interoperable, quick, and reliable. Mr. Mack mentioned that the entities were working on ways to harmonize Metrolink’s conventional rail system and XpressWest’s high-speed rail system. He noted that one solution may be the enhancement of existing infrastructure or building new infrastructure. Regarding possible monies for the framework, Metrolink would compete for funding Under a proposed Los Angeles tax measure supporting transportation if it passed in November 2016. Mr. Mack went on to say that the operations of the two systems should not conflict in terms of timing since Metrolink’s usage was highest during the weekdays because it was a commuter service and XpressWest’s Palmdale to Las Vegas service would primarily operate on the weekends. The XpressWest executive noted that current Metrolink service from Palmdale to Los Angeles was approximately one hour to an hour and a half with 12 to 14 stops. The two entities hoped to reduce that travel time. Mr. Mack noted that a change to an express service with limited stops could be an option.
- ***The XpressWest executive stated that the connection to Palmdale would result in a rail network between Las Vegas and Los Angeles.***

Phase III: High Speed Service to Los Angeles and Anaheim

- ***The California High Speed Rail Authority was completing the EIS/EIR for a dedicated high-speed rail service between Palmdale and Anaheim, California (Anaheim).***
 - Mr. Mack understood that the EIS should be completed in 2017.
- ***The environmental analyses for the Burbank, California and Los Angeles Union Station segments of the system are scheduled for completion in 2017.***
- ***XpressWest executed an agreement with the HDC JPA, San Bernardino County, and LA Metro to commission an investment grade ridership and revenue study evaluating service between***

Anaheim, Los Angeles, Burbank, Palmdale, Victorville, Las Vegas and northern California.

Chair Smith understood that there was a past ridership study related to the Las Vegas to Victorville segment for a high-speed rail system proposed some years ago. He understood that XpressWest had, in part, based their business model upon this. Mr. David Brough commented that this was a 2005 study. Mr. Mack explained that the 2005 study involved environmental issues and this analysis was updated in 2008. He went on to say that an investment grade ridership study was actually last updated in 2012. He informed the Nevada High-Speed Rail Authority and meeting attendees that the current study would involve examinations and forecasts of high-speed rail service and ridership during each planned phase. As an illustration, he posed that data would be needed to predict the level of ridership transfer from conventional rail to high-speed rail at Palmdale. With this information, XpressWest could plan accordingly, particularly if additional ridership was expected.

Chair Smith asked for the anticipated completion date for the new study. Mr. Mack answered that it may be completed during summer 2016.

Macquarie Group Financing Update

Mr. Mack announced that Mr. Eliot Jameson, Senior Vice-President, MacQuarie Group, would be providing a financing update regarding the project.

Mr. Jameson provided an overview of the financing update as follows:

- **XpressWest was continuing to work with China Rail International (CRI) to determine the most efficient implementation approach for the project.**
 - Mr. Jameson informed meeting attendees that CRI played a key role in financing in addition to construction and engineering expertise. Noting that the development of a high-speed rail was very complex transaction, Mr. Jameson explained that the approach was subject to multiple levels of approval involving the approval of many Chinese and American government entities and the interaction with private sector entities. The Senior Vice-President mentioned that the approval process was taking some time.
- **Macquarie Group was mobilized to confirm all potential sources of foreign and domestic funding to provide XpressWest with a complete view of the company's financing and implementation options.**
 - The investment banking and financial services company anticipated that CRI would be the primary source of funding, but they wanted to explore potential alternative financial resources to supplement CRI money.

Recent Developments

Mr. Jameson continued his financial report.

- **Macquarie has worked with CRI to advance the financing of the project since XpressWest was awarded the Nevada franchise.**
 - He pointed out that numerous meetings had been held in Las Vegas, Los Angeles, and Beijing, China to advance negotiations and project development. He added that the negotiation time had been extended for the CRI consortium as members became more actively involved in this project.
- **The Senior Vice-President noted that various local and offshore commercial lenders and equity investors had indicated a strong interest in the project**
 - Mr. Jameson said that direct discussions were underway with China Exim and commercial banks connected to CRI partners and via MacQuarie Group's relationships.

Potential Financing Sources for High Speed Rail

Mr. Jameson went on to discuss some typical public and private financing sources for high-speed rail projects. He noted them as follows: export credit financing, loans from the Railroad Rehabilitation & Improvement Financing/Transportation Infrastructure Finance and Innovation Act program, investment grade bonds/high-yield debt, strategic investors/financial and infrastructure investors, and equipment/rolling stock financing.

Ms. Tina Quigley asked Mr. Jameson to explain export credit financing. Mr. Jameson stated that this sort of financing typically involved equipment suppliers and a bank which would loan the suppliers money backed by the stock. The Senior Vice-President stated that the high-speed rail system project would involve rolling stock suppliers which would receive a bank loan from the Export-Import Bank of China. Mr. Jameson said that there are similar financing arrangements involving businesses and banks in the countries of Canada and Germany. This type of loan often comes with favorable terms.

Ms. Quigley continued, asking if all of the financing that Mr. Jameson had referenced could be secured in Nevada. Mr. Jameson responded that he was not aware of any statutory issues that would hinder pursuit of the funding. Mr. Mack commented that the State of Nevada would not be involved in terms of credit financing and/or financial backing.

Private US Rail Projects – Financing Overview

Next, Mr. Jameson drew the attention of meeting attendees to a PowerPoint slide which listed other U.S. rail projects in development. He informed them that the MacQuarie Group was monitoring these projects, looking for the funding sources and best practices.

Select Macquarie Rail Experience

The Senior Vice-President pointed out that the next PowerPoint slide listed the MacQuarie Group's experience as a financial advisor, sponsor, coordinator, and developer of American and international rail projects.

Chair Smith mentioned that the findings of the ridership study would seem to be of great importance regarding how the high-speed rail system would take shape. Mr. Jameson answered that it was significant, explaining that a 2012 Victorville to Las Vegas ridership study was the basis for the current financing program. He noted that if the 2016 study indicated incremental ridership for each extension, it could support the case for financing.

Implementation Milestones on the Horizon

Mr. Mack returned to the podium to continue the presentation, highlighting upcoming events.

- **The HDC JPA Investment Grade Ridership and Revenue Study should be completed during summer 2016.**
- **The High Desert Corridor EIS was anticipated to be available in fall 2016.**
- **The California High Speed Rail EIS for the Palmdale to Burbank and Los Angeles segment was anticipated to be finalized during fall 2017.**
- **XpressWest believes that project financing and implementation approvals would be secured by mid-2017.**

Ms. Quigley asked what company was handling the investment grade ridership and revenue study. Mr. Mack answered that Stewart, Davis and Gee was handling the study. He added that the consultants were also conducting a study on the California State Rail Plan which would be the state's first comprehensive rail program. Mr. Mack noted that the plan included XpressWest and California high-

speed rail and conventional rail.

Mr. Mack went on to say that once the ridership study and the HDC EIS were finalized, XpressWest would have a basis for the financial model regarding the Victorville to Las Vegas leg of the proposed high-speed rail service the company would operate.

Mr. Fred Dilger inquired as to whether XpressWest would begin construction in November 2016. He recalled that this was the estimated time frame that XpressWest had mentioned in June 2015. Mr. Mack stated that construction would not begin in November 2016 because the Macquarie Group believed the handling of regulatory matters would take some time. He recalled that during June 2015 company officials had expressed that there was a duration timeline. Regarding the phrase “duration timeline,” Mr. Mack explained that it was difficult to pinpoint some exact time that construction would begin due to many regulatory factors that must be handled. The XpressWest executive reiterated that project financing and approvals were expected in mid-2017.

Mr. Dilger continued, asking if there would be any impacts upon XpressWest’s project if Los Angeles voters did not approve a transportation funding tax measure that would be on the November 2016 ballot. Mr. Mack said if the measure was voted down, the project would not be hindered. He went on to provide background on how this measure evolved. Mr. Mack explained that some years back Los Angeles voters had approved Measure R to fund transportation projects including rail projects. The upcoming ballot measure, unofficially dubbed “Son of Measure R,” concerned a sales tax affecting persons in Los Angeles County. The measure would be used for funding transportation projects and programs in that area. The XpressWest executive stated that Los Angeles County transportation providers such as Metrolink and the HDC JPA would compete for the funds.

Ms. Quigley remarked that there had been considerable media coverage about new transportation technologies especially Hyperloop. She asked if XpressWest officials had been talking to providers of such technologies. Mr. Mack first stated that XpressWest was not committed to one particular technology. He stated that if a new, viable transportation technology arose the company would consider it and, if appropriate, present it to the Nevada High-Speed Rail Authority. He went on to say that XpressWest and Hyperloop professionals had discussed the emerging technology. Mr. Mack expressed that XpressWest was focused upon steel wheels on rail at this time though. Ms. Quigley requested that Mr. Mack provide the Authority with Hyperloop-related talking points if he had such information. Mr. Mack agreed to do so.

Chair Smith asked Mr. Jameson to share his insights regarding project progress including the ridership study, the HDC EIS, easement access, and financing. Mr. Jameson remarked that the ridership study and the HDC EIS would be helpful in seeking financing, they were probably not critical. He explained that these analyses could serve to comfort investors in that they would see the project was moving forward. Mr. Jameson reiterated that he did not believe that there were absolutely required for funding. He continued, noting that CRI had expressed a strong interest in the project. He shared that the Macquarie Group had a favorable view on this interaction. That being said, he added that his employer would continue to explore potential alternative funding sources. The Senior Vice-President noted that the time to implement the project was taking longer due to the regulatory processes in China and the United States.

Chair Smith asked if the Macquarie Group envisioned all of the funding from the CRI or CRI and some sort of traditional financing component. Mr. Jameson replied that the financial arrangements would have to be determined and he could not provide a specific answer at this time. He repeated that the primary focus was on CRI, but the Macquarie Group would continue to look for other funding opportunities.

Motion:

No motion was necessary.

Vote/Summary:

No vote was taken.

Item:**4. CONDUCT A COMMENT PERIOD FOR CITIZENS PARTICIPATION****Comments:**

Chair George Smith said: This is the comment period for citizens participation. We cannot take action. We can decide to take it further for further study.

Ms. Tina Quigley stated: Just to make it clear—this citizens participation can be related to anything. Doesn't have to be related to agenda.

Mr. Stanley Washington first addressed the Nevada High-Speed Rail Authority, saying: Stanley Washington. George, I think we've known each other for probably like 24 years. I arrived in 1993. When I first arrived, I was new to advocacy. I was a NAACP member. We had discussion about Moulin Rouge and financing or not getting financed the same. I've always been a straight shooter. I'm always respectful to folks who are respectful to me. If they aren't respectful, I have to act accordingly. I still appreciate respect. I remember back in day when Mr. Teng first got on the job and he called me. He was basically out of the loop. We were basically doing our high-speed rail forums. We invited him. XpressWest, Maglev people were involved at that time We did four of these. Mr. Teng became part of that. When he arrived on the scene, he called me and I brought him up to speed. He didn't know. I knew. I let him know about Mr. Mack and Mr. Skancke. I've been fairly gracious I've placed several phone calls to Mr. Teng and no response. I would like to know why.

Ms. Quigley said: I will let counsel advise us on engagement.

Mr. David Clyde responded: As stated before, during public comment period we can't take any action. This is opportunity for members of the public to discuss any questions or concerns, but the Authority members are not to answer any questions or take action.

Mr. Washington commented: I believe they have the option. Am I right?

Ms. Quigley stated: We listen. The Board is not allowed to...

Mr. Clyde remarked: You are welcome to bring any questions to us after, but the Authority is not to take action or have any discussion about comments.

Mr. Washington replied; I know how it works. It's their option. I go to many meetings and make public comments from Mayor Goodman on down. I want to put it on the record. I'm a straight shooter. I've been disrespected. I want this on the record. Mr. Teng, when I call you, I expect you to call me back. Straight up. Getting back to the project, I guess...originally...first, Phase 1 from was Victorville to Las Vegas was to be \$7 billion project. Victorville to Palmdale...expected it to be another 2 billion...that's up to \$9 billion. That was back in 2010. It's now 2016. Is it now \$10 billion? Is it still \$9 billion or something less? I'm interested in knowing that. XpressWest team has been diligently working with the JPA, the supervisor. I've engaged the San Bernardino side. We're engaged with LA Metro. So all the authorities on the California side, we're engaged. I was in California for 34 years. Only 23 years out of Las Vegas. I'm engaged with the same agencies that Mr. Mack mentioned. We're prepared. My relationships go much

deeper in California than in Las Vegas. I have a list of 35 committee members considering matters on both sides of the fence. I have the Native American Chamber, the Latin Chamber. From Secretary Foxx to everybody on down. We prepared to assist and be part of this to expedite to get this. I want this on the record. There is no other game in town. We're the game. We've been involved with Mr. Marnell since 2009. We're going to do this. He's a straight shooter. Just for the record, we're ready to go. We want vets up front. They deserve to be involved. We have some additional financing options. We can bring that to Andrew. Ms. Quigley, know that we are working with broad conversations with Secretary Foxx for transportation options on transit and high-speed rail. This discussion is a broad discussion with a lot of different people. We are glad that things are moving forward, but disappointed that it is taking so long. We're here for the long haul, Mr. Smith.

Chair Smith inquired: Others?

Mr. David Brough came forward, saying: Is it just me? Again, my name is David Brough. B-R-O-U-G-H. Remember in September last year news reports that XpressWest said "we have \$100 million in hand?" What happened to the \$100 million? What did we get today? We got obfuscation. Ms. Quigley asked an important question, "do you really have the money?" at the November 18 meeting. Mr. Mack said it was tied up in regulatory process. I was surprised you didn't follow up. You made a good point. They should have taken that under advisement and came back. You people should be hammering them for it. Key fundamentals for an applicant. Recall one of the applicants, Mr. Jerry Roane, TriTrack. Remember him? In October or November he came with a letter pointing out he had \$500 million guaranteed to run his project. He was not going to run it from Victorville to Las Vegas. He was going from Las Vegas to San Diego. They turned him down, but you approved them. I think they're a bunch of liars. I'll call Mr. Mack a liar. You set the tone for this thing and you came up with a loser There are other technologies. Ms. Quigley pointed out Hyperloop. Whatever else is available. This is a new game. We came, Roane and myself, and we came with new technologies and new ideas. That's what the Governor expressed. The Governor said bring new ideas. You didn't get the ball rolling. You created an impasse. You "coronated" these guys. "Uncoronate" these guys. That's it.

Chair Smith stated: Okay. Other public comment? Anybody?

Mr. Washington said: Invitation, June 10th, Veterans Breakfast event with Nevada Partners. 8:30 to 10:30. Mr. Smith, Mr. Mack, and Ms. Quigley, I will be sending you invitations. You're invited as my guests

Motion:

No motion was necessary.

Vote/Summary:

No vote was taken.

ADJOURNMENT

The meeting adjourned at 4:55 p.m.

Respectfully submitted,

DocuSigned by:

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Tammy McMahan, Recording & Transcription Secretary



Presentation to the Nevada High Speed Rail Authority
Board of Directors

May 31, 2016

Las Vegas, NV



2016 Progress Overview

XPRESSWEST.COM

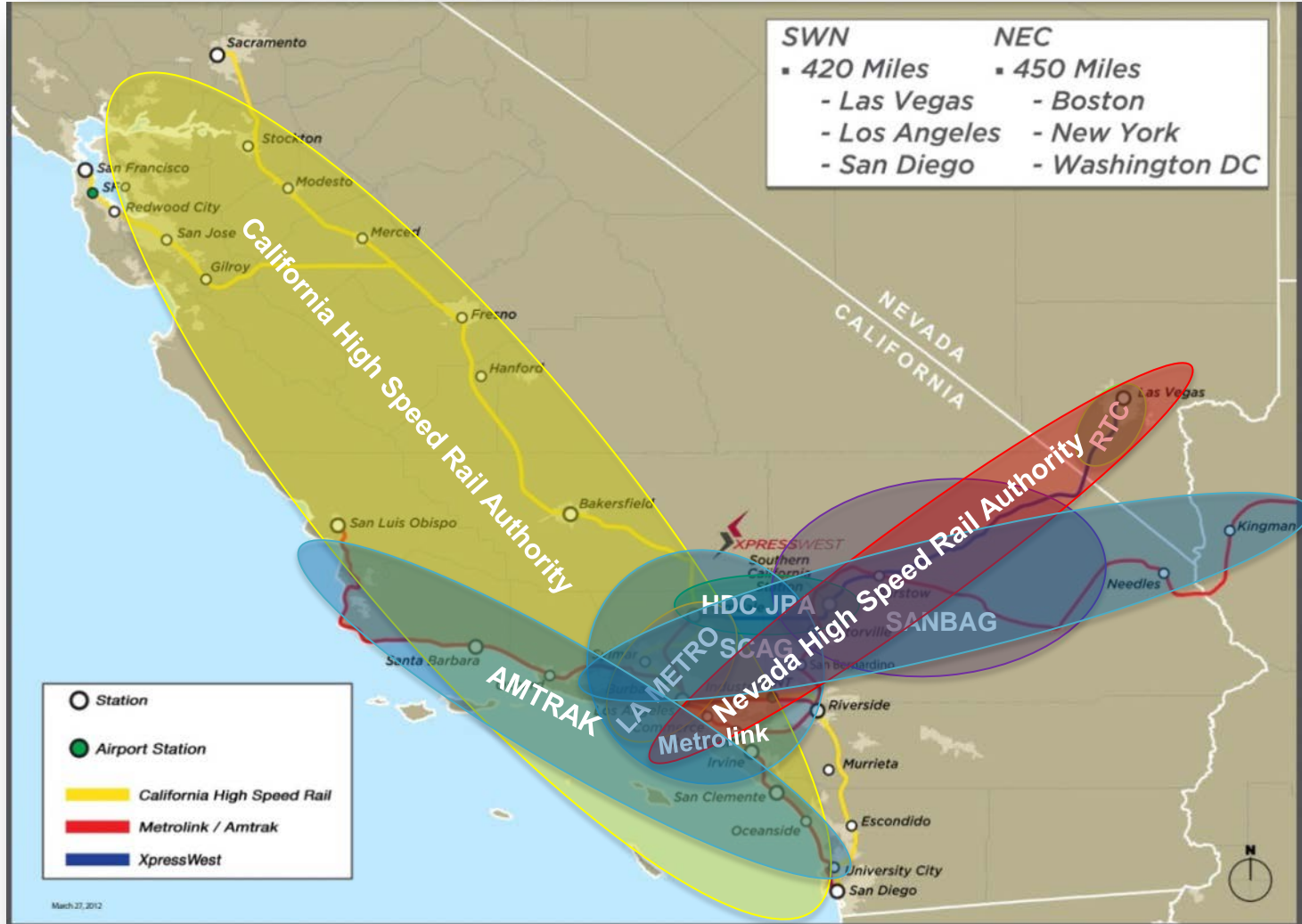
- I. Nevada High Speed Rail Authority Statute Goal
- II. Southwest Rail Network Jurisdictional Overlay
- III. Status Report: A Phased Approach to Connecting Los Angeles with Las Vegas by High Speed Rail
 - I. Project Financing Update
 - II. Key Milestones



The statutory purpose of implementing a high-speed rail system is to:

- Provide economic benefits to Southern California and Southern Nevada
- Reduce reliance on gasoline- and diesel-fueled engines and encourage use of alternative energy sources
- Reduce congestion and travel delay on Interstate-15
- Provide working example of transportation system that plays essential role in development of future commuter and high-speed rail service
- Provide quick and convenient transportation service for residents and visitors between southern California and southern Nevada.

Southwest Rail Network Jurisdictional Overlay



- Phase I: Build the initial system between Las Vegas and Victorville - close to the critical mass of SoCal to address the immediate need.
- Phase II: Extend the system to Palmdale to interface with existing commuter rail service
- Phase III: Provide one-seat high speed rail service between Los Angeles / Burbank and Las Vegas.





Phase I - Entitlement Update

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- Section 106 Cultural Resource Work
- Federal Aviation Administration Permit Extensions
- US Army Corps of Engineers Section 404 Permit Updates
- Bureau of Land Management ROW Agreement
- NDOT and Caltrans Right-of-Way Work
- Inclusion in recently adopted Southern Nevada Regional Transportation Plan and Southern California Association of Governments Regional Transportation Plan



Phase II: Extension to Palmdale

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- The High Desert Corridor Joint Powers Authority in partnership with LAMETRO and Caltrans will soon release an EIS/EIR for a multi-purpose corridor connecting Palmdale and Victorville.
- XpressWest has been supporting the EIS/EIR since the rail portion was added to the corridor in 2010.
- Cooperation Agreements executed between XpressWest and the High Desert Corridor Joint Powers Authority, Los Angeles Metropolitan Transportation Authority and California High Speed Rail Authority, and Metrolink.
- Connecting to Palmdale opens a rail connection between Las Vegas and Los Angeles.



Phase III: High Speed Service to Los Angeles and Anaheim

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- The California High Speed rail Authority is completing the EIS/EIR for dedicated high speed rail service between Palmdale and Anaheim.
- Environmental work for the Burbank and Los Angeles Union Station segments is scheduled for completion in 2017.
- Initiated the investment grade ridership and revenue study evaluating service between Anaheim, LA, Burbank, Palmdale, Victorville, Las Vegas and Northern California.



Macquarie - Financing Update

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- XpressWest continues to work with CRI to determine the most efficient implementation approach for the Project. Each approach is subject to multiple levels of governmental approval from the Chinese and United States governments.
- Based upon the current status of the project, XpressWest's financial advisor mobilized to confirm all potential sources of funding (foreign and domestic) to provide XpressWest with a complete view of its financing and implementation options.

Recent Developments

- Since being awarded the state franchise, Macquarie has worked with China Rail International to advance the financing of the project
 - Numerous meetings held in Las Vegas, Los Angeles and Beijing to advance negotiations and project development
 - Extended negotiation time as multiple partners within CRI consortium ramp up on the project
- Various local/offshore commercial lenders and equity investors have indicated strong in the project
- Direct discussions underway with China Exim and commercial banks both through CRI partners and direct connections

China Rail Consortium

- Participants from the China Rail consortium include:
 - China Rail International
 - China Railway Engineering Corporation
 - China Railway Rolling Stock Corporation
 - China Railway Signal & Communication
 - China Construction America
 - Export-Import Bank of China
 - Silk Road Fund

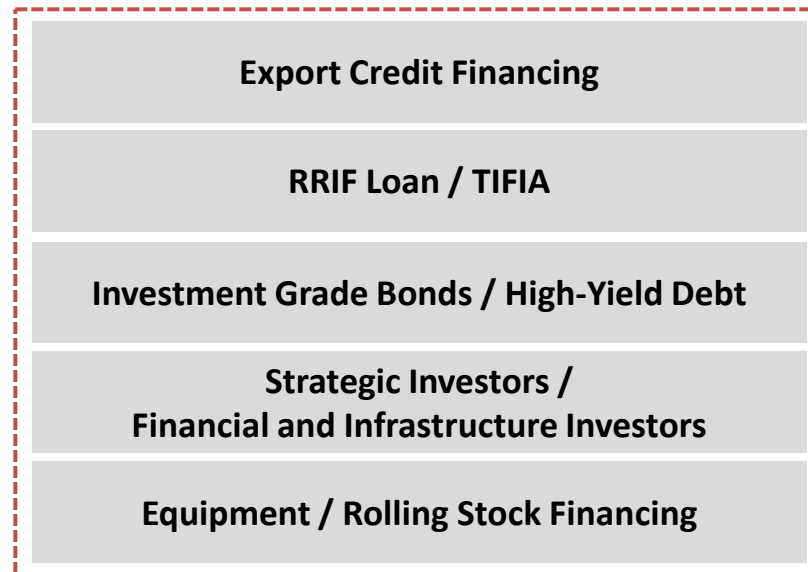


Financing Strategy

- Focus on implementing financing with Chinese joint venture partners
- Other alternatives exist and are being explored in parallel – seeking best combination of cost, certainty and terms

Potential Financing Sources for High Speed Rail

- Typical public and private financing sources for HSR projects



Texas Central Railway (Dallas to Houston High-Speed Rail)

- 240-mile high-speed passenger rail between Dallas and Houston proposed by Texas Central Railway with agency support from FRA and TxDOT
- Raised \$245 million for the project:
 - \$75 million from local investors
 - \$130 million of design work from local firms
 - \$40 million from Japan Overseas Infrastructure Investment Corporation



All Aboard Florida

- Rail project connecting Miami to Fort Lauderdale, West Palm Beach and Orlando
- Raised \$405 million high-yield bond in private placement market in June 2014 and have started construction
- Continue to seek investors for additional \$1.75 billion tax-exempt bond issuance



North American High Speed Rail Group (Minnesota)

- \$4.2 billion project connecting the twin cities of Minneapolis and St. Paul to Mayo Clinic in Rochester by 2022
- Currently considering two foreign partners for project





**The Bond Buyer
Deal of the Year
2015**



**Americas
Transport Deal of
the Year
2015**



**Global
Transport
Deal of the
Year
2014**



Confidential

Development of 81-mile
Abu Dhabi Metro rail
system

Financial Advisor
Ongoing



US\$2.0 billion

Shortlisted bidder of 16-
mile light rail line PPP in
Maryland

Sponsor, Debt Arranger,
and Financial Advisor
2016



US\$2.0 billion

Denver FasTracks
Rail DBFO PPP
35-year Concession

Sponsor, Developer and
Financial Advisor
2009



US\$2.4 billion

H & A Share Offering
Listing on the HK &
Shanghai Stock Exchange

Joint Global Coordinator &
Joint Bookrunner
2008



US\$2.0 billion

Rail Rapid Transit System
Vancouver Airport Link

Financial Advisor
2006



US\$2.0 billion

Acquisition of Arlanda
High-Speed
Rail Link Sweden

Sponsor, Developer and
Financial Advisor
2004



Implementation Milestones on the Horizon

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- HDC JPA Investment Grade Ridership and Revenue Study:
 - Summer 2016
- High Desert Corridor EIS:
 - Fall 2016
- California High Speed Rail EIS Palmdale to Burbank and LA:
 - Fall 2017
- Project Financing and Implementation Approvals:
 - Mid 2017



Red Slip Sheet

NEVADA HIGH-SPEED RAIL AUTHORITY

AGENDA ITEM

SUBJECT: FRANCHISEE REPORT
PETITIONER: BOARD MEMBERS NEVADA HIGH-SPEED RAIL AUTHORITY
RECOMMENDATION BY PETITIONER: THAT THE NEVADA HIGH-SPEED RAIL AUTHORITY RECEIVE A PROGRESS REPORT FROM THE FRANCHISEE, XPRESSWEST (FOR POSSIBLE ACTION)
GOAL: SUPPORT THE IMPLEMENTATION OF NEVADA HIGH-SPEED RAIL SYSTEM

FISCAL IMPACT:

None

BACKGROUND:

Section 8.7 of Senate Bill 475, passed during the State of Nevada's 78th legislative session, states that the Nevada High-Speed Rail Authority (NHSRA or Authority) is responsible for selecting "a franchisee for the construction and operation of a high-speed rail system, to be commonly known as the Nevada High-Speed Rail System." At the NHSRA November 18, 2015 meeting, the Authority selected XpressWest as the franchisee and directed XpressWest to provide progress reports every six months.

An XpressWest representative will provide a progress report to the Authority.

*NHSRA Item #3
November 9, 2016*

tdm

Non-Consent

Slip Sheet

NEVADA HIGH-SPEED RAIL AUTHORITY

AGENDA ITEM

SUBJECT: MEETING SCHEDULE
PETITIONER: BOARD MEMBERS NEVADA HIGH-SPEED RAIL AUTHORITY
RECOMMENDATION BY PETITIONER: THAT THE NEVADA HIGH-SPEED RAIL AUTHORITY DISCUSS THE MEETING SCHEDULE (FOR POSSIBLE ACTION)
GOAL: SUPPORT THE IMPLEMENTATION OF NEVADA HIGH-SPEED RAIL SYSTEM

FISCAL IMPACT:

None

BACKGROUND:

The Nevada High-Speed Rail Authority (Authority) will discuss and may formally determine the Authority's future meeting schedule.

*NHSRA Item #4
November 9, 2016*

tdm

Non-Consent

Slip Sheet

NEVADA HIGH-SPEED RAIL AUTHORITY

AGENDA ITEM

SUBJECT: CITIZENS PARTICIPATION
PETITIONER: BOARD MEMBERS NEVADA HIGH-SPEED RAIL AUTHORITY
RECOMMENDATION BY PETITIONER: THAT THE NEVADA HIGH-SPEED RAIL AUTHORITY CONDUCT A COMMENT PERIOD FOR CITIZENS PARTICIPATION
GOAL: SUPPORT THE IMPLEMENTATION OF NEVADA HIGH-SPEED RAIL SYSTEM

FISCAL IMPACT:

None

BACKGROUND:

In accordance with State of Nevada Open Meeting Law, the Nevada High-Speed Rail Authority (Authority) shall invite interested persons to make comments. For the initial Citizens Participation, the public should address items on the current agenda. For the final Citizens Participation, interested persons may make comments on matters within the Authority's jurisdiction, but not necessarily on the current agenda.

No action can be taken on any matter discussed under this item, although the Authority can direct that it be placed on a future agenda.

Slip Sheet