

Measure C panel puts hold on high-speed rail funds

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The Fresno County commission that governs the spending of Measure C transportation tax money wants more details and assurances before authorizing up to \$750,000 to help secure land for a prospective high-speed rail maintenance depot.

Members of the Fresno County Transportation Authority, which holds the purse strings for the county's half-cent sales tax supplement, voted Wednesday to postpone until December a decision on setting aside the money to facilitate possible purchase options for property where local leaders hope the state will eventually build the depot. The depot would service trains for California's proposed statewide high-speed train system.

The California High-Speed Rail Authority's "heavy maintenance facility" is widely considered something of an economic golden goose because it would directly employ an estimated 1,500 workers in a range of blue- and white-collar technical and management jobs.

In 2010, the transportation authority voted to use \$25 million in Measure C money as an enticement for the state to select a Fresno site for the heavy maintenance facility. But that money would only be made available to the state if and after Fresno was chosen for the depot. What was considered Wednesday was an amendment to the Measure C spending plan that would allow up to \$750,000 to be used to reimburse developer Tim Jones for escrow deposits to landowners after a year if the state still has not selected a site for the facility.

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Lee Ann Eager, CEO of the Fresno County Economic Development Corporation

Fresno County Supervisor Andreas Borgeas said he was disturbed by the word "allocation" in the authorizing resolution because it connotes a commitment to spend the money before the authority's board members fully understand the conditions with Jones, a local attorney. "You're looking for a \$750,000 green light without a contract," Borgeas said.

Jones and Fresno Works – an ad hoc coalition of officials from the city and county of Fresno and local business organizations – have been working for months on a proposal for Jones to negotiate with owners of 17 parcels, totaling about 510 acres along the BNSF Railway freight tracks between Malaga and Adams avenues. Earlier this year, the idea was for Jones to front the money to secure purchase options on the land and be repaid up to \$750,000 from Measure C money.

The latest incarnation of the proposal, approved by the Fresno Council of Governments last month, called for Jones to put up money to open one-year escrows for the properties; if, after one year, the state has decided to select Fresno as the site, Jones would complete his deals with the property owners and negotiate a sale directly with the state. The potential \$750,000 advance would not be at risk because the already-approved \$25 million incentive would be made available to the state.



If the state chooses a different site within that year, Jones could withdraw his escrow deposits and would need no reimbursement from Measure C. However, if after a year the state still has not chosen a site and Fresno County wants to extend the escrows in hope of landing the site, Jones would forfeit his earlier escrow deposits and seek reimbursement from Measure C.

Fresno Mayor Ashley Swearingin described the current proposal as “a good compromise” because the Measure C money wouldn’t be spent until after a second vote by the authority to extend the escrows beyond the first year.

Neither Jones nor his representatives were at Wednesday’s meeting, and so far all the transportation authority has is Fresno Works’ say-so on the proposed deal. At the very least, Borgeas said, Jones or his representatives should provide a letter detailing his side’s understanding of the proposal and spelling out specific protections for Measure C funds. If such a letter is ready by the panel’s December meeting, “I’ll be prepared to vote on it next time,” Borgeas said.

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Fresno County Supervisor Andreas Borgeas

Borgeas rejected a suggestion to replace the word “allocate” in the resolution with the word “authorize.” “I’m not going to put Scotch tape and bubble gum on something that has misleading words,” he said. He added that it is unlikely that the state will be ready to move ahead with its site selection before the December meeting.

Indeed, it could be mid-2016 before the California High-Speed Rail Authority starts getting specific about its preferred site for the heavy maintenance facility. An agency spokeswoman, Lisa Marie Alley, said last month that it will be December or January when the rail authority’s board finalizes the criteria for choosing a site. Then it will take several months to fully evaluate and score the proposed sites. “We’d like to be able to say that by the end of 2016, we will go to the board for the formal selection of a site” for the maintenance facility, Alley said.

The selection of a maintenance station site will likely go hand-in-hand with the process of choosing a manufacturer to build the electric train sets for the statewide system because the train builder also would be expected to build the maintenance facility, she added.

Clovis Mayor Harry Armstrong pointed to the continuing lag by the state since the transportation authority’s original decision to provide the conditional \$25 million incentive for the heavy maintenance facility. “We put money aside in 2010 because it sounded like high-speed rail was going ahead right away,” he said. Armstrong added that he’s concerned by the prospect of “taking little dabs out (of Measure C money) for little things.”

Fresno Works leader Lee Ann Eager, CEO of the Fresno County Economic Development Corporation, said Fresno County’s site is competing with proposals up and down the Valley, some of which are already under single ownership that simplifies land acquisition by the state for a maintenance facility. “Fresno is a perfect location, but there’s no guarantee that we have the land available to turn over” to the state, she said. Jones’ willingness to front the money to consolidate ownership of the many parcels would help level the playing field.

Borgeas said Fresno “has already done much more than some other places” to make its site more attractive to the state. If Jones is able to provide more clarity about the proposal, “it will enhance (Fresno’s proposal) as much as possible without putting Measure C money at risk.”

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