

Valley cities, counties hopeful but unsure about high-speed rail economic effects

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Tony Oliveira

- More information

HIGH-SPEED RAIL PLAN

- Phase 1 plans for California's high-speed rail project calls for connecting San Francisco and Los Angeles, by way of the San Joaquin Valley, with electric trains capable of carrying passengers at speeds up to 220 mph.
- The project is planned to be built in stages, the first of which is in the Valley between Merced and Bakersfield at a cost of about \$6 billion and completed in 2018.
- The first operational segment would begin carrying passengers when the route is extended southward from Bakersfield through Palmdale and into the San Fernando Valley, planned in about 2022. The estimated cost for the first operational segment is about \$31 billion.
- Later stages of Phase 1 would extend tracks from the San Joaquin Valley westward over the Pacheco Pass to Gilroy and San Jose, where high-speed trains would continue on Caltrain commuter-rail tracks into downtown San Francisco. In Southern California, the line would be extended to Los Angeles and Anaheim. Phase 1 is planned to reach completion, with a one-train ride from San Francisco to Los Angeles/Anaheim, in 2028. The total Phase 1 cost is estimated at \$68 billion.
- Phase 2 extensions, for which there is currently no timetable or cost estimate for development, would reach north from Merced to Sacramento and from Los Angeles to San Diego by way of the Inland Empire (San Bernardino/Riverside).

A new economic report prepared by a former Kings County supervisor outlines lingering uncertainty among Valley city and county leaders over how California's high-speed rail project could benefit their communities.

[Tony Oliveira](#), a farmer and economist from the Lemoore area, [summarized](#) his report Tuesday to the [California High-Speed Rail Authority](#) board in Sacramento. His findings represented the culmination of a yearlong effort that involved combing through city and county general plans and economic development programs, followed by round-table meetings in each of six Valley counties — Fresno, Kings, Madera, Merced, Tulare and Kern — and one-on-one follow-up interviews with community leaders and community development professionals.

The [full 176-page report](#) details the Valley's economic challenges — higher unemployment, lower wages and lower levels of educational attainment than statewide averages — and communities' concerns about how, or whether, high-speed rail construction and operation in the region and across California will help or hinder efforts to improve opportunities.

"Some stakeholders described the Central Valley as an 'island' that is isolated from the rest of California by geographic and economic barriers, and saw high-speed rail as a means to help break down those barriers," Oliveira said.

The rail authority expects to commence construction soon on its statewide rail project in the Fresno-Madera area — the first portion of what the agency plans as a 520-mile system of electric-powered trains linking San Francisco and Los Angeles by way of the Valley. Passenger stations are being planned in this part of the state in Fresno, Merced, Hanford and Bakersfield.

But up and down the Valley, "stakeholders expressed hesitation about how to target their resources given the uncertainty they felt about how and when the (high-speed rail) program will be completed," Oliveira added. "They are anxious because businesses are holding back waiting to see what is going to happen. ... Local governments are always concerned about the unintended consequences of not knowing what's going on."

And cities without a stop along the bullet-train line wonder how they would benefit from the project.

Oliveira prepared the report in conjunction with [Parsons Brinckerhoff](#), the rail authority's overall program-management consultant.

Among the broad themes that Oliveira said emerged from the study were that community leaders were generally positive about the rail authority's efforts to improve communication, as well as its programs to ensure that small businesses and local workers have an opportunity to find work on the statewide project.

"Workforce preparation was a common concern, as was a desire to keep jobs local," Oliveira reported. "There is a need for more clarity about what types of jobs will be needed, and when."

But from an economic development perspective, he added, "some stakeholders saw an opportunity to use high-speed rail as part of a 'marketing pitch' to bring more businesses to the region."

Agriculture represented about 15% of the Valley's employment, and 10% of the region's gross domestic product — far higher than the statewide proportions of 2.5% of jobs and 2% of GDP. In his report, Oliveira described the region's lower income and lower educational attainment as a "chicken-and-egg scenario — an industry base that is focused primarily on farming and the public sector requires relatively lower levels of education."

"This is one factor that discourages residents from pursuing higher levels of education and, subsequently, deters key knowledge industry employers from locating in the region due to a lack of qualified workers," he added.

The study suggests that while agriculture is and will remain the backbone of the Valley economy, some community and economic leaders in the region believe high-speed rail could be a catalyst for improving the situation. "There is interest in seeing the rail authority collaborate with the region's higher education institutions on a range of initiatives — job training, research, advancing applied sciences — which are the foundation for growing new business and employment opportunities."

Above all, Oliveira said, is the desire for better communication and collaboration. "The overarching thing that came out ... is listening to the local governments and the agencies that have to deal with all of the community — not just agriculture, not just government," Oliveira said. "When you really study our region, the largest employment sector isn't agriculture. There are many sectors of labor, and there are many people. The region is in flux."

The board took no action on the report, but board chairman Dan Richard said the document "gives us a road map to look at areas where we should be engaging more fully with communities up and down the Valley."

From promoting education and training for the region's population and maximizing the economic development potential for areas around high-speed train stations, "we should be perfecting strategies to deal with those issues in these communities," Richard said. "We've got a once-in-a-generation opportunity. If we just look at this as a set of tracks with electric lines, we will miss an opportunity to transform this state in tremendous ways.

"I don't believe any area of California will benefit more from high-speed rail than the Central Valley," he added. "And I believe it more after listening to this today."

In other action

Also at Tuesday's meeting in Sacramento, the California High-Speed Rail Authority Board:

- Adopted findings declaring that 181 farmland parcels covered by Williamson Act conservation contracts in Kings and Tulare counties are necessary for the high-speed rail right of way. The formal findings certify that the rail authority is not selecting those parcels because they have lower property values because of their agricultural preserve status, and that there are no reasonably feasible alternative locations available. In Kings County, the 132 identified Williamson Act parcels encompass a total acreage of almost 9,700 acres. In many cases, however, only portions of the land are needed for right of way — a total of about 1,123 acres. In Tulare County, the 49 Williamson Act parcels cover about 8,600 acres, of which 1,617 are needed for the rail route.

- Approved a modification to a May 2014 resolution approving the Fresno-Bakersfield portion of the statewide rail line, in accordance with a legal settlement of the city of Bakersfield's lawsuit over the route selection. The settlement requires the rail authority to fully evaluate alternative routes through the city and to complete a new environmental study of those options before approving a final route.
- Awarded a contract of up to \$51 million to STV Inc., a Pennsylvania-based engineering and consulting firm, to be the new regional consultant for environmental and engineering services for the rail agency's Burbank-Los Angeles and Los Angeles-Anaheim sections. The company was one of two firms that bid for the contract, which calls for preparing comprehensive environmental impact reports for the two sections as well as station-area planning for the area around Los Angeles Union Station, which would be a major stop on the high-speed rail line. The contract will include a requirement that at least 30% of the work be subcontracted to small businesses or businesses that are owned by the historically disadvantaged, including women, minorities or disabled veterans.

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