

# **Breakdown: California High Speed Rail Project**

**Cara Hallam, Turlock Journal, 2-7-14**

## **COST**

Total projected cost — \$67.6 billion

Original projected cost — \$33 billion (amount projected when Prop1A, the \$9.9 billion high speed rail bond measure, was approved by voters in 2008)

Federal dollars spent to date — \$3.5 billion, including \$2.5 billion in federal stimulus money

California High Speed Rail Authority – over \$600 million on consulting, project management, public outreach, preliminary engineering and environmental assessments

## **JOBS**

Consultants – Environmental and design consulting firms have seen major benefits from the California High Speed Rail project. Recently, the Fresno City Council approved spending \$2 million in funds provided by the Authority for a consulting firm to insure design plans are implemented when construction begins.

Construction – High speed rail construction for the first leg of the initial operating section in the Central Valley is projected to create 20,000 construction jobs annually for the next five years. Currently, the construction industry in the Central Valley has a 30 percent unemployment rate. According to the Authority, the Initial Operating Section is set to create 34,000 jobs annually for the next 15 years, while the Bay to Basin step will create an estimated 60,000 jobs annually for 13 years. The building of the Phase 1 Blended System is said to generate an additional 66,000 jobs annually for 15 years.

Operation and Maintenance – Initial Operation Section, once fully operational, will directly employ an estimated 4,500 permanent jobs. The full Phase 1 system would directly employ an estimated 3,500 people.

Indirect Job Creation – increased economic activity associated with the high speed rail system could indirectly generate up to 400,000 additional long-term, permanent jobs statewide.

## **CONSTRUCTION**

Initial Operation Section – First set for summer 2013, the construction of the initial operation section throughout the Central Valley has been continually postponed due to legal/financing setbacks. Engineering and design work has begun in the Fresno area, with the rail Authority pushing for high speed rail construction in the Central Valley to begin in spring. In the 2012 Revised Business Plan, the Merced-Fresno and Fresno-Bakersfield segments should be completed by mid-2017.

Operational timeline – The initial operational segment is projected to be operational by 2021, the Bay to Basin by 2026, and Phase 1 Blended by 2028. The project is to be fully completed by 2029, with over 29 stations and 800 miles of track, while reaching speeds of 200 miles per hour.

## **LEGAL ISSUES**

Prop1A bonds – In November 2013, Sacramento judge Michael P. Kenny denied the Authority’s funding plan, ruling that their requested nearly \$10 billion in Prop1A bonds could not be issued.

Supreme Court – In January, Governor Jerry Brown’s administration petitioned the California Supreme Court to overturn the November ruling that barred the State from selling the Prop1A approved bonds. In response, the Supreme Court ordered an appeals court to perform a fast-track review of the state court decision.

## **WHAT SUPPORTERS SAY**

Good for the environment

- By 2040, the system will reduce vehicles miles of travel in the state by almost 10 million miles of travel every day.
- Starting in 2030, the state will see a reduction of 93 to 171 flights daily.
- In 2022, when the Merced to San Fernando Valley segment is running, the resulting Greenhouse Gas reductions will be between 100,000 to 300,000 million metric tons of carbon dioxide equivalent in the first year. That’s equivalent to taking 17,700 to 53,000 personal vehicles off the road.

Good for population growth

- California’s growing population is expected to hit 50 million by 2030. To keep up with population and usage trends, the state would need to invest over \$150 billion to build 4,3000 new-lanes miles of highway, 115 additional gates at California airports and 4 new airport runways.
- High speed rail system would cost less to construct, take pressure off the current infrastructure system, reduce the state’s dependency on fossil fuels, and result in better air quality.

Good for economy

- The project will put thousands of unemployed Californians to work, while producing growth in several other sectors throughout the wider economy.
- The economy will become more efficient and competitive as goods move more freely, while reducing congestion in ports, on freight rail lines, and along the highway system.
- The \$2.6 billion initial state investment in high speed rail from Prop1A bond funds will produce a net economic impact of \$8.3 to \$8.8 billion – a 3:1 return.
- State and local governments will earn more than \$600 million back in tax revenue, or nearly 25 percent of what the state will spend on initial construction of the system.

## **WHAT OPPONENTS SAY**

State and Federal Funds

- State funds should be secured and spent first before spending federal funds. Although this is usually the case with most federal-state matching funds programs, President Obama gave special permission to the Authority to spend federal funds first as all stimulus money must be spent by Sept. 2017.
- Federal funds should be suspended until sufficient non-federal funds are available.
- Prop1A bond funds should be redirected towards local transportation infrastructure projects instead of High Speed Rail.

Not what we voted for

- Although California voters approved the 2008 Prop1A bond for high speed rail, the project was originally estimated at \$33 billion, which has since nearly doubled in cost.
- A field poll in July 2012 found that 56 percent of likely voters would oppose the rail project if it were up for another public vote, with 39 percent supportive.

Agricultural Impact

- Farming organizations suing the Authority to stop construction.
- Merced and Madera County Farm Bureaus say that the bullet trains path would render thousands of prime farmland useless.
- State spending more than \$300 million to buy out hundreds of properties along the route, even if against the landowners will.