

Drozd, Doug@HSR

From: Adam Cohen <apcohen@berkeley.edu>
Sent: Tuesday, August 09, 2016 9:49 AM
To: TD Hightower
Cc: jkitchen@bakersfieldcity.us; adam.kahler@bikebakersfield.org; bob@citadevelopment.com; cathy@bakersfielddba.com; Christine.L@uwkern.org; daraujo2601@att.net; info@glcenterbak.org; JCater@bikebakersfield.org; Tobias, Jeremy@CDSS-Import; Kbartl@bakersfieldcondors.com; kking@getbus.org; LGill@bakhc.org; linda@bakersfieldrealtor.org; nortiz@bakersfieldchamber.org; raustins28@yahoo.com; robert.austin.smith@gmail.com; sheryl@barbich.com; vstrongiii@yahoo.com; Kate Shea; Doug McIsaac; Dave Dmohowski; Kevin Bush; Rob Ball; Dumond, Melissa@HSR; Nicole Villaruz; Richard, Dan@HSR; Morales, Jeff@HSR; HSR boardmembers@HSR; stephanie.perez@dot.gov
Subject: Re: Steering Committee - Comments on Alternatives

Follow Up Flag: Follow up
Flag Status: Flagged

Hi all,

I too wanted to submit comments to the group. These alternatives need some revisions before being presented to the public. Please allow me to explain.

Fundamentally, there are three possible outcomes, and each of these alternatives fail to address a number of issues with each of these.

- Outcome 1: No high-speed rail**
- Outcome 2: High-speed rail paired with Amtrak**
- Outcome 3: High-speed rail separate from Amtrak**

With **Outcome 1**, these alternatives fail conduct any station area planning around the existing Amtrak station if high-speed rail is not built. As a group, we collectively decided that this process was "Making Downtown" - not "Making High-Speed Rail." As such, it seems problematic not to do any station area planning or development around Amtrak, particularly if high-speed rail is never built.

With **Outcome 2**, a station alignment and station site has not been selected. Yet, SOM has removed the hybrid station from the 20-year alternatives. More importantly, the California High-Speed Rail Authority has given very explicit guidance on this. Making Downtown Bakersfield has a fiduciary responsibility to conduct planning around both proposed stations until a final station site is selected. This leads me to Outcome 3.

Outcome 3: Even if the F Street station is selected, there is no guarantee that Amtrak will be moved (due to a variety of reasons). The city and downtown community must prepare itself for two separate stations. As such, we should be preparing for transit-oriented development and mixed-use around both (the existing Amtrak station) and a possible future station at F Street.

The way Amtrak is addressed is hugely problematic. If Amtrak is moved to F Street, this has huge impacts on downtown. This plan, therefore must 1) propose the route through downtown to make this connection; and 2) include a redevelopment plan to repurpose the existing Amtrak station. It is entirely unacceptable to move

transportation infrastructure without a plan to redevelop or repurpose the old infrastructure as this would create a blighted area without a plan for SE downtown.

Additionally, the plans are not walkable nor realistic. Alternatives A and B depict a pedestrian path extending from Amtrak along Mill Creek and Golden State Avenue to F Street. It is not realistic to expect passengers connecting between Amtrak and high-speed rail to roll their luggage along a 2-plus mile pedestrian walkway outside to connect between trains.

I was present in almost every single public meeting. And in every meeting I attended, the issue of connectivity was raised by participants. A much more effective approach would be to focus on transit connectivity between the existing Amtrak station and F Street (either via light rail or bus rapid transit) vs. the expectation that people will walk miles to change trains.

Please do not hesitate to reach out if you have any questions or need any clarifications on any of the issues raised.

Warmest regards,

Adam Cohen
Transportation Planner

On Tue, Aug 9, 2016 at 9:05 AM, TD Hightower <tdhpublic@yahoo.com> wrote:
Hello,

Below are some comments on the alternatives A, B, and C.

The Amtrak station is depicted on Alternative C as being located at F St & Golden State. There are no tracks that Amtrak could use to get to that location. Have you discussed this with Amtrak, and/or the San Joaquin JPA? What would become of existing Amtrak Station on Truxtun and the current bus connections to/from LA, Las Vegas, Pasadena, Long Beach, Burbank, Santa Barbara and other cities?

Instead you may want to consider what Amtrak does in Stockton. They have buses that takes passengers from the Stockton Ace station the couple of miles over to the Stockton Amtrak station.

There is a Transit Center depicted at F St & Golden State on all alternatives. However, the current Downtown Transit Center is not. Does this mean the Downtown Transit Center will be moved to F St & Golden State? If that is the case how will riders board, and/or transfer to buses going to CalState, Valley Plaza and the Amtrak Station? There are more bus connections there, but those are the buses I normally catch at the Downtown Transit Center. In addition, what about the Kern Transit buses that operate at the Downtown Transit Center?

The number of projected office, residential commercial in parentheses is the same for all alternatives. What is the data source for these numbers? Except for office space there is no corresponding link to the areas on the maps.

The area depicted as mixed use (pink) is significant in alternative A, less in B especially downtown, and little in C.

The office space (blue) is less than the mixed use in alternative A with some downtown. There is no office space in B, and very little in C.

Couple of questions in general.

Why did you pick a photo highlighting the Tegeler with the FOX chopped off for the flyers?

Is it possible to submit some email addresses that you will add to the email blast? I will be happy to send you some.

Please do not hesitate to contact me to discuss any of these items further. I do plan to attend the meeting on August 11th.

Troy Hightower
Transportation Consultant



Drozd, Doug@HSR

From: Roland Lebrun <ccss@msn.com>
Sent: Tuesday, August 09, 2016 11:11 AM
To: HSR boardmembers@HSR
Subject: Caltrain annual GHG emissions

Follow Up Flag: Follow up
Flag Status: Flagged

176,000 tons of GHG

<http://www.caltrain.com/projectsplans/CaltrainModernization/Modernization.html>

My Summer Vacation 2016

Good morning Chairman Richard, CEO Morales and members of the California High-Speed Rail Authority Board. My name is Shelli Andranigian and I am a native Californian. I last addressed many of you at the marathon meeting in Los Angeles over a year ago. A belated welcome to new board members Ms. Paskett and Ms. Lowenthal.

To bring everyone up to speed, in May 2011 I inadvertently found out our family farms located in South Fresno County were in the pathway of the proposed California High-Speed Rail. This happened when I went to a meeting to support others in the pathway. I loved trains (still do), but wasn't happy with the way those directly impacted were being treated. Little did I know my life from this day forward would run on a nonexistent train schedule.

The journey has not been a smooth one thus far. There also seems to be a consistent underlying theme... that although everyone affiliated with the project wants the world to know they are ready to proceed with the largest infrastructure project of its kind, they are actually still completely unprepared to do so.

This past decade, I've also run across politicians at almost every level who care more about their party line, and/or personal gain from the train instead of putting their constituents first. I commend those who do care about those they represent and these individuals come from both sides of the aisle. Rail, much like water and most every other issue is a nonpartisan one.

Last week I set aside a total of three days to properly accommodate a survey team along with an appraiser and right-of-way (ROW) team. Everyone was cordial and pleasant. However, survey stakes placed on one of the properties on Wednesday a.m., were already old news by the time of Friday morning's appraisal. We were told at the latest inspection that this is to be expected in a design-build project. The surveyors will be back again in a few weeks or more once everything is figured out. I know one neighbor who has had their property surveyed multiple times thus far.

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Twenty-one summers ago, I took my first (of several) trips on high-speed rail lines while overseas. I honestly don't believe that 21 summers from now regardless of whether I am still here or not, those behind-the-scenes at the California High-Speed Rail Authority will actually be prepared to move forward to provide high-speed rail here across our Golden State, let alone the rest of America. Meantime, those of us in the immediate pathway will have irreparable harm done to our lives, livelihoods and properties by those unprepared to complete the task at hand all in the name of progress.

Thank you and safe travels,

Shelli Andranigian
Fresno County

Cc: Michael L. Farley, Esq.; Congressman David Valadao, Senator Anthony Cannella, Senator Andy Vidak, Assemblymember Joaquin Arambula, Assemblymember Jim Patterson, California Farm Bureau, Ryan Jacobsen, Fresno County Farm Bureau; Fresno County Board of Supervisors, Fresno City Council, Dusty Ference, Kings County Farm Bureau; Kings County Board of Supervisors, Hanford City Council, Citizens for California High Speed Rail Accountability (CCHSRA)

Re: Support for the 25th Avenue Grade Separation Project

Dear Mr. Morales,

I strongly support the City of San Mateo's 25th Avenue Grade Separation project (the Project) which appears on the August 9, 2016 agenda of the California High-Speed Rail Authority.

The Project, located in my state Senate District, consists of grade separating the 25th Avenue crossing, completing the new 28th and 31st Avenues street connections, and relocation of the Hillsdale Caltrain Station platform. These improvements will not only be of great benefit to High Speed Rail on the Peninsula, but they will increase safety and provide congestion relief for area travelers, help to electrify Caltrain, promote ridership in the rail corridor, and encourage transit oriented development.

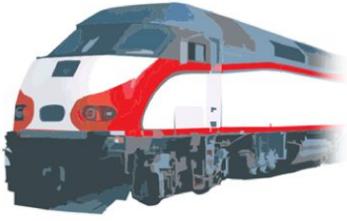
The Project area has been identified as a regional Priority Development Area (PDA) and is supportive of the Sustainable Communities Strategy to meet the objectives of AB 32, "California Global Warming Solutions Act," and SB 375, "Sustainable Communities and Climate Protection Act."

I strongly support the Project and the benefits it will bring to the region and our community. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jerry Hill
Senator, 13th District

*Submitted
by Ben T.*



FRIENDS OF CALTRAIN

August 9, 2016

Board of Directors
California High Speed Rail Authority
770 L Street, Suite 1160
Sacramento, CA 95814

Honorable Directors and Staff,

Thank you for considering funding for the Peninsula Corridor Electrification Project. This investment will upgrade the corridor from San Jose to San Francisco with electric traction power that is essential for High Speed Rail service, and will be immediately valuable for Bay Area commute service.

This investment will deliver on the “bookend” strategy contemplated by the legislature in approving AB1029 in 2012, the legislation authorizing expenditure of state funds for the High Speed Rail project, a strategy intended to advance investments that will benefit the High Speed Rail project while also improving local rail service in Northern and Southern California.

And this investment will advance the strategy of the “blended system” promoted and agreed to by leaders on the Peninsula corridor, whereby Caltrain and High Speed Rail will share tracks from San Jose to San Francisco, lowering the cost to connect High Speed Trains to San Francisco, and gaining local agreement to move the program forward.

All of the Bay Area funding partners have approved their local share, and the project is moving forward, with contractors identified and getting ready to start work, and local enthusiasm to see electric service as soon as possible. We urge your approval of this funding to to move the project forward, to the benefit of High Speed Rail service and Peninsula Corridor commute service.

Thank you for your consideration,

- Adina

Adina Levin
Friends of Caltrain
<http://greencaltrain.com>
650-646-4344

Drozd, Doug@HSR

From: Bakersfield New Homes <ryan@newhomesofbakersfield.com>
Sent: Monday, August 08, 2016 9:14 AM
To: Morales, Jeff@HSR; Richard, Dan@HSR; HSR boardmembers@HSR
Cc: Melanie.Rhinehart@mail.house.gov; derek.harley@mail.house.gov; peter.tateishi@mail.house.gov; igor.birman@mail.house.gov; julie.eddy@mail.house.gov; nora.matus@mail.house.gov; daniel.weiss@mail.house.gov; catlin.oneill@mail.house.gov; julie.nickson@mail.house.gov; chic.dambach@mail.house.gov; nick.holder@mail.house.gov; cookab.hashemi@mail.house.gov; debra.curtis@mail.house.gov; terri.glaze@mail.house.gov; jennifer.vanderheide@mail.house.gov; stacey.leavandosky@mail.house.gov; rochelle.dornatt@mail.house.gov; robin.roberts@mail.house.gov; jl@mail.house.gov; scott.nishioki@mail.house.gov; johnny.amaral@mail.house.gov; james.min@mail.house.gov; randolph.harrison@mail.house.gov; joel.kassiday@mail.house.gov; bob.cochran@mail.house.gov; brad.smith@mail.house.gov; don.macdonald@mail.house.gov; julia.massimino@mail.house.gov; timothy.bergreen@mail.house.gov; pat.delgado@mail.house.gov; debra.dixon@mail.house.gov; amelia.wang@mail.house.gov; carrie.kohns@mail.house.gov; paul.cunningham@mail.house.gov; mikael.moore@mail.house.gov; jason.linde@mail.house.gov; shirley.cooks@mail.house.gov; daniel.chao@mail.house.gov; adam.brand@mail.house.gov; amy.porter@mail.house.gov; arlene.willis@mail.house.gov; john.rothrock@mail.house.gov; linda.macias@mail.house.gov; dave.ramey@mail.house.gov; frank.cullen@mail.house.gov; rick.dykema@mail.house.gov; adrienne.elrod@mail.house.gov; muffy.lewis@mail.house.gov; dale.neugebauer@mail.house.gov; steve.danon@mail.house.gov; tony.buckles@mail.house.gov; vicki.middleton@mail.house.gov; lisa.sherman@mail.house.gov; laura_schiller@boxer.senate.gov; chris_thompson@feinstein.senate.gov
Subject: Complaint Regarding Fresno to Bakersfield Project Segment
Follow Up Flag: Follow up
Flag Status: Flagged

Dear Chairman Richard and Mr. Morales,

I am writing to formally provide a written complaint regarding the California High-Speed Rail Authority's management of the Fresno to Bakersfield project segment. I do not support the Bakersfield F Street Station Alignment. In May 2016, we were told by your board that a preferred designation creates efficiencies in the environmental process and that a decision on station locations had not been made. Despite these assurances at your board meeting, the City of Bakersfield is informing the public that F Street has already been selected by the California High-Speed Rail Authority and have removed the Hybrid station from their plans and outreach documents: <http://www.bakersfieldcity.us/civicax/filebank/blobdload.aspx?BlobID=30234>

As such, I am requesting that the California High-Speed Rail Authority direct the City of Bakersfield to include both proposed high-speed rail stations until if/when an alternative selection is adopted by the Surface Transportation Board.

Regards,

Ryan May



Aug 7 2016

Via email....

Chair Dan Richard
CEO Jeff Morales
Members of the Authority Board;

Re: Item # 2 Board meeting Agenda of August 11th
Funding for Peninsula Corridor Joint Powers Board's (PCJPB)

The funding plan being proposed for Caltrain's project should not be approved by this Board -- this plan does not meet criteria contained in Prop 1A.

As you all know, any funds from Prop 1A which are to be used for construction, require matching funds from another source. The funding plan proposed by Caltrain does not meet this mandate.

The total costs for Caltrain's project is now shown as being \$2.2 billion; this cost includes \$231 million for the CBOSS (PTC) project.

The funding proposed includes a total of \$706 million to come from High Speed Rail. (\$600 million HSR + \$106 million HSR connectivity). These funds need a 1:1 match in dollars from another source. Quite clearly, the matching funds for this HSR funding are not adequate.

Discussion:

The total funding for this project, the \$2.2 billion is made up of the \$706 million from HSR and \$1.494 billion from other sources.

You are led to believe that this \$1.494 billion is more than adequate to match the \$706 million being provided by HSR. But you must look further. You must look at some separate items that are being funded for the project, some of which are clearly not items that can be even partially funded by funds provided by HSR.

The CBOSS cost of \$231 million is an item that cannot use HSR funds. The CBOSS PTC system is completely incompatible with the PTC system that is to be employed on HSR train sets. Its cost must come exclusively from funds other than HSR funds.

The EMUs to be purchased for Caltrain's operations, are not used by HSR. HSR and Caltrain will have different trainsets. The cost for the EMUs is shown as being \$662 million, and cannot be funded from HSR funds.

Thus, the CBOSS funding and EMUs funding must come exclusively from sources other than HSR funding. This leaves only \$601 million in funds to match the \$706 million that is proposed to be provided by HSR. Essentially this puts a limit for a HSR contribution to be \$601 million, with leaves the total funding for the project \$105 million short.

Caltrain Electrification funding August 2016 (millions)			Matching Available	Matching Deficit	
	Costs	Funding			
EMUs	662	HSR Prop 1A	706	601	-105
CBOSS	231	OTHER	1494		
OTHER	1307				
TOTAL	2200	TOTAL	2200		

Notes: EMUs and CBOSS don't qualify for HSR funding
 All HSR funds require matching funds
 HSR funding = 600 + 106 connectivity

The documentation for this analysis is clearly known by the Authority's staff and is clearly shown in documents from Caltrain.

Also note that the latest funding shows the FTA providing over \$1 billion of the \$2.2 billion total cost of the project. None of the FTA "core" funding (\$647 million) has been approved. At the present time, at the Federal level, appropriation for FTA funding has yet to be approved by the House, although the Senate has passed an appropriation bill. This funding is hardly secure.

There is a bill sponsored by Caltrain and still in process in the California Legislature, AB-1889 (Mullin). If this bill is passed and signed into law by the Governor, it seeks to bypass some restrictions in Prop 1A, which keep the Authority from providing HSR funds to the Caltrain project. Despite the PR promoted by Caltrain, this bill is certainly un-constitutional, since it seeks to amend the Prop 1A bond measure. Prop 1A was a voter approved bond measure, and can only be amended with an amendment which is also passed by the voters. If AB-1889 becomes law, it will surely be ruled illegal in the courts.

Finally, although the CBOSS funding is showing at a cost of \$231 million, all of this funding has already been expended. The project is nowhere near completion, and for sure the final cost will be much more.

Morris brown
 Stone Pine Lane
 Menlo Park

August 4, 2016

VIA FEDEX and EMAIL

Hon. Dan Richard and Members of the Board
California High Speed Rail Authority
770 L Street, Suite 800
Sacramento, CA 95814

Re: SunnyGem, LLC

Dear Chairman Richard:

I am writing to you on behalf of SunnyGem, LLC to express our disappointment and, quite frankly, surprise that the High Speed Rail Authority ("HSR") has refused to meet with us or even seriously consider a proposal that we believe would save the HSR considerable construction and acquisition expenses as well as avoid the uncertainty associated with expensive and time consuming litigation.

There have been several meetings between HSR and its design-build team and SunnyGem's management and legal counsel. To date, HSR has proposed two different designs: an approximately 8,000 foot berm with a 140 foot opening in front of SunnyGem's loading dock and an elevated viaduct with pylons spaced approximately 135 feet apart.

After careful study of these alternative design concepts, SunnyGem's engineers and consultants concluded that both of these designs will cost tens of millions of dollars more than at-grade construction. In addition, as we have repeatedly stated, neither design will work as each creates impacts on SunnyGem's operations that cannot be mitigated, thereby resulting in an effective total taking of the facility. Rather than wasting taxpayers' money on an unnecessary and expensive option that does not work and will ultimately be incompatible with SunnyGem's state-of-the-art, and highly sensitive, almond processing/manufacturing operations, we proposed a solution that would allow the tracks to be built at-grade on SunnyGem's property (saving, we believe, approximately \$65,000,000 compared to a berm or \$75,000,000 compared to a viaduct). This proposal is set forth in my July 12, 2016 letter to Mr. Don Grebe (copy attached as Attachment 1). In broad outline, SunnyGem and the HSR would enter into a Possession and Use Agreement allowing for the construction of HSR's right of way at-grade on the property, but in such a manner that there would be no interference with on-going operations; SunnyGem will build a new production facility at the north end of its property, and HSR would compensate SunnyGem for the new facility and for any incurred damages allowed by law.

We believed that this proposal could have created a win/win/win, both for HSR and SunnyGem, as well as for the City of Wasco, which would not be burdened by having a giant dirt wall through the middle of the community and the shutdown of one of Wasco's largest employers. In my July 12th letter to Mr. Grebe I wrote:

We realize that this proposal would involve the resolution of numerous engineering, financial and other technical details, but we believe it would result in an outcome that accomplishes the objectives of HSR, SunnyGem and the City of Wasco. HSR wants certainty in its land acquisition and to avoid costly legal delays. The City of Wasco needs to maintain the integrity of its community and protect its citizens and businesses. SunnyGem needs certainty in the future of its business operations. SunnyGem has no desire to raise legal obstacles and impediments to HSR, but it will do what is necessary to protect its operations and the livelihood of its 200-plus employees.

I further wrote, "We request the opportunity to promptly meet with you and other appropriate HSR staff members to consider the at-grade option outlined above, which could result in cost savings and schedule certainty for HSR while preserving SunnyGem's operations."

We fully expected that HSR would give our proposal serious consideration. Instead, Mr. Grebe wrote back to me on July 25th (copy attached as Attachment 2) - less than two weeks after my July 12th letter - and stated "[I]n regards to a meeting to discuss, I'd like to propose that once HSR wraps up the appraisal and delivers the First Written Offer we meet at that time to strategize the best way forward." In other words, HSR has rejected SunnyGem's proposal (a proposal which we believe is most "compatible with the greatest public good and the least private injury" (Cal. Code Civ. Proc. Sec. 1245.230, *et seq.*) for all the reasons set forth in my July 12th letter) without even the opportunity to meet and understand how that proposal would work or to discuss whether any of HSR's concerns could be resolved.

As I wrote at the outset, we were both surprised and disappointed to have our good faith proposal, which we believe would benefit HSR and the City of Wasco, as well as SunnyGem, so quickly rejected out of hand. Unfortunately, we are at the point where SunnyGem will need to aggressively assert all its legal rights in order to protect the viability of its processing plant and the jobs of its 200 plus employees. We believe that this shouldn't be necessary because we will be able to show that this unnecessary \$80,000,000 expenditure will solve nothing, and will still result in the total taking of the plant with damages in the hundreds of millions of dollars as well as disrupting the community of Wasco, both physically and economically. We believe that HSR is making an unnecessary and unfortunate decision.

Accordingly, we respectfully request that the HSR take a serious second look at SunnyGem's proposal for the sake of all concerned.

Very truly yours,

Dentons US LLP



Ivor E. Samson

IES/kzc

Enclosures

cc: Diana Gomez
Don Grebe
Paul Paris, Wasco City Manager

ATTACHMENT 1



Ivor E. Samson
Partner

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Dentons US LLP
One Market Plaza
Spear Tower, 24th Floor
San Francisco, CA 94105
United States

大成 Salans FMC SHR Denton McKenna Long
dentons.com

July 12, 2016

VIA FED EX & EMAIL

Mr. Don Grebe
California High-Speed Rail Authority
Deputy Directory of Real Property
770 L Street, Suite 800
Sacramento, CA 95814

Re: SunnyGem, LLC

Dear Mr. Grebe:

I am writing to follow up on the proposal that was made at the June 15 meeting with HSR and SunnyGem. As you know, at a May 11 meeting, HSR presented SunnyGem with its berm design. In response, SunnyGem explained that the berm design was completely inconsistent with plant operations and would result in a total shutdown of the facility. In addition, the Wasco City Manager voiced strong opposition to the berm because that design concept would essentially create a massive dirt wall dividing the City of Wasco, creating an eyesore for an already struggling community. Thereafter, HSR staff and its design-builder revised the design and, at the June 15 meeting, HSR showed SunnyGem a viaduct design (which was slightly modified at a subsequent site visit).

SunnyGem appreciates HSR staff's efforts to come up with an alternate design concept in an attempt to accommodate SunnyGem's operational requirements. However, SunnyGem's engineers and technical staff have objectively evaluated the viaduct design and concluded that the construction and operation of a high-speed train on a viaduct, too, will be so detrimental to plant operations that the result will be an effective taking of the entire facility.

As we understand it, although the most cost effective construction option for HSR would be to build at-grade, HSR has proposed to elevate the tracks, either on a berm or on a viaduct, in an effort to accommodate SunnyGem's operations. Based on estimates created by SunnyGem's consultants, we believe that compared to constructing the tracks at-grade, the incremental, additional cost to HSR of constructing a berm is approximately \$65,000,000 (sixty-five million dollars), and the incremental, additional cost to HSR of constructing a viaduct is approximately \$75,000,000 (seventy-five million dollars) more than building at-grade. This is a large amount of money that need not be wasted to create a design that ultimately will not work for SunnyGem. Accordingly, I want to again reiterate a proposal made by Jim Ardaiz at the June 15 meeting, which could, conceivably, result in a win-win-win for HSR, SunnyGem, and the City of Wasco:

1. HSR chooses to build tracks at-grade on SunnyGem's property and through the City of Wasco, instead of tracks elevated on a berm or viaduct (HSR's most cost effective option and one that would address the City of Wasco's concerns);
2. Prior to HSR commencing construction of the at-grade tracks, SunnyGem and HSR will enter into a Possession and Use Agreement. This PUA will allow for the construction of a new processing and manufacturing plant to be built on the north end of SunnyGem's property, and for the construction of HSR's at-grade tracks (subject to conditions that HSR's access and use will not

interfere with ongoing plant operations). HSR will agree to indemnify SunnyGem for any losses or damages incurred;

3. SunnyGem will withdraw the Deposit of Probable Compensation for the property to be acquired for the ROW and will apply such funds to the construction of its new processing and manufacturing facility;
4. HSR will agree to compensate SunnyGem for ALL remaining costs of building the new facility, including land, structure, replacement equipment, permitting, relocation expenses, business opportunity costs for the lost use of the land on which the operations would now be placed, and damages for any lost production/sales or loss of certification/recertification, etc.; SunnyGem reserves all rights to seek additional compensation for the property to be acquired or other damages; and
5. Upon the completion and opening of the new facility, SunnyGem will terminate the PUA and convey the property for ROW to HSR.

We realize that this proposal would involve the resolution of numerous engineering, financial and other technical details, but we believe it would result in an outcome that accomplishes the objectives of HSR, SunnyGem and the City of Wasco. HSR wants certainty in its land acquisition and to avoid costly legal delays. The City of Wasco needs to maintain the integrity of its community and protect its citizens and businesses. SunnyGem needs certainty in the future of its business operations. SunnyGem has no desire to raise legal obstacles and impediments to HSR, but it will do what is necessary to protect its operations and the livelihood of its 200-plus employees.

We request the opportunity to promptly meet with you and other appropriate HSR staff members to consider the at-grade option outlined above, which could result in cost savings and schedule certainty for HSR while preserving SunnyGem's operations.

Very truly yours,

Dentons US LLP



Ivor E. Samson

IES/kzc

Enclosure

cc: Dan Richard
Diana Gomez

ATTACHMENT 2



CALIFORNIA
High-Speed Rail Authority

July 25, 2016

BOARD MEMBERS

Dan Richard

CHAIR

Thomas Richards

VICE CHAIR

Lou Correa

Daniel Curtin

Bonnie Lowenthal

Lorraine Paskett

Michael Rossi

Lynn Schenk

Jeff Morales

CHIEF EXECUTIVE OFFICER

Mr. Ivor Samson
Dentons US LLP
One Market Plaza
Spear Tower, 24th Floor
San Francisco, CA 94105

Dear Mr. Samson:

Thank you for your letter of July 12 wherein you reiterate Jim Arnal's proposal of June 15 that HSR will, in part, enter into a Possession and Use Agreement (PAU) that would allow the construction of a new processing and manufacturing plant to be built on the north end of Sunny Gem's property. The proposal including other items to help mitigate the impact of the proposed HSR project on their property and operations presents some interesting elements.

At this point in time, another redesign and corresponding analysis from an environmental, design, right of way and construction perspective would further delay an already impacted schedule and probably not provide the best path forward. HSR feels that the redesigning of the retained fill concept with a viaduct structure sufficiently minimizes the impact on the overall Sunny Gem operations to the point where a complete rebuild of the processing and manufacturing plant is not necessary. HSR believes that the viaduct structure will allow the existing operations on the main plant to continue without significant impacts. The major impact which will be included in the appraisal and eventual offer of course, will address the three buildings (dehydration and two fumigation buildings) that will need to be relocated and/or reconstructed on another portion of the site.

The main factor leading to this direction is the likelihood that the time involved in designing, permitting efforts, reconstruction/re-establishments of those three buildings are significantly much less than that of the main facility which has much more intricate design and construction to replace, not to mention the special machinery and equipment that would also need to be relocated and/or replaced.

In regards to a meeting to discuss, I'd like to propose that once HSR wraps up the appraisal and delivers the First Written Offer we meet at that time to strategize the best way forward.

Best Regards,

Donald E. Grebe
Deputy Director of Real Property
California High-Speed Rail Authority
770 L Street, Ste 620 MS-2
Sacramento, Ca 95814
916.431.2935 (O)
916.837.5546 (C)

cc: Dan Richard
Diana Gomez

STANDARD BUSINESS
QUALITY PAPER

