

CALIFORNIA LEGISLATURE

S e n a t e

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

Joint Informational Hearing

**Senate Agriculture Committee and
Senate Transportation and Housing Committee**
Senator Anthony Cannella and Senator Mark DeSaulnier, Chairs

FROM FOOD TO RAIL: HIGH-SPEED RAIL IMPACTS ON AGRICULTURE

July 15, 2011 ~ 1:00 p.m.
Board of Supervisors Chamber, 2222 M Street, Merced, California

AGENDA

1. Opening Remarks

2. California High-Speed Rail Authority

Roelof van Ark, CEO, California High-Speed Rail Authority

3. Agriculture Industry, Lending and Land Impacts

Chris Zanobini, Executive Vice President, Grain and Feed Association
Leonard Van Elderen, President/CEO, Yosemite Farm Credit
Serena Unger, Policy Consultant, American Farmland Trust

4. Farmer Impacts

Jeff Marchini, President, Merced County Farm Bureau
Holly King, Kern County Farmer
John Tos, Kings County Farmer
Kole Upton, Madera/ Merced County Farmer and Director of Preserve our Heritage

5. Public Comments

HSR Background

High-Speed Rail Issues

Early Interest in High-Speed Rail

1981-1982

A Japanese-American business group proposed high-speed rail service between Los Angeles and San Diego. Legislation was enacted giving the Treasurer the lead role in arranging financing for a viable project. Legislative support for the project died after a group of legislators representing corridor communities visited Japan to observe high-speed trains in operation. They return unimpressed because the noise generated by the trains would be unacceptable to the communities in the corridor.

1990

Proposition 116, the Clean Air and Transportation Improvement Act of 1990, an initiative measure placed on the ballot by the Planning and Conservation League, provided an allocation to the California Department of Transportation (Caltrans) to study the feasibility constructing a passenger rail line crossing the Tehachapi Mountains.

1993

The Legislature enacted Senate Concurrent Resolution 6 (Kopp), Resolution Chapter 56, requesting Caltrans to prepare a twenty-year high-speed rail plan for linking Los Angeles and the San Francisco Bay Area by 2020. The resolution also created the Intercity High-Speed Rail Commission to oversee the plan's development. Parsons Brinckerhoff was retained as the consulting engineer and program manager for the project. PB continues in that role. Its current \$112 million contract expires in 2013.

California High-Speed Rail Authority Established

1996

SB 1420 (Kopp), Chapter 796) establishes the organizational framework for the existing high-speed rail project. It created the High-Speed Rail Authority (HSRA), including the nine member board, with five members appointed by the governor, and two each by the Speaker of the Assembly and the Senate Rules Committee. The board is charged with developing a high-speed rail system for California and overseeing its implementation. Specific responsibilities included in SB 1420 and subsequent legislation are:

- Prepare a HSR rail system plan and a financial plan.
- Authorizes the HSRA to enter into contracts with private or public entities to for the design, construction, and operation of high-speed train service.
- Authorizes the HSRA, at its discretion, to establish criteria for selecting a franchisee to operate HSR service.
- Limits HSRA's responsibility to developing passenger rail service with speeds exceeding 125 miles per hour. Caltrans is responsible for developing service operating at 125 miles per hour or less.
- Originally the HSRA was to sunset in 2000 if funding was not provided for the development of the project. This requirement was deleted in 2002.

2000

HSRA adopts a statewide high-speed rail system link Los Angeles-San Francisco via the San Joaquin Valley, Los Angeles-San Diego via Riverside, and Sacramento-San Francisco/Los Angeles via Merced.

2002

HSRA proposed a \$9.950 billion general obligation bond for the 2004 election cycle, with \$9billion for the HSR system and \$950 million for connecting rail facilities.

2004-2006

Bond measure removed from the ballot due to budget issues and rescheduled for 2006. The 2006 measure is removed from the ballot for the same reason.

2008

AB 3034 (Galgiani) the Safe, Reliable High-Speed Passenger Train Bond is introduced. When the bill came to the Senate, it was significantly rewritten to include the following provisions:

- Defines a Phase I corridor as having first priority for construction. The Phase I corridor includes Anaheim-Los Angeles-Palmdale-Bakersfield-Fresno-San Jose either by Pacheco Pass or Altamont Pass-San Francisco Transbay Terminal. Planning could be performed on the Sacramento-Merced Corridor and Los Angeles-Riverside-San Diego Corridor, but no construction may commence until construction of Phase I is complete. The HSRA opposed this specificity but the Transportation and Housing Committee believed it was necessary to secure voter support.
- Prohibits state, local, or federal revenues being used to subsidize the services operations. This was done to mitigate concerns of the public transit operators. This essentially makes the HSR project a commercial venture.
- Established the condition that travel times between cities shall not exceed certain benchmarks. For example the time between Los Angeles and San Francisco should not exceed two hours, 40 minutes or between San Francisco and San Jose 30 minutes. There is no time requirement between Los Angeles and Anaheim.
- Establishes an independent peer review group with appointments made by the Treasurer, Controller, the Secretary of Business, Transportation & Housing the Director of Finance.
- Specifies that up to ten percent of bond, \$900 million may be used for planning, environmental analysis, and preliminary engineering. In addition, there is a 7.5 percent set aside for right-of-way acquisition and mitigation purposes. There is also a 2.5 percent set aside for administrative cost.
- Establishes a process for reviewing a request from the HSRA for bond funding.
- Establishes an eight member independent peer review committee comprised of the following members:
 - Two individuals appointed by the State Treasurer with experience in the construction or operation of high speed rail in Europe, Asia, or both.
 - Two individuals, appointed by the Controller, one with experience in engineering and construction of high speed rail and one with experience in project finance.

- One representative, appointed by the Director of Finance, from a financial service or financial consulting firm who has not been a contractor or subcontractor to the HSRA for the previous three years.
 - One representative, appointed by the Secretary of Business, Transportation and Housing, with experience in environmental planning.
 - Two representatives, appointed by the Secretary of Business, Transportation and Housing, from agencies providing intercity or commuter passenger train service in the state.
- Requires the independent peer review committee to review and issue an analysis of the appropriateness and accuracy of the HSRA's assumptions underlying its planning, engineering, and financing plan and its viability for a project in a corridor for which it is seeking bond funds.
 - Requires the HSRA, 90 days prior to presenting a request to the Governor and Legislature for an appropriation of bond proceeds, to submit to the Director of Finance, the peer review committee, the Senate Transportation and Housing Committee, Assembly Transportation Committee and the legislative fiscal committees a detailed funding plan for a corridor or a usable segment.
 - Requires the HSRA to include in the funding plan:
 - An Identification of the corridor in which the HSRA will expend the funds.
 - A description of the expected terms and conditions associated with any lease agreement or franchise agreement proposed to be entered into by the HSRA for the construction or operation of passenger train services in the corridor or usable segment.
 - An estimated full cost of constructing the proposed service, an estimate of construction cost escalation, and amount of contingency reserves.
 - An identification of all funds to be invested in the project from public and private sources and the anticipated time of receipt of funds.
 - An identification of forecasted ridership and operating revenue.
 - An identification of all known or foreseeable risks during the construction and operations of the service and the strategies for managing the risks.
 - A certification that corridor or segment will be suitable and ready for high-speed rail service.
 - A certification that one or more passenger service providers can begin using the tracks and stations.
 - A certification that the planned service will not require a local, state, or federal operating subsidy.
 - Requires the peer review committee to report its findings and conclusion to the Legislature no later than 60 days after receiving the plans.

- Requires the HSRA prior to expending bond proceeds appropriated by the Legislature for the construction and acquisition of equipment and property to submit concurrently to the Director of Finance and the Chair of the Joint Legislative Budget Committee the following:
 - A detailed funding plan for the corridor that identifies the full estimated cost of the project, the sources of public and private revenues and their assumed time of availability, and a project ridership and operating revenue report; an estimate of construction cost inflations and the amount of contingency reserve; a report on any material changes that have occurred since the initial report to the Legislature, Director of Finance, and the peer review committee; and a description of any contract entered into with any party for the construction and operation of the proposed service.
 - A report prepared by an independent financial services indicating that when completed the segment would be ready for high-speed service; one or more service providers can use the facilities; the service provided by the HSRA will not require an operating subsidy; and assessment of risk and risk mitigation strategies being proposed.

The Director of Finance must review the plan described in (b) within 60 days and if the director finds that the plan is “likely to be successfully implemented,” the HSRA may proceed with the project. The Joint Legislative Audit Committee may communicate its findings to the director during the 60 day period.

Post Bond Enactment Issues

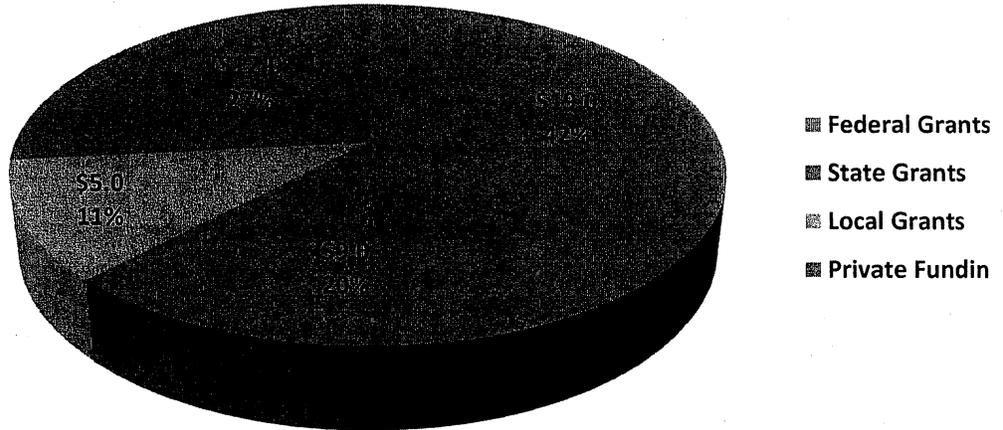
- Project funding
- Business plan
- Ridership
- Community relations
- Peer Review Group Letter

Overall Project Funding

The 2009 business plan only increased discontent over the direction of the project. To begin with the cost of the project increased from \$33.6 in 2008 to \$ 42.6 billion in 2009, a 27 percent increase. The reason for the increase is a result of inflating cost to the year of construction. Of course, the bond revenue does not increase. In fact, they decrease as a result of inflation. The increase in project cost also result an increase in the assumed project construction revenues.

As can be seen in the following chart, the bulk of the capital funding, 42 percent, is expected to be from the federal government. Private investors account for 27 percent of the funding. State bond revenues account for 20 percent of the funds. Communities in which stations will be located are expected to contribute 11 percent of the funding. In fairness, this plan was prepared before the Republicans took control of the House of Representatives and local redevelopment programs, the most likely source of local funding, became problematic because of the Governor's budget strategy.

**Assumed Sources of Funding
California High-Speed Rail Project**
(\$s in billions)



Federal Funding

The HSRA’s current funding plan assumes that 42 percent of the project’s cost will be assumed by the federal government. It was unclear when federal funds would be available until the American Recovery and Reinvestment Act of 2009 (ARRA) was enacted. This act appropriated \$8 billion for intercity passenger rail projects, including high-speed rail, nationwide. California has received two allocations of ARRA funds and a single allocation from the High-Speed Intercity Passenger Rail (HSIPR) program. ARRA funds must be put under contract for construction by 2012 and the project completed by 2017. This condition does not apply to the HSIPR program. The awards are displayed in the table below.

Estimated High-Speed Rail Funding for First San Joaquin Valley Segment

	Federal Funds	Proposition 1A Funds	Total
First Round of ARRA Funding for construction (50% match)	\$1.656	\$1.656	\$3.312
Second Round of ARRA Funding for construction ¹ (50% match)	.616	.616	1.232
HSIPR (70% federal; 30% state)	.715	.325	1.040
Total²	\$2.987	\$2.597	\$5.584

1. This money is the result of Ohio and Wisconsin declining federal high-speed rail funds.
2. The HSRA reported in budget documents that it has executed agreements for \$3.6 billion in Federal grants. In fact, the state received \$2.250 billion in ARRA funding, \$400 million was transferred to the Transbay Terminal project by the Federal government and \$194 million was dedicated for engineering services. The total amount of ARRA funding available to the state is estimated to be \$2.272 billion.

At this point, the \$2.272 billion in ARRA funds *may* be problematic, since HSRA will be unable to spend the funds until 2012, and the House Appropriations Committee is recommending an 18 percent cut in transportation and housing funding for the current fiscal year. The bulk of the cuts will likely be general fund revenue currently supporting the Highway Trust Fund.¹

Florida funding round

- ARRA grant to Florida \$1.250 billion
- ARRA grants to Ohio and Wisconsin \$ 342 million
- 2010 appropriation to Florida \$ 800 million

Business Plans

The lens through which the Transportation and Housing Committee has evaluated the HSRA has been its business plans.

To date, the HSRA has published three business plans. The first was published in 2000, the second, mandated by AB 3034, in October 2008, and the most recent in December 2009 was required by the 2009-2010 Budget Act.

- The committee directed its attention to the two most recent plans.

¹ The House Appropriations Committee announced this target on February 3, 2011.

- The elements of the business plan called for in AB 3034, include capital and operating costs, estimated patronage, an estimate of funds, and a discussion of financial, construction, technological, and operational risk.
- The Legislative Analyst Office (LAO) testified that the 2008 plan was “very general and did not provide specifics that are included in the typical business plans”. The LAO recommend that the Legislature should require more detailed information in future HSRA business plans. Aside from the comments of the LAO, the October 2008 business plan, from a political perspective, was generally viewed as a promotional piece.
- The 2009-2010 Budget Act expanded on the elements of the business plan contained in AB 3034 to include a new requirement for a community outreach plan and additional details on route and alignment, financing, ridership, private investment strategies, project milestones, strategies to mitigate various types of risk. The LAO reported that the plan was an improvement, but the discussion of risks was inadequate. For example, there was no risk management strategy, incomplete discussion of ridership risk, and an inadequate discussion of various aspects of financial risks.
- SB 783 (Ashburn), Chapter 618, Statutes of 2009, requires the HSRA to prepare a business plan every two years, beginning with the submission of the first plan on January 1, 2012. A draft of the plan is required to be completed for public review on October 1, 2011.
- 2012 business plan is several months behind schedule because negotiations which began last October with Pricewaterhouse, and later KPMG fell apart over contract language related to liability. At its March meeting the HSRA will ask board permission to issue a new RFP for a financial consultant.

Ridership

- To date, the most contentious issue surrounding the HSR project has been the ridership forecast.
- The HSRA acknowledges that the inability to meet the ridership forecasts pose a serious risk to project success. Its 2009 business plan states that “Solid ridership projections are necessary to build support in the private sector for the high-speed rail project”. For the high-speed rail project to succeed, a “solid” ridership forecast is necessary, because accurate and reliable ridership estimates are essential for encouraging investment in the project. How “solid” is the ridership forecast?

- The hearings suggested that the ridership was not very reliable. San Francisco has the most ridership 24,100 boardings. The second busiest station is Anaheim with 23,500 boardings, of which 18,200 are interregional. Los Angeles, the largest city in the state, has only 14,100 daily boardings, with only 3,700 of them being interregional. Merced is forecasted to have approximately 5,300 boardings, all of which are interregional.
- Why Anaheim has such high ridership? The methodology employed in making the forecast assumed travelers from Riverside and San Bernardino would by-pass Ontario airport and hack their way through thirty to forty miles of traffic to take HSR to the Bay Area. Similarly, it assumed travelers in San Diego would choose to take Amtrak or drive to Anaheim for the HSR trip north rather than fly from Lindbergh Field. Both assumptions pump-up Anaheim's ridership.
- Anaheim station debate

Daily Station Boardings

Station	Total	Inter-regional	Local
San Francisco Transbay	24,100	19,700	4,400
Millbrae	2,500	900	1,600
Redwood City	3,900	2,300	1,600
San Jose	7,600	4,500	3,100
Gilroy	4,700	3,600	1,100
Merced	5,300	5,300	-
Fresno	4,500	4,500	-
Bakersfield	5,100	5,100	-
Palmdale	12,900	5,200	7,700
Sylmar	5,100	3,100	2,000
Burbank	2,900	700	2,200
Los Angeles Union Station	14,100	3,700	10,400
Norwalk	4,500	2,900	1,600
Anaheim	23,500	18,200	5,300
Daily	120,700	79,700	41,000

Source: High-Speed Rail Authority Program Management Team, 2009. Note: This table provided by the HSRA corrects errors in the table that is in the business plan.

Institute of Transportation Studies Findings

Because of the dispute over ridership, the committee, with funding from HSRA, commissioned the Institute of Transportation Studies (ITS) at UC Berkeley to review the methodology used by HSRA's consultant, Cambridge Systematics. Among the conclusions reached by the ITS team are the following:

- The model is “unreliable for policy analysis”
- Various methodological errors, including an incorrect sample of California travelers
- Used frequency of service assumptions consistent with urban travel behavior not intercity travel (This resulted in the assumption trains will operated every five minutes during the peak travel hours)
- Unable to ascertain whether the system will or will not make money

The HSRA agreed to convene another peer review committee to review the model. For some inexplicable reason, the agency selected the person who chaired the previous peer review, and who did not catch errors in the methodology, to chair the current review. This decision will undermine the creditability of the peer review with critics.

Community relations

- Peninsula
- Los Angeles-Anaheim
- San Joaquin Valley

Generally, Insensitive to communities concerns and will not consider options. Litigation for the route from Merced to San Francisco via Pacheco Pass will be resolved in August, 2011. Farmers in the San Joaquin Valley are considering litigation.

Kempton Report

- | | |
|--------------------------------------|-----------------------------|
| • Staffing | • Resolve modeling issues |
| • Business model | • Address revenue guarantee |
| • Management of risk and uncertainty | • Right-of-way issues |
| • Address financial gap | |

March 2011

Ag Coalition Letter

September 2, 2010

California Cotton Ginners Association
California Cotton Growers Association
California Floral Council
California Grape and Tree Fruit League
Fresno County Farm Bureau
Kern County Farm Bureau
Kings County Farm Bureau
Madera County Farm Bureau
Merced County Farm Bureau
Nisei Farmers League
Raisin Bargaining Association
Tulare County Farm Bureau
Wasco Area Growers

September 2, 2010

Chairman Curt Pringle
California High Speed Rail Authority
925 L Street, Suite 1425
Sacramento, CA 95814

Dear Chairman Pringle:

This letter is to be presented to the High Speed-Rail Authority Board on behalf of several agricultural stakeholders in the Central Valley. Many of these entities have been individually engaged in the public process for quite some time; however we have combined efforts by identifying universal concerns on behalf of the agricultural industry.

Many of these concerns have been repeatedly raised in meetings with the High Speed Rail Authority Board Members and staff:

1. Cost estimates must account for future lost revenue to agribusinesses
2. Proposed routes render many parcels unprofitable
3. Irrigation systems will be detrimentally effected
4. Pollination will be decreased
5. Farmland is not a renewable resource

Current cost estimates do not take into account the true valuation of the land. Agricultural investments are very asset intensive. In order to justify this outlay of capital, a grower expects a rate of return over the life of the crop or livestock operation. The sales price of land does not take into account the future value that the land will produce. For example, if a grower recently planted walnut trees, the grower would have an expected income for the 40 years that the trees are in production. Forcing the grower to sell is effectively taking that future revenue out of their pocket.

Proposed routes ignore property lines, diagonally cutting parcels. Routes which do not follow existing transportation corridors disrupt clean property lines by diagonally cutting through ranches, leaving landowners holding the bag. Some of the proposed HSR routes will create islands of land that will be too small to justify the financial inputs required to farm, rendering these parcels unfarmable, therefore, unprofitable. A piece of farmland can easily become landlocked and accessible only through a neighboring property. Secondly, the HSR estimates that this route will only require 2,350 acres of farmland to come out of production from Sacramento to Bakersfield and along the Highway 152 corridor. This is a gross underestimate, when factoring the setbacks that are already enforced upon agricultural practices by existing regulations, requiring that farming practices occur at a certain distance from urban centers, schools, homes, traffic, etc. The reality is that tens of thousands of acres will be impacted.

Existing estimates of financial impacts on farmland have not been disclosed with a level of accuracy. It is imperative that realistic cost models are developed, and soon. These models must take into account the true value of land that will be impacted, as well as the actual cost of this land. The value of farmland is significantly decreased as it is broken into smaller pieces. Land that is bisected at a strange angle loses even more value. Giving an estimate per mile of track based on whether the train goes through farmland, cities, or mountains fails to take into account many factors.

Transportation systems are not compatible with agricultural operations, due to existing stringent laws and regulations. California has the most rigorous set of laws and regulations for the handling and application of fertilizers, herbicides, and pesticides in the country. For example, chemical sprays must be applied at a specific wind speed, according to law (between 2-10mph). Should the speed increase, farmers must shut down their spraying operations and wait for more favorable conditions. It is prohibited by law for a chemical to drift, especially onto a passenger or human transit vehicle. This is a constant challenge with the presence of school buses on rural roads. Should there be a "suspected drift," the bus in question must be swabbed by the County Agricultural Commissioner's office, and the grower faces tens of thousands of dollars in penalties. However, buses only run at certain times of the day, whereas, HSR trains will be present throughout the day and night. Not yet considered is the effect of a 220 mph train near farms – certainly chemical applications will be subject to drift with this level of air transfer. Lastly, aerial spray applications, vital to many agricultural crops, will be impossible with the regular presence of a human transportation system, as it will create a public safety issue.

Irrigation canals and irrigation systems will be interrupted and costly to reconfigure. Irrigation water travels through canals by gravity pull. Should this flow be interrupted, expensive pumps will need to be employed to deliver water to homes and ranches. There are irrigation canals running east to west about every mile and it would be a massive project to bury each one at each crossing.

High Speed Rail wind impacts on flowering trees and bee pollination will cause a decrease in yields. Permanent crops such as almonds, pistachios and grapes are the top commodities grown in the Central Valley. Nut crops, such as almonds, require that bees be present to complete pollination. Without bee activity, which is provided by employing a bee keeper to bring hives to the orchard, most trees will not produce a crop. Bees are

very particular about the types of conditions that they will work in, including: temperature and *wind speed*. A high speed train traveling at 220 miles per hour is very disruptive to bee activity, not to mention lethal. Additionally, strong wind will blow blooms off of flowering trees, like almonds and grapes, when flower counts are directly related to crop yields.

Farmland is not replaceable, there is no true mitigation for farmland, as it is not a renewable resource. California loses 100,000 acres of farmland per year to transportation and development projects. Farmland is the only property that is privately held, from which families make their livings. There are 82,000 farms in California, and 64,000 of them are family farms. We implore you to recognize that farmland is not simply flat land for the taking. It is a home to real people, and real families. There is an emotional tie to the land and a historical value that may not be replaced by "preserving" farmland in another area with mechanisms such as farmland easements. Please do not squander this nonrenewable resource.

As California's one dependable economic engine we ask the Authority Board and staff to continue to work with individual growers and their representatives. We will continue to be active in the public process and we thank you for your consideration on this matter.

Sincerely,

California Agriculture

**HSRA Response to
Ag Coalition Letter**

September 2, 2010

HIGH SPEED RAIL AUTHORITY'S RESPONSE TO AGRICULTURE STAKEHOLDER'S LETTER DATED 9/2/10

Concern: Cost estimates must account for future lost revenue to agribusiness.

Response: The HSRA is in the process of adapting the California Department of Transportation's "Right of Way Manual" for the Authority's use in implementing its right of way program.

Accordingly, future agribusiness revenue impacts will be assessed for both the specific property required for the high-speed train project and, if only a portion of the property is required, for any loss in value to the remaining portion of the property. The appraised value of land required for the project will account for the future production value. The future value will be addressed in the land valuation by considering all factors impacting land value, such as soil type/condition, the age/condition of existing crops; and if only a portion of the property is required, the added cost of operation and/or reduced productivity of the remaining portion of the property.

Property required for the high-speed train project will be appraised at its current fair market value, disregarding any decrease or increase in value determined to be caused by the project.

Although the value of a farming operation business is typically considered inclusive with the land value, an owner of a business conducted on the property acquired, or on the remainder property if only a portion of the property is acquired, may seek compensation loss of goodwill to the business. The business owner must prove the loss of goodwill through an application process with the Authority and include copies of the State tax returns for the business.

Goodwill is defined as the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality and any other circumstances resulting in probable retention of old or acquisition of new patronage.

Concern 2: Proposed routes render many parcels unprofitable.

Response: When only a portion of the property is required for the project, every reasonable effort will be made to ensure that the remaining portion of the property does not suffer damages (loss in value). However, if a loss in value to the remaining portion is determined, the total payment by the Authority will be for the portion of the property actually required for the project and for any loss in value to the remaining portion of the property.

Some damages (loss in value) to the remaining portion of the property may be mitigated or entirely eliminated by compensating the property owner for the cost of repairing or fixing the damage or loss. This is known as the "cost to cure." However, the cost to cure may not exceed the estimated loss in value to the remaining portion of the property.

If the remaining portion of the property is determined to have little or no market value ("uneconomic in the market"); or little or no value to its owner ("uneconomic to the owner"), the Authority may propose purchase of the remaining property.

HIGH SPEED RAIL AUTHORITY'S RESPONSE TO AGRICULTURE STAKEHOLDER'S LETTER DATED 9/2/10

Additionally, property owners, and others, may qualify for benefits under the Authority's Relocation Assistance Program. Benefits may apply in situations when the Authority acquires the entire property or only a portion of the property.

See "Your Property, Your High-Speed Rail Project" pamphlet for more information.
<http://www.cahighspeedrail.ca.gov/rightofway.aspx>

Concern 3: Irrigation systems will be detrimentally affected.

Response: It is understood, construction of the high-speed train could result in disruption to existing infrastructure on agricultural lands. These features could include buildings, structures, pumps, wells, reservoirs/tail water ponds, irrigation systems (including distribution lines, canals, and gravity flow systems), power supplies and/or access.

Also as previously discussed, some damages (loss in value) to the remaining portion of the property may be mitigated or entirely eliminated by compensating the property owner with the cost to cure, up to the estimate of the loss in value to the remaining portion of the property. Examples of a cost to cure mitigation are the cost to replace a well or reconnect an irrigation system. These cost to cure items typically leave property owners with more modern, cost effective and environmentally sound improvements.

Additionally, services provided by public, semi-public and some private utilities that are impacted by the project will be relocated as part of the project, so their services will continue

Concern 4: Pollination will be decreased.

Response: Studies of high-speed trains show that – even at top speed of 220 mph – wind gusts caused by the trains last less than one second – even at a distance of 10 feet from the tracks. At 10 feet from the tracks, the gust will be approximately 10 mph. At the edge of the train right of way, approximately 21 feet from the train, the gust will be negligible. In summary the aerodynamic design of the train behaves more like an arrow versus a brick going through the air.

With the negligible wind effects, impacts to bees are expected to be minimal. Bee hives used during pollination season should be managed in the same manner for high-speed trains as they are for existing conventional trains and highways.

Concern 5: Farmland is not a renewable resource.

Response: This is true and the HSRA recognizes the importance of preserving as much as possible important and protected farmlands. Ultimately, the HSRA has to base its final decision with that in mind, along with the overall cost and other criteria based upon statutory requirements.

HSR Property FAQ

**Your Property,
Your
High-Speed Rail
Project**

INTRODUCTION

The California High-Speed Rail Authority (Rail Authority) prepared this booklet for you as a person who may potentially be affected by the proposed construction of the high-speed rail system, a public transportation project. If it appears that your property will be affected, you may be wondering what will happen. Who will contact you? What will you be paid for your property? Who will pay your moving costs? Will the Rail Authority help you find a new place to live?

Important questions such as these require specific answers.

We hope this booklet will answer some of your questions and present a better picture of our overall procedures.

WHY DOES A PUBLIC AGENCY LIKE THE RAIL AUTHORITY HAVE THE RIGHT TO BUY MY PROPERTY?

Our state and federal constitutions recognize the need for public agencies to purchase private property for public use while providing appropriate safeguards to accomplish this purpose. The state and federal constitutions and various statutes, including the California Eminent Domain Law and the state and federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, authorize the purchase of private property for public use and outline how public agencies are required to protect the rights of each citizen whose property is being acquired.

The responsibility for studying potential sites for the high speed train system rests initially with Rail Authority staff and teams of highly qualified consultants, and ultimately with the Rail Authority Board which will make final decisions on the location of high speed train system tracks, structures and related facilities. By the time the Rail Authority reaches a decision on the location of facilities many months and years will have been spent in preliminary study and investigation to consider possible locations for sections of the project.

Consideration of the environmental and community impacts of the high-speed train system is important in determining the location of tracks and facilities, as are engineering factors and costs. Participation by private citizens and public agencies is actively sought so that various views can be considered in the study process. The process may include public hearings and/or workshops, which give persons an opportunity to express their views on the locations being considered. As a result of this team effort, the best possible location for the rail facilities is selected after thorough social/community, economic, engineering, and environmental analyses, as well as consideration of expressed public concerns and desires. The goal is that the project provides the greatest public good and the least private injury or inconvenience while rendering the best possible service.

The Rail Authority will employ various specialists, including the following:

Relocation Specialists

These individuals perform early studies of the general needs of persons who may need to be relocated and the kind of replacement properties which may be required. A relocation impact analysis will be completed before the Rail Authority requires anyone to move from their property.

Property Surveyors

These individuals perform field surveys and monument property lines to delineate and map the Rail Authority's right of way needs. They are also authorized by law to enter real property to perform such tasks. It is the Rail Authority's policy that owners and tenants of property will be notified prior to such surveys.

WHO WILL CONTACT ME?

A Right of Way Agent will perform an Appraisal on behalf of the Rail Authority. You will be afforded the opportunity to accompany the appraiser on the inspection of your property. At the time of the inspection the appraiser will also provide you with general project information. The appraiser will analyze your property and examine all of the features which contribute to its market value. Information about improvements you have made and any other special features that you believe may affect the market value of your property should be given to the appraiser to ensure he/she has all the information you feel is relevant.

It is the duty of the Rail Authority to ensure that you receive fair market value as if you sold your property privately in the open market. The Rail Authority cannot buy your property for more than it is worth, but it **can** and **will** assure you that you do not have to sell your property for less than its fair market value. California law provides that the owner shall receive a copy of the appraisal or a summary of the valuation upon which the Rail Authority's offer is based.

At the time the offer is made to purchase your property, you may obtain your own appraisal and the Rail Authority will reimburse you up to \$5,000 for the actual, reasonable costs of obtaining an independent appraisal. A state licensed appraiser must perform your appraisal. Your Right of Way Agent will provide more information concerning this reimbursement at the time of the offer.

WHAT ADVANTAGE IS THERE IN SELLING YOUR PROPERTY TO THE RAIL AUTHORITY?

A real estate purchase by the Rail Authority is handled in the same way as any private sale of property. However, there can be financial advantages in selling to the Rail Authority.

The Rail Authority will pay fair market value for your property. The Rail Authority will also pay for the preparation of all documents, all title and escrow fees, a policy of title insurance, recording fees and other fees that may be required for the conveyance of title to the Rail Authority. Because this is a direct conveyance of real property from the property owner to the Rail Authority, there are no real estate commissions involved, and the Rail Authority will not recognize or pay any real estate commissions.

A private sale will usually cost the seller thousands of dollars in sales expenses. There are no seller's expenses in a purchase by the Rail Authority.

Additionally, depending on your specific circumstances, you may be eligible for relocation payments and benefits when you move. These benefits are described in supplemental booklets which will be provided to you, should the Rail Authority's acquisition actually cause you to be displaced from your property.

WILL I BE PAID FOR LOSS IN VALUE TO MY REMAINING PROPERTY?

When only a part of your property is needed for a project, every reasonable effort is made to ensure that you do not suffer damages to the remainder of your property. The total payment by the Rail Authority will be for the property the Rail Authority actually purchases and for any loss in market value to your remaining property.

The determination of any loss in market value due to a partial acquisition is an appraisal task involving many variables. When this situation occurs, the Right of Way Agent will explain the effect of a partial acquisition on your remaining property.

MAY I RETAIN AND MOVE MY HOME, BUSINESS BUILDING, MACHINERY, OR EQUIPMENT?

If your house is movable and you wish to make such an arrangement, the Rail Authority will pay you on the basis of the market value of your present lot including landscaping, plus the reasonable cost of moving the building. There are cases where, because of age, size or condition of the house, the cost of moving it would exceed its present market value, less its salvage value. In such a case, payment of moving costs would be an improper expenditure of public funds and your compensation would instead be based on the fair market value of the entire property.

If you operate a farm or business, you may wish to keep and move fixed machinery and equipment. Additionally, as an owner of a business conducted on the property to be purchased, you may be entitled to compensation for a loss of business goodwill. Your specific circumstances will need to be analyzed on a case-by-case basis.

If these concepts apply to your situation, they will be explained by the Right of Way Agent assigned to purchase your property.

WILL I HAVE TIME TO SELECT ANOTHER HOME AFTER THE RAIL AUTHORITY MAKES ITS PURCHASE?

The Rail Authority starts to appraise properties early enough so that you will have ample time to move before the beginning of project construction. Like any other real estate transaction, the purchase of your property requires time to close an escrow after a right of way contract and deed have been signed. You will not be required to move until reasonable, decent, safe and sanitary replacement housing is available.

Once you have received the written offer from the Rail Authority to purchase your property, it is in your best interest to look for a new place to live as soon as possible. Finding a home early that best suits your needs before you are required to move will minimize your personal inconvenience and will avoid your having to make a choice of housing under pressure. In some instances you may be able to sell your property to the Rail Authority and rent it back temporarily pending construction.

The Rail Authority will also offer to provide you with assistance in finding a new place in which to live and will give you at least 90 days notice in writing before you are required to move.

WHAT HAPPENS TO THE LOAN ON MY PROPERTY?

After you and the Rail Authority have agreed upon a price, a Right of Way Agent and/or a title company will contact all other parties having an interest in the property. Payment to satisfy outstanding loans or liens will be made through a title company escrow as in any other real estate transaction.

WHAT WILL HAPPEN TO MY GI OR CAL-VET LOAN?

The Veterans Administration and the California Department of Veterans Affairs allow your veteran loan privileges to be transferred and to become available for coverage on another property.

Your Right of Way Agent will assist you in the transfer. However, it is to your benefit and is your responsibility to check with the Veterans Administration or the California Department of Veterans Affairs for procedural instructions.

IF THE VALUE OF MY PROPERTY IS HIGHER TODAY THAN WHEN I PURCHASED IT, DO I HAVE TO PAY INCOME TAX ON THIS DIFFERENCE WHEN I SELL/CONVEY TO THE RAIL AUTHORITY?

Under both federal and California income tax law, the sale of property to a governmental agency for public use comes under the definition of an “involuntary conversion.” Property owners who sell their property for a gain as a result of an involuntary conversion may elect to defer the tax on all or part of the gain. If an election is properly made, the gain in the year of the sale is taxable only to the extent that the sales price received for the sale of the property exceeds the cost of replacement property, which must be purchased by the seller within certain time limits. You should consider consulting your tax advisor because of the various issues involved regarding the qualifications for, and tax reporting of, the special tax treatment under the involuntary conversion rules.

WILL I LOSE THE FAVORABLE PROPERTY TAX BASIS THAT I NOW HAVE UNDER THE PROVISIONS OF PROPOSITION 13?

Section 2(d) of Article XIII-A of the California Constitution, section 68 of the Revenue and Taxation Code and section 462.5 of title 18 of the California Code of Regulations generally provide that property tax relief shall be granted to any real property owner who acquires comparable replacement property after having been displaced by governmental acquisition or eminent domain proceedings.

You will be given a copy of section 462.5 with an attached page showing examples of how to calculate estimates of the tax relief you may be eligible for. These are only approximations. You must see your county Tax Assessor for a final determination.

Note: Revenue and Taxation Code section 68 and section 462.5 of title 18 of the California Code of Regulations set forth time limits that may affect your eligibility to retain your favorable current real property tax status.

THE RAIL AUTHORITY’S POWER OF EMINENT DOMAIN

A person’s private property rights are protected by the federal and state constitutions and applicable federal and state laws. The principal right is that “just compensation” must be paid for private property acquired for a public project.

The vast majority of Rail Authority’s property transactions are settled by contract. However, if the owner and the Rail Authority cannot agree on the terms of sale, the Rail Authority may initiate the eminent domain process to avoid delaying the project, and may eventually be required to initiate condemnation proceedings.

Before filing a condemnation action in court, the Rail Authority will give you an opportunity to question whether public interest, necessity, planning and location require the proposed project and your property.

Condemnation lawsuit documents are prepared by the Rail Authority and filed with the court in the county where the property is located. The summons and complaint in eminent domain will then be served on all persons having a property interest in the parcel. The persons served must answer the lawsuit within 30 days.

Counsel for the parties will then prepare for trial, and the court will set dates for briefing, preliminary motions and the trial.

WHAT HAPPENS IN A CONDEMNATION TRIAL?

The purpose of the trial is to determine the amount of just compensation. Usually the trial is conducted before a judge and jury. Both the property owner and Rail Authority will have the opportunity to present evidence of property value. The jury will determine the amount of compensation after being instructed as to the law by the judge. In those cases where the parties choose not to have a jury, the judge will decide the amount of compensation.

Following trial, the judgment is prepared by counsel and signed by the judge. It will state that, upon payment of the amount of the verdict for the benefit of the private parties having an interest in the property, title will be transferred to public ownership.

When the Rail Authority makes the payment as required by the judgment, the final order of condemnation is signed by the judge and recorded with the County Recorder's office. The recordation of the final order memorializes the actual transfer of title.

WHO PAYS THE CONDEMNATION TRIAL COSTS?

The Rail Authority pays the costs of its attorney and its engineering and appraisal witnesses. It will also pay the jury fees and certain of your costs that are recoverable by law. The fee for filing your answer with the court is an example of these costs.

However, if after a trial the judge determines that the Rail Authority's offer of settlement was unreasonable, and that the demand of the property owner was reasonable viewed in light of the evidence admitted at trial and the verdict, the property owner may receive reimbursement of litigation expenses such as attorney's and appraiser's fees. The judgment is then prepared by counsel and signed by the judge.

IF I WANT A TRIAL, MUST I HAVE AN ATTORNEY AND EXPERT WITNESSES?

Most property owners will be represented by an attorney, although they have the right to represent themselves.

You may wish to consult your family attorney. If you do not have one, you may consult the yellow pages of the local telephone directory for a listing of attorneys and an attorney reference service. The local bar association may also provide a list of attorneys who may offer services in eminent domain proceedings.

You and your attorney must decide what type of case you will present and what witnesses will be needed.

WILL I BE PAID ANY RELOCATION ASSISTANCE BENEFITS EVEN THOUGH I GO TO COURT?

A decision to go to court has no effect on your right to relocation benefits. Payment of relocation benefits is administered separately from the condemnation action, although the amount of just compensation you receive may affect the amount of some of your relocation benefits. You will be provided details of additional assistance to help displaced persons, businesses, farms or nonprofit organizations in finding, purchasing or renting, and moving to a new location. These are explained in various booklets prepared for homeowners, tenants, and business and farm operators and will be made available by the Rail Authority.

HOW LONG CAN I KEEP MY PROPERTY?

Continued use of your property usually depends on the date preparation for construction begins, usually with the need for utility relocations and the demolition and/or clearance of buildings. If preparation for construction must begin before the trial, the Rail Authority will seek a court order for early possession of your property.

In this situation the Rail Authority will be required to make a deposit with the State Treasurer, as security for the property rights it is seeking to acquire, of the probable amount of just compensation, as determined by an appraisal, equal to the appraised value of the property rights it is seeking. The court will determine if the amount of money deposited is adequate. Once the deposit is made the owner may withdraw all or a portion of it at any time during the condemnation proceedings.

Following the deposit, the court may then grant to the Rail Authority an order for early possession allowing the Rail Authority to use the property for construction of the project.

To obtain an order for possession, the Rail Authority will file a motion with the court and schedule a hearing 90 days after you and all occupants of the property are served with the motion papers (60 days if the property is unoccupied). You and the occupants, if any, will have 30 days to oppose the motion. Once the court grants an order for possession of the property, the Rail Authority may obtain possession of the property 30 days after the owner and any occupants are served with the order. You and all your possessions must be removed from the property not more than 30 days after you receive the order.

Subject to the rights of any other persons having an interest in the property, you may withdraw all or part of the pre-judgment deposit. If you do not make a withdrawal, the Rail Authority will pay interest on the eventual court award, or agreed settlement sum from the time it legally occupied your property until the date of final payment to you. Interest will accrue at the applicable statutory rate until paid at the time of final settlement.

The Rail Authority's Right of Way Agent assigned to purchase your property will assist you in the transaction and will be available to answer any additional questions you may have.

DEFINITIONS

The language used in relation to eminent domain proceedings may be new to you. These are some terms you may hear and their general meaning.

Acquire - To purchase.

Answer - The property owner's written reply, in appropriate legal form, filed with the court in response to the eminent domain complaint and as requested by the summons.

Compensation - The amount of money to which a property owner is entitled under the law for the purchase of the property and any related damages.

Complaint - The document filed with the court by the Rail Authority that initiates an eminent domain proceeding.

Condemnation - The legal process by which a proceeding in eminent domain is accomplished.

Counsel - An attorney or attorneys.

Eminent Domain - The right of a public entity to purchase private property for public use.

Fair Market Value - The highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

Final Order of Condemnation - The instrument which, when recorded, transfers title to public ownership.

Judgment - The court's formal decision based on applicable law and the verdict.

Just Compensation - The amount paid to a private property owner by a public entity measured by the fair market value of the property being acquired.

Loss of Business Goodwill - A loss in the value of a business caused by a public entity's acquisition of property that cannot be reasonably prevented by relocation of the business or by the owner adopting prudent or reasonable steps that preserve the value of the business goodwill.

Parcel - Usually the property that is being acquired.

Plaintiff - The public entity that desires to purchase the property.

Possession - Legal control of the property including the right to use it.

Property - The right or interest which an individual has in land, including the right to use or possess all or any portion of it.

Rail Authority - The California High-Speed Rail Authority.

Right of Entry - An agreement between an owner and the Rail Authority allowing the Rail Authority to enter and utilize the property while continuing to negotiate the terms of settlement.

Summons - Notification of filing of a lawsuit in eminent domain and of the necessity to file an answer or other responsive pleading.

Title - Legal ownership.

Trial - The hearing of the facts presented by a plaintiff and a defendant in court of law, either with or without a jury.

Verdict - The amount of just compensation to be paid for a property including any damages to the remainder, if applicable.

THE CALIFORNIA HIGH-SPEED RAIL AUTHORITY

NOVEMBER 2009

This is an informational pamphlet only. It is not intended to give a complete statement of all state or federal laws and regulations pertaining to the purchase of your property for a public use, the Relocation Assistance Program, technical legal definitions, or contain any form of legal advice.

ADA Notice

**For individuals with disabilities, this document is available in alternate formats.
For information contact:**

**California High Speed Rail Authority
(916) 324-1541
or write:
925 L Street, Suite 1425
Sacramento, CA 95814**

Maps and Data

BACKUP INFORMATION

MAPS AND DATA

Figure 1: Central Valley Alignment

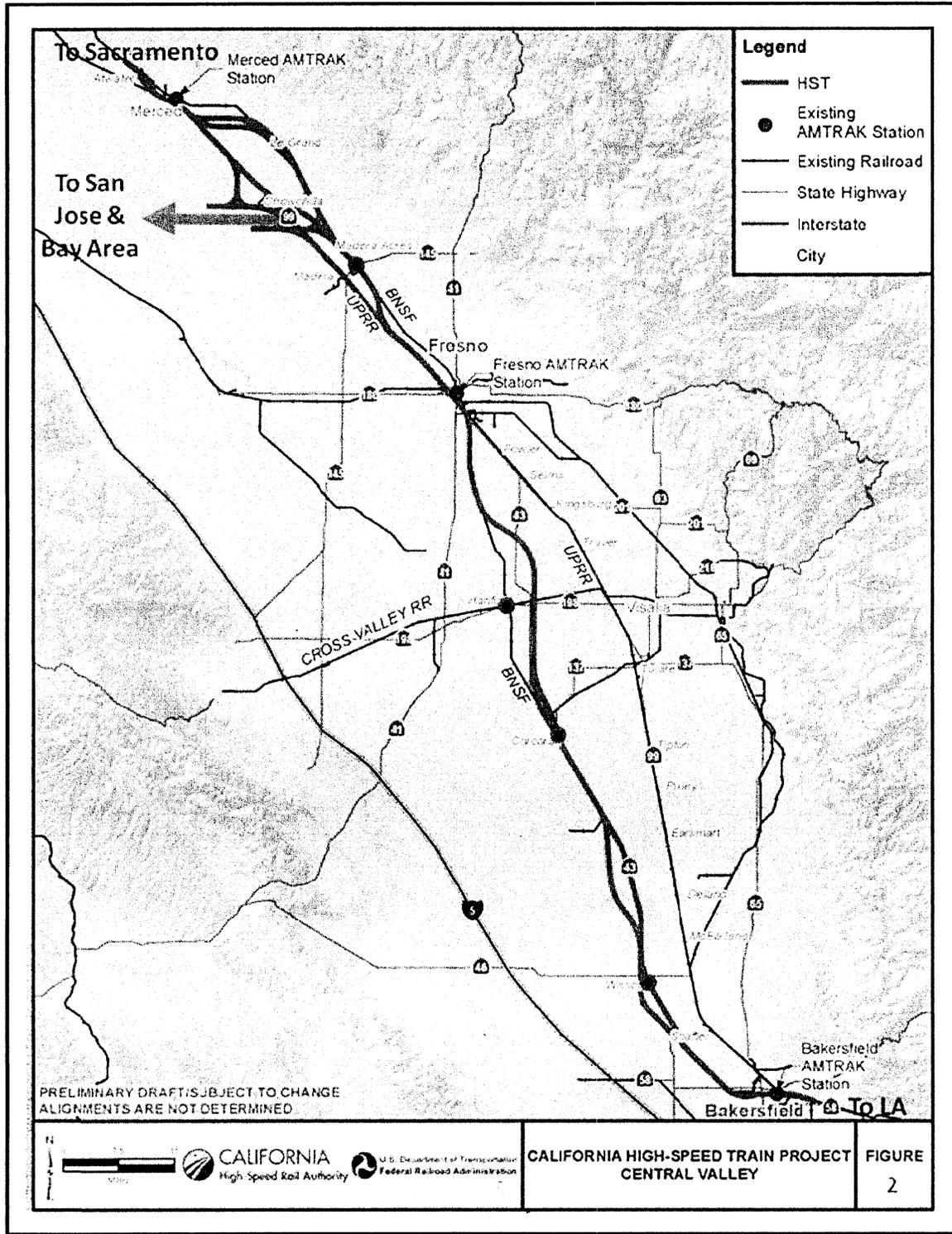
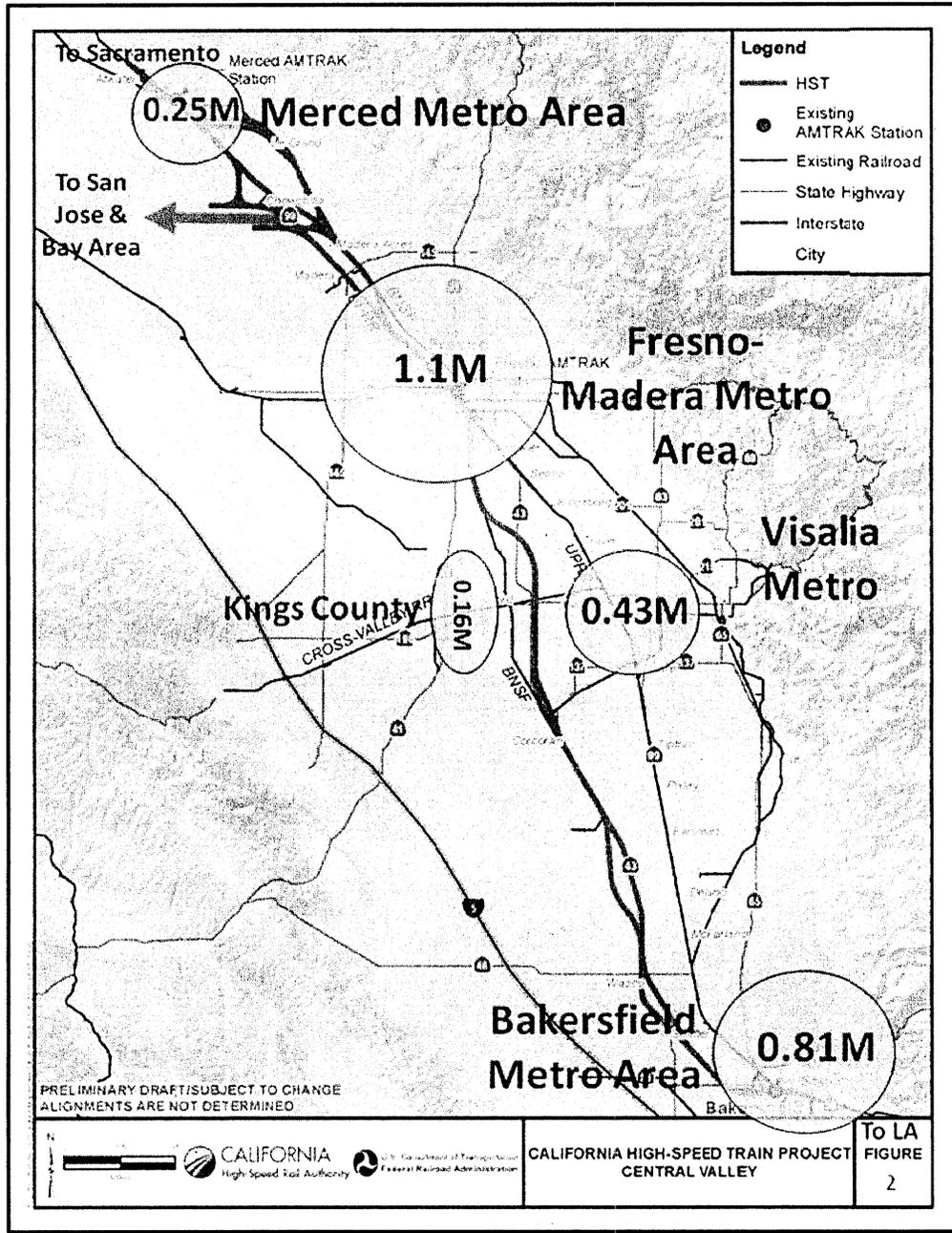


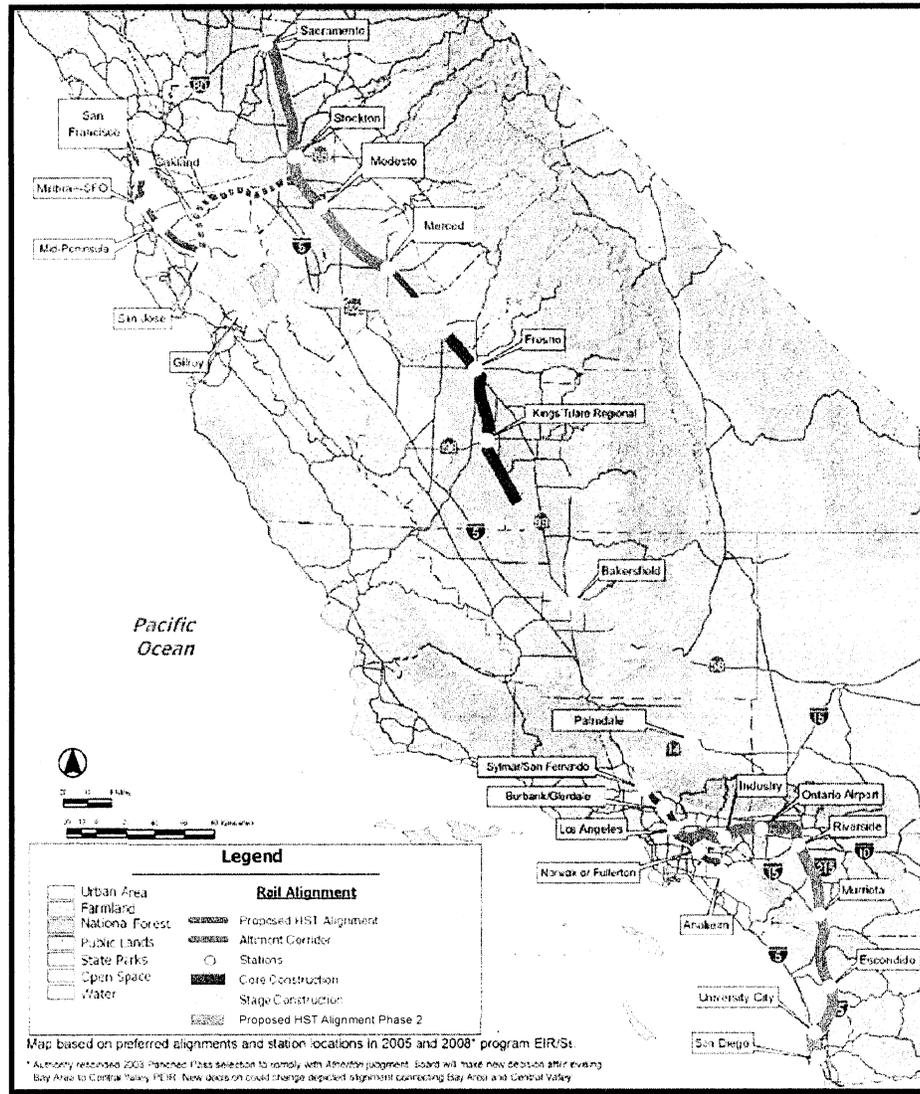
Figure 2 : Population Centers of the Central Valley ARRA Sections



The Central Valley population is expected to grow to 4.5 million in 2030, and 6 million in 2050.

Source: http://en.wikipedia.org/wiki/Table_of_United_States_Metropolitan_Statistical_Areas

Figure 3: Future Efficient Expansions of HST System



In direction of Bay Area:

From:	To:	Miles	Cumul.
North of Fresno	Gilroy	108	108
Gilroy	San Jose	30	138
San Jose	San Francisco	48	186

In direction of LA Basin:

From:	To:	Miles	Cumul.
Corcoran	Bakersfield	55	55
Bakersfield	Palmdale	84	139
Palmdale	San Fernando	27	166
San Fernando Val	Los Angeles	31	197
Los Angeles	Anaheim	30	227

Figure 4: Alternative 1 : Alignment

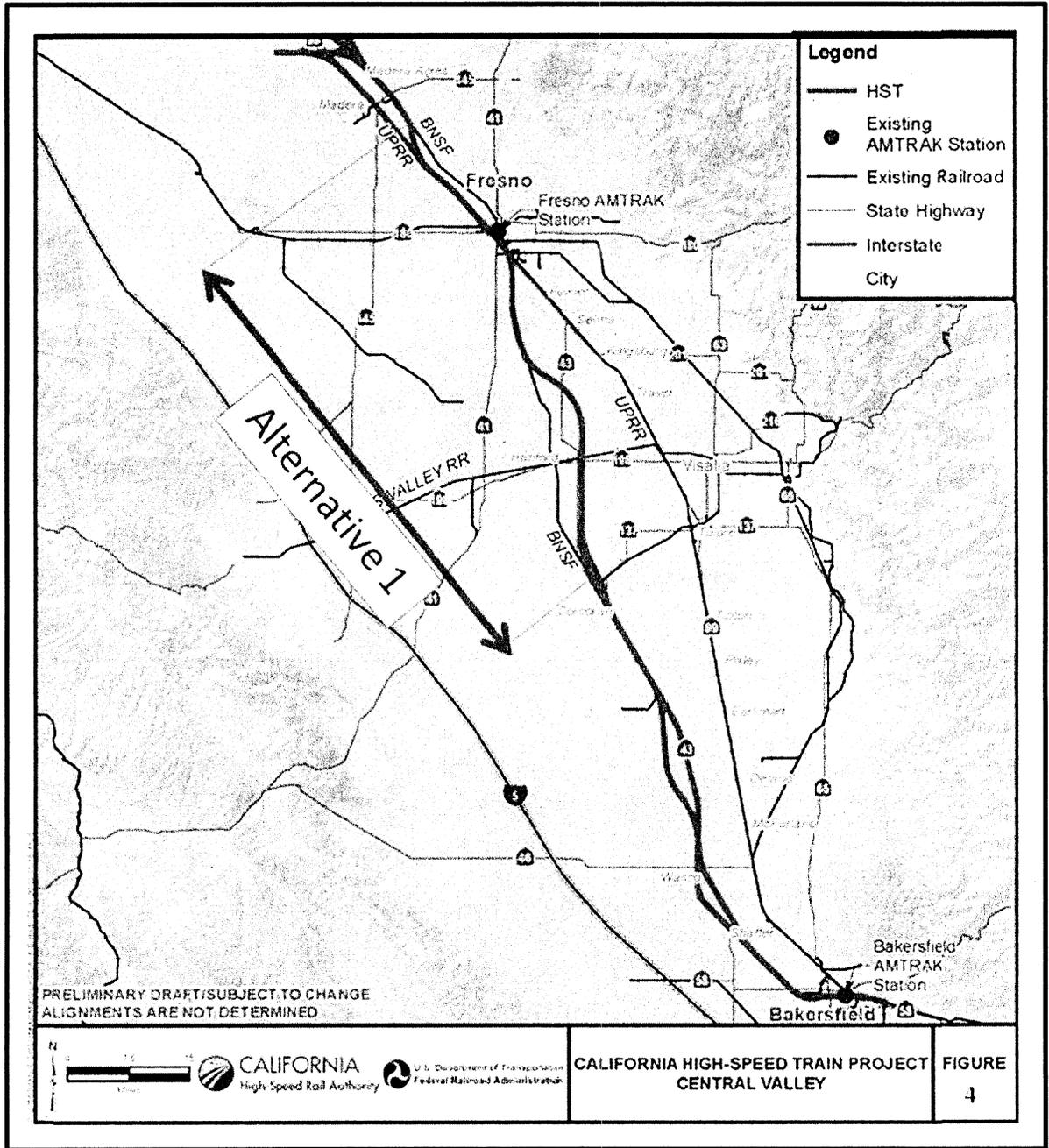


Figure 5: Alternative 1: Time Chainage Diagram

Central Valley - Alternative 1
ARRA Section

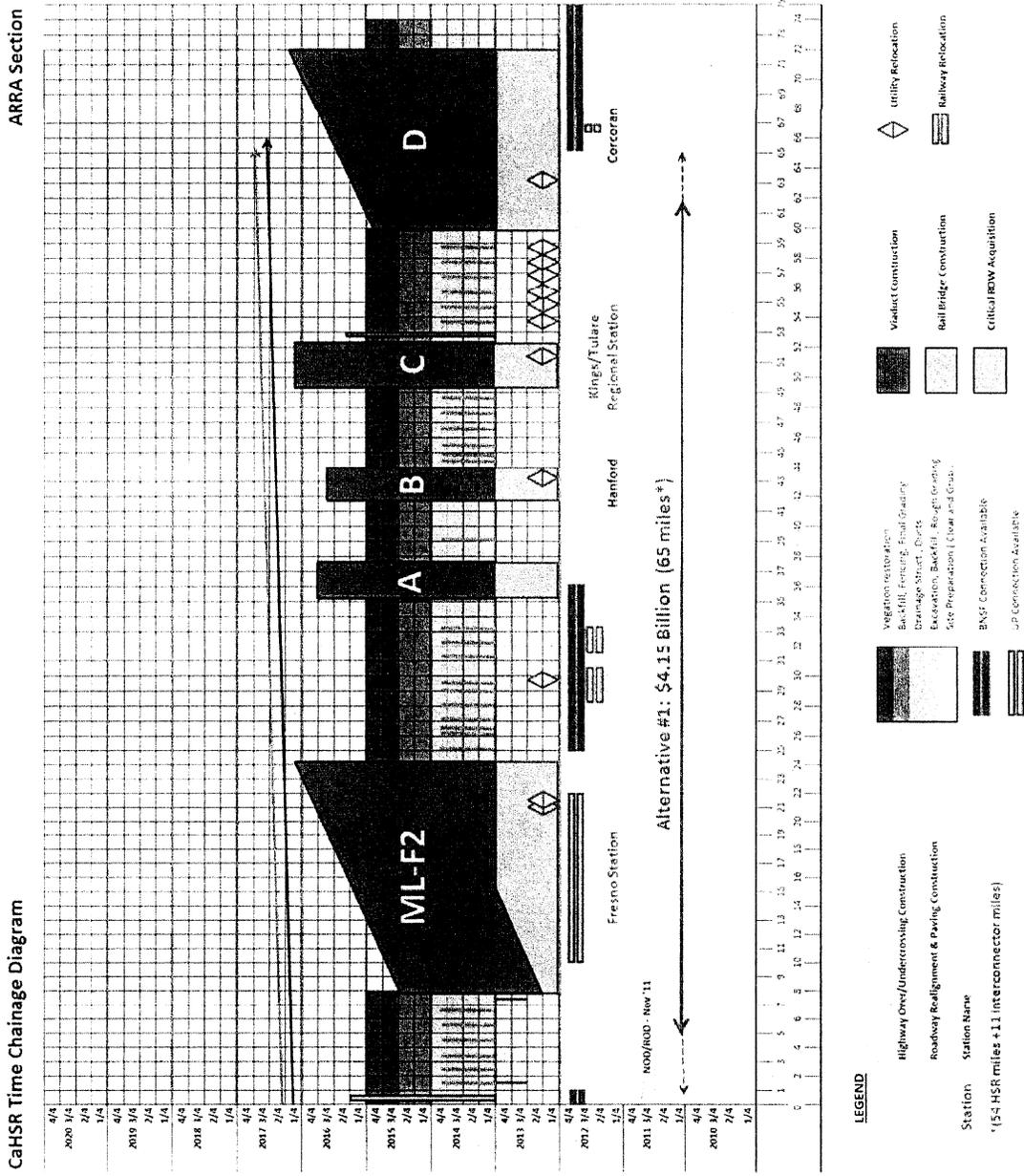


Figure 6: Alternative 2 & 2A: Alignment

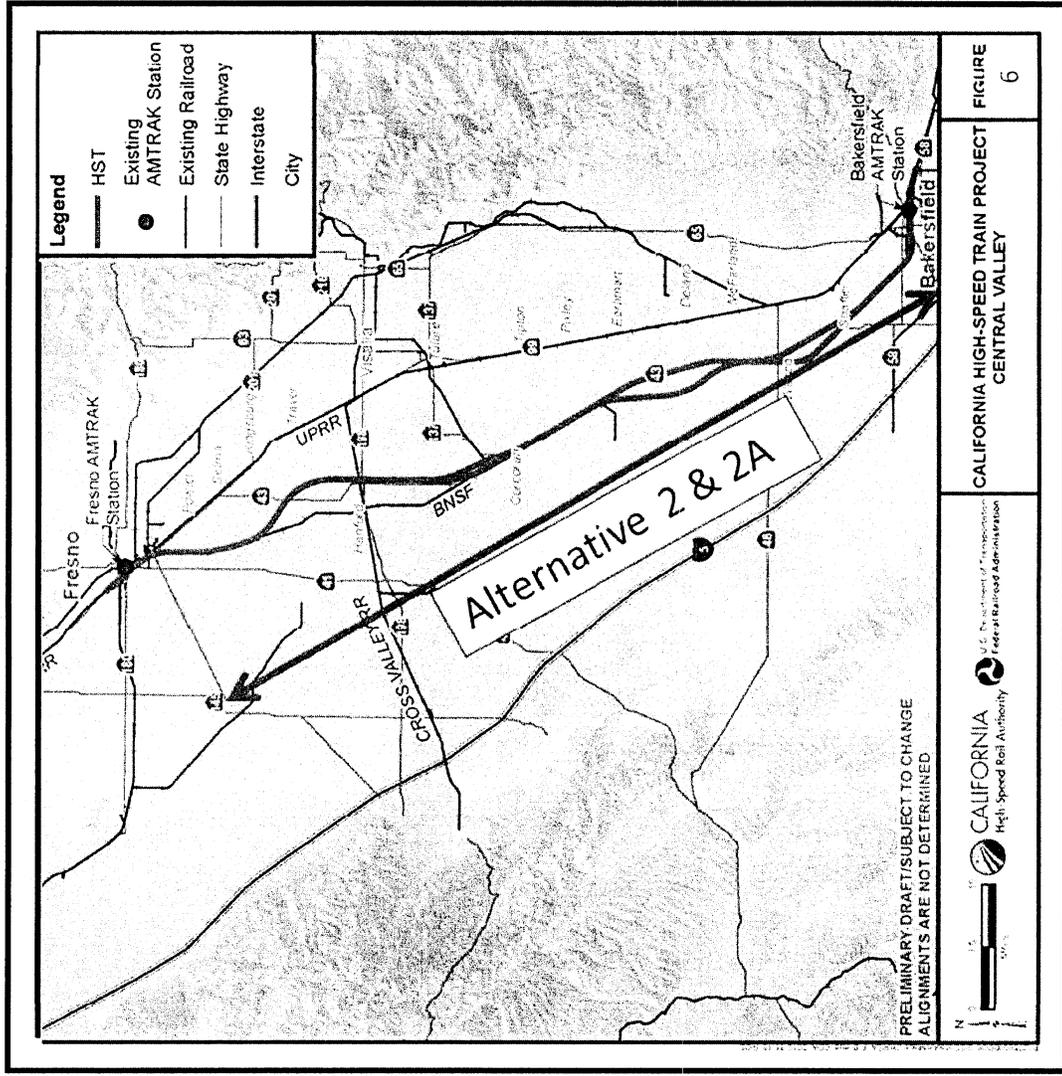


Figure 7: Alternative 2: Time Chainage Diagram

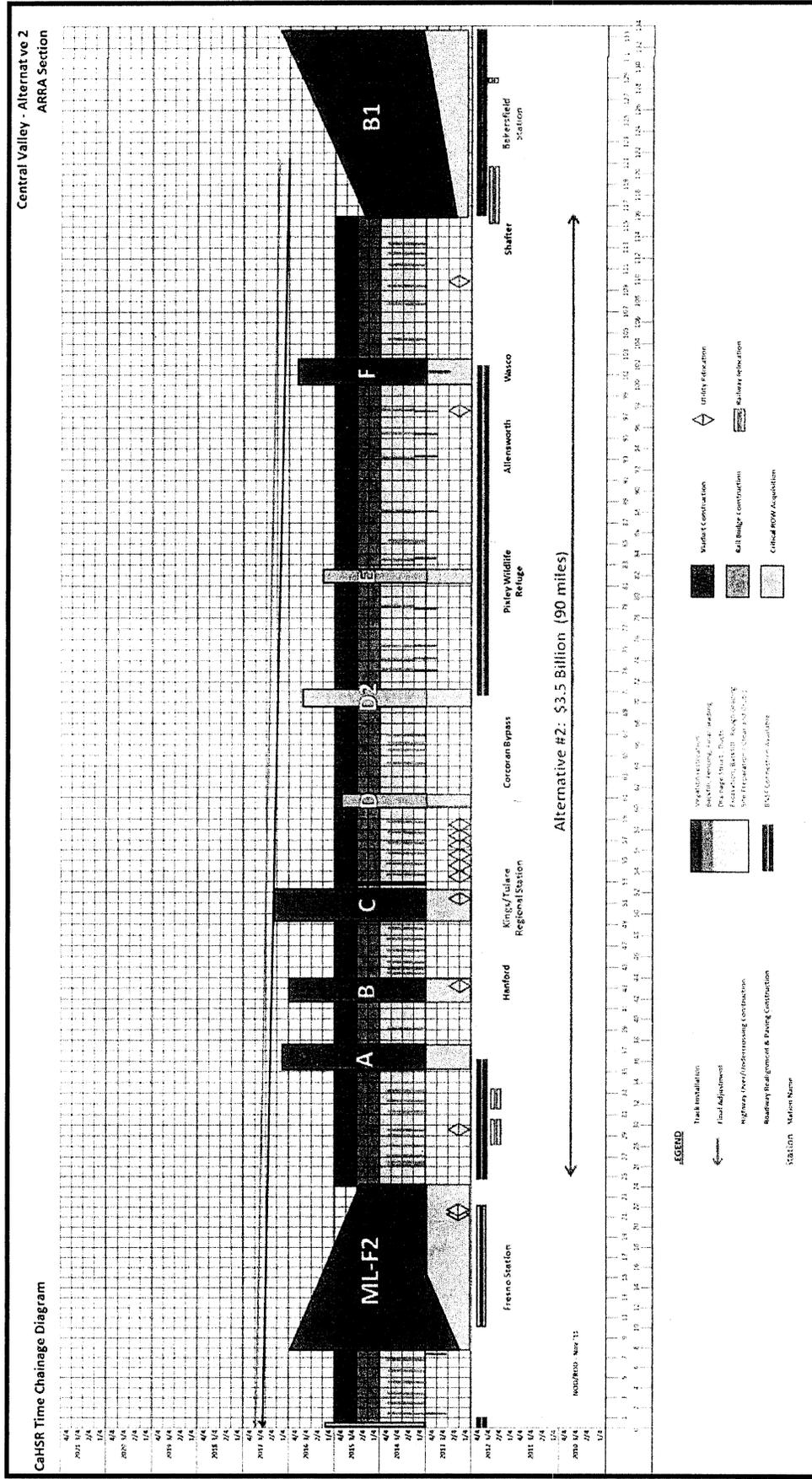


Figure 8: Alternative 2A: Time Chainage Diagram

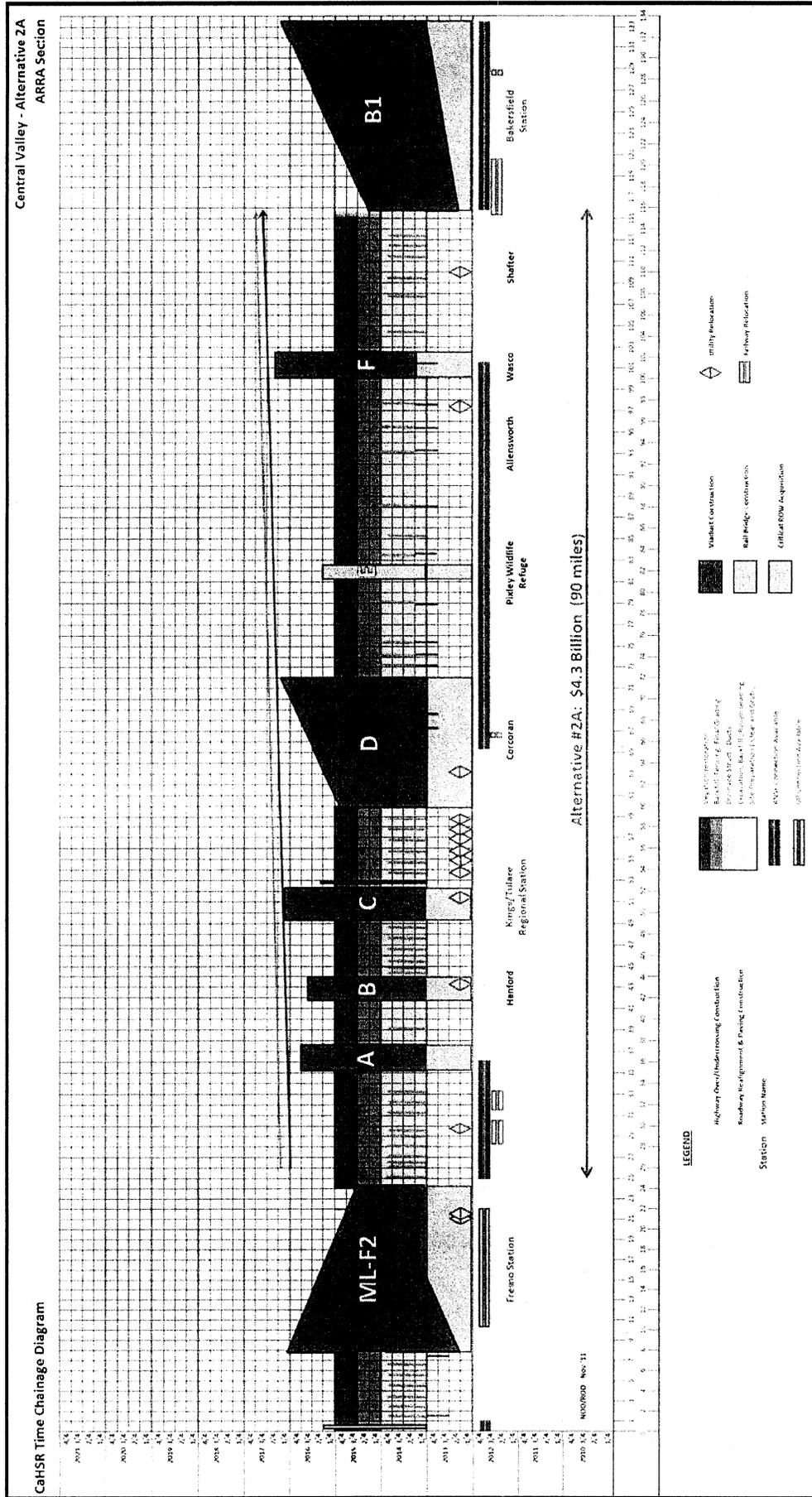


Figure 9: Alternative 3: Alignment

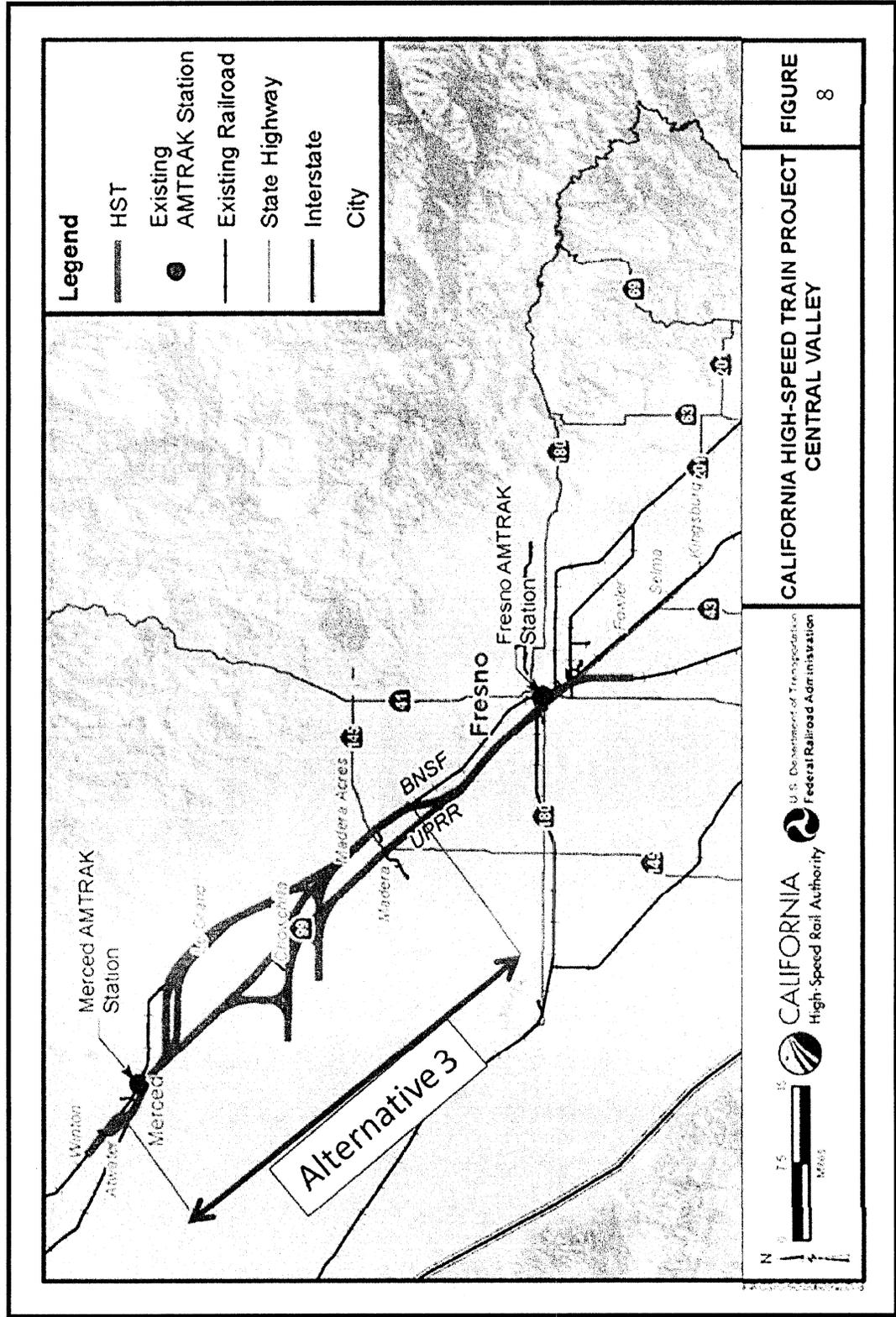
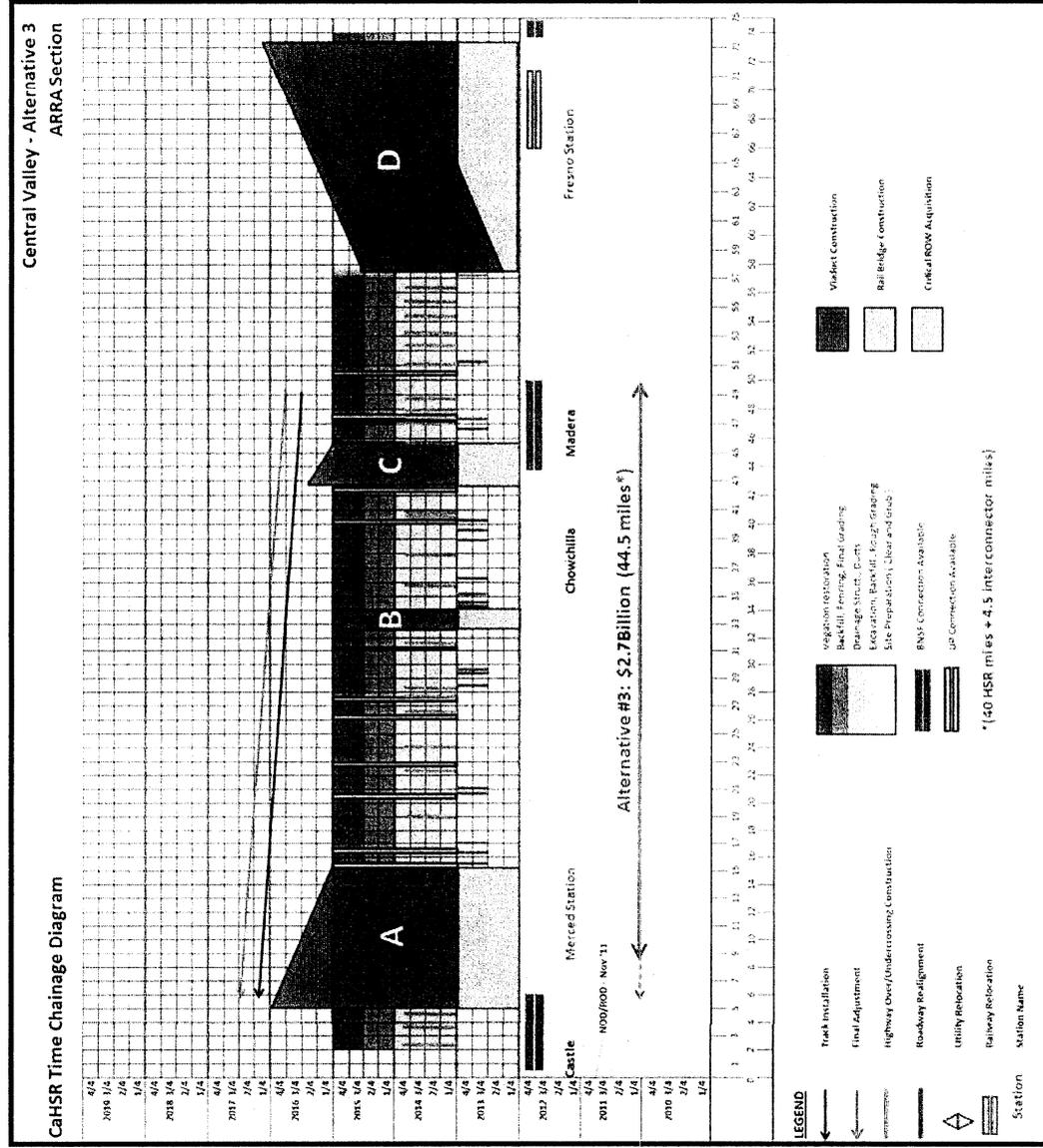


Figure 10: Alternative 3: Time Chainage Diagram

(Applies to BNSF or Hybrid alignment only)



HSRA Packet

FACT SHEET: AGRICULTURE AND HIGH-SPEED RAIL

The Impact, By the Numbers

Less Than One One-Hundredth of One Percent (0.0006) of Ag Land in the Central Valley Will Be Taken Out of Production by the High-Speed Rail System.

- There are nearly **7 million acres of agricultural land** being farmed in the Central Valley.
 - It is estimated that **fewer than 4,500 acres of agricultural land** between Merced and Bakersfield could be taken out of production.
 - That equates to **less than a hundredth of 1 percent**.

Freeway Expansion Has About Three Times the Impact of High-Speed Rail.

- **Widening Highway 99** to accommodate further traffic growth, which some have suggested, would be more expensive and **need significantly more right-of-way** than high-speed rail.
- **Two tracks of high-speed rail equal about six lanes of freeway capacity.** That means widening I-5 or Highway 99 would require significantly more property acquisition and far more land impacts than high-speed rail.
- Additionally, **adding highway capacity would not bring a new mode of transportation or any additional benefits** – Fresno would still be a five-hour drive from San Francisco.

How High-Speed Rail Will Help the Central Valley

It Will Help Reduce the Impact of Population Growth on Transportation – and the Central Valley Is Expected to Grow Almost Twice as Fast as the State.

- California's population is expected to grow by 35 percent over the next two decades; **the Central Valley will grow by 66 percent.**
- We expect to have some **50 million people in this state by 2035.**

Reduced Impact on Air Quality

- High-speed rail will be 100 percent electric powered – and that can be 100 percent generated from clean sources.
 - The High-Speed Rail Authority has set a policy **goal of using 100 percent renewable energy.**
 - **That reduces dependence on foreign oil.**
 - **That means fewer cars idling on freeways, spewing additional emissions** into what is already some of the most heavily polluted air in the nation.

Improved Land Use Means Less Impact on Agricultural and Other Protected and Prized Lands.

- High-speed rail stations can revitalize town centers, drawing people and businesses in a way that encourages **smart growth instead of the urban sprawl that will leach prime agricultural land** away from farmers.
- High-speed rail can play a direct role in projects like the **San Joaquin Valley Blueprint**, which is pursuing “**smart growth**” to improve travel patterns, reduce congestion, provide more choices for moving people and goods and encourage infill development.
- High-speed rail will give people who live in the Central Valley an affordable, efficient, clean alternative for **accessing the state's major metropolitan centers for business and recreation.**

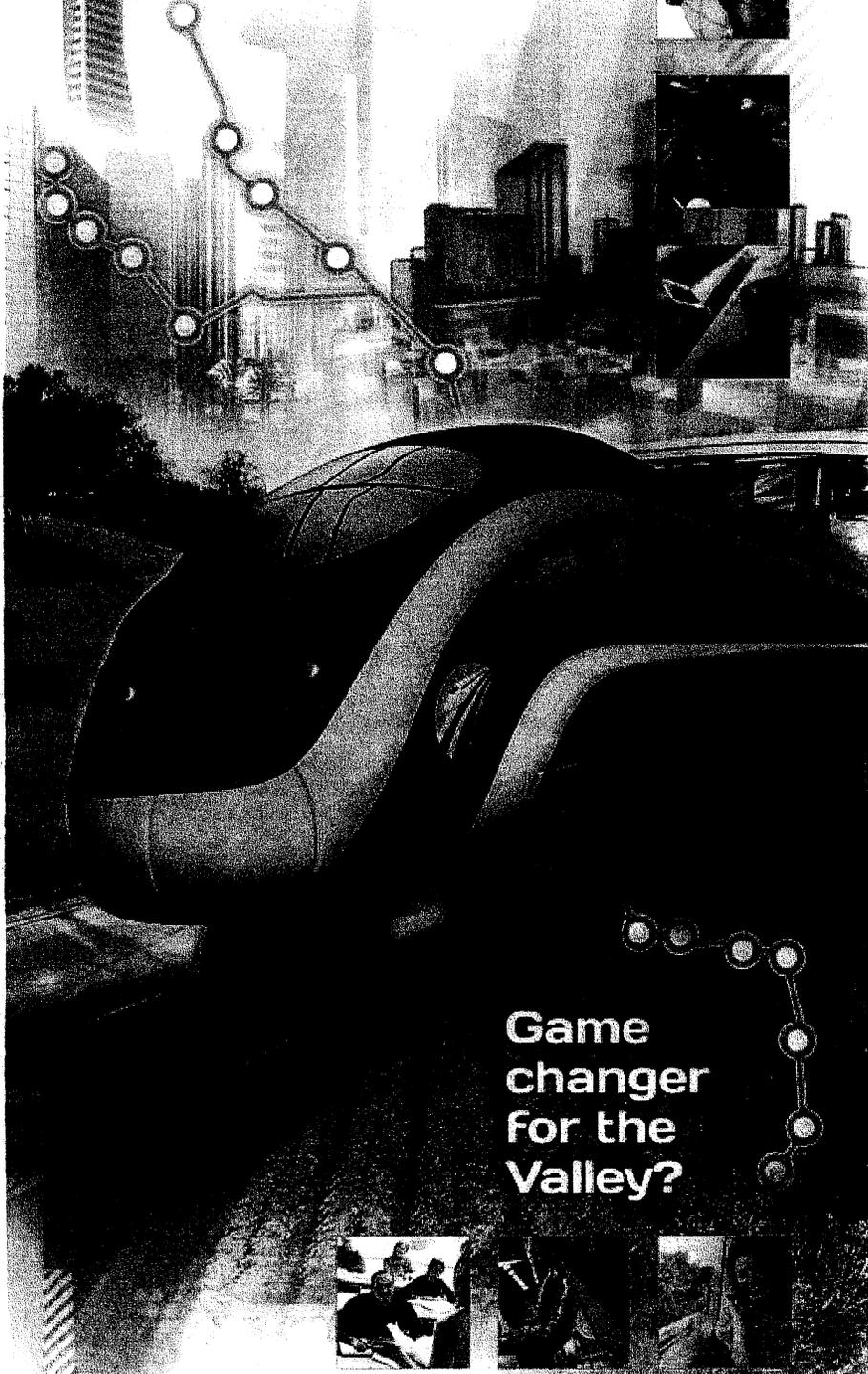
The Project's Commitment to Avoiding and Mitigating Impacts

Listening To Communities: The Authority Has Held Hundreds Of Outreach Meetings.

- **The Authority has met repeatedly – and will continue to do so –** with farmers and agriculture groups to get their input on the project and how to best mitigate potential impacts. We have already agreed with the Federal Railroad Administration to use existing transportation corridors where feasible to **minimize the impact on agricultural land.**
- **We must – by law – avoid, minimize or mitigate any impacts to existing land use, including farming and ranching.** It's important to remember that the Authority is guided by very strict state and federal laws.

High-Speed Rail

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Game
changer
for the
Valley?



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High-Speed Rail

GAME CHANGER FOR THE VALLEY

High-speed rail is, no doubt, a contentious issue.

How could it not be? California's \$43-billion, 800-mile rail line — slated to begin in the Central Valley — is an infrastructure project too grand to not seem like a pipe dream, especially in light of the current economic situation.

But anyone following the news knows it's also taking shape, even as you read this.

The California High Speed Rail Authority hopes to have passengers on trains by 2020. Construction on the initial leg of the line — from Fresno to Bakersfield — is set for the second half of 2012. Environmental impact reports are already being drafted.

On the following pages, you'll find a bevy of information on high-speed rail and how it will affect our lives — from transportation and commerce, to agriculture and education — not written by politicians, but by those with a personal stake in what eventually happens.



The MSR system would be more reliable and cost-effective than air or vehicle travel. If you factor in lost time for weather delays, drive time or the total process for air travel, high-speed rail just makes sense.

Making the case for high speed rail

The high-speed rail system is an economical choice for long-distance travel within the state — faster and more cost-effective than air or vehicle travel.

by Steve Gell and the Gell families

California's population is expected to grow by more than 15 million in the next 30 years and by 50% by 2050.

We, Californians, love our cars, but the increased demands on the state's transportation infrastructure from the projected growth forces us to look at alternatives to traditional buses, planes and Amtrak trains.

One alternative stands out from all others: high-speed rail. High-speed rail would connect the Central Valley to the rest of the state with a completely grade-separated (no crossings) rail system. With trains traveling more than 200 miles per hour in the San Joaquin Valley, the Central Valley becomes seamlessly connected to the metropolitan/commerce centers of Southern and Northern California.

Currently, there are no flights connecting Central Valley cities to Sacramento except through San Francisco. Costly freeway expansion promotes urban sprawl, while high-speed rail spurs high-density development around city center stations. This is critically significant in the Central Valley where, as population growth pushes us to the limits, we are trying to protect prime farmland from becoming the next residential subdivision.

The high-speed rail system will be an important and economical choice when traveling 400 miles or less. Faster, more reliable and less costly than air or vehicle travel per passenger mile, high-speed rail lessens the loss of productive time in comparison to driving or going through the air travel process.

Reliability? High-speed trains travel through snow, sleet, rain, fog and freeway accidents. No delays due to congestion, accidents, or foggy-day schedules. High-speed rail

gets you there on time trip after trip after trip, safely, reliably, efficiently and cost-effectively.

With improved access to our region, some people may come to see our Central Valley cities as "bedroom communities" to major metropolitan labor and financial markets. The enhanced high-speed train connectivity could be the tipping point to persuade employees to move to the Central Valley and take advantage of reduced costs of operation.

High-speed rail will add to the quality of life in the San Joaquin Valley, Southern and Northern California residents will gain extraordinary access to the Central Valley to visit Yosemite, Sequoia and Kings Canyon national parks. The Blossom Trail and Madrea Winery Tours would be accessible to millions as never before. All of the major economic, cultural and visitor-oriented events and attractions would be available to a statewide audience. This leads to increased exposure, and increased tax revenue generated from tourist dollars spent in the Central Valley. It is these tax revenues that support the quality of life we cherish in our Valley communities.

Quality of life will improve in other ways through high-speed rail:

- Reduced congestion and accidents on highways
- Reduced highway repair and maintenance costs
- Reduced pollution leading to cleaner air
- Connectivity to Central Valley innovation, know-how, and entrepreneurship and major markets' venture capital
- Creation of a level playing field for allocation of federal and state transportation tax dollars historically given to Southern and Northern California metropolitan areas.

Jobs, Jobs, Jobs

High-speed rail represents the greatest infrastructure investment in the Central Valley for future generations. With the highest poverty and unemployment rates in the nation, there is no better reason to support high-speed rail than the impact it will have in changing the fortunes of tens of thousands of Valley residents.

High-speed rail jobs perfectly align with the skill sets of the Valley workforce. Additionally, the University of California, Merced; California State University, Fresno; State Center for Community Colleges; as well as the Workforce Investment Agencies are in place to educate and train an eager population to become equipped to compete for the high-paying, high-speed rail jobs.

California and this Great Valley were built on the shoulders of dreamers who saw what the future could offer. We can sit by and accept the status quo, or we can demand that our country, once again, become the global center for the world's innovators and entrepreneurs, as we have been in generations past.

Beginning high-speed rail now for future generations is a responsibility our generation must accept as our parents and grandparents did for us in building the current transportation systems. We will not concede defeat to apathy.

Our family believes we are the progeny of those dreamers and visionaries who came before us, and we envision a future of economic opportunities and benefits that high-speed rail will bring to this Great Valley.

■ The Gell families include Steve and Elleen, Jason and Kym, Matt and Kelly and Ryan and Kasey

Myths & Reality

MYTH: The California High Speed Rail Authority is building the track to nowhere.

TRUTH: The CHSRA is going to build a high-speed rail track that runs from San Francisco to Los Angeles/Anaheim that will later extend north to Sacramento and south to San Diego.

It is a massive infrastructure project that will allow trains to travel between Los Angeles and San Francisco in less than 2 hours and 40 minutes. Like any major construction project, whether it be I-5, Freeway 99 or highways 41, 180 and 188, it has to start somewhere.

The Central Valley segment of the line is the only segment that has the potential to achieve true high speeds of up to 220 miles per hour and will serve as a test track for the system as it is home to miles of relatively straight land where trains will be able to run at top speeds for more than 100 miles.

Trains will not be permitted to carry passengers until they are tested at top speeds for an extended period of time. This testing function is not possible anywhere else in California.

High-Speed Rail: Game Changer for the Valley?
A custom publication of The Fresno Bee

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High-Speed Rail is Coming to the Valley.

ARE YOU ON BOARD?

FIRST STOP:
Job Creation

High-Speed Rail

THE SAME CRUDDER FOR THE VALLEY

1996
California High Speed Rail Authority created



2005
Statewide environmental review certified, providing general route and station possibilities

HSR: the future of transportation

Clean-running high-speed trains will use technology that can connect California's growing population and give its people needed jobs.
by the California High Speed Rail Authority

It is impossible to talk about California's transportation systems and our future transportation needs without including high-speed rail. There are about 38 million Californians today; that number is expected to grow by a full third, to 50 million, by the year 2035. State leaders have the responsibility of accommodating that growth while also maintaining economic strength and high-speed rail is one of the best means to accomplish both.

California will need more road capacity, more airport capacity and high-speed rail is another transportation option. The continued health of California's economy relies on being able to move people and goods efficiently within the state - from international origins, through the ports, from Northern California to Southern California.

The benefits of the planned system to connect the largest population centers in our state, which includes two of the largest population centers in our nation - will be seen in both the short term and the long term. In the short term, it means economic stimulus and job creation. In the long term, it means economic efficiency and environmental improvements. In a time of staggering unemployment figures - especially in the Central Valley - it's even clearer that infrastructure investment is a smart, forward-thinking way to create jobs.

But what is it exactly that California is planning? California's high-speed rail project is not one of incrementally improving existing passenger rail lines, but one of constructing new infrastructure to allow operating speeds of 220 miles per hour and travel times from the Los Angeles Basin to Silicon Valley and the Bay Area that competes with air travel.

California's high-speed rail system will span more than 500 miles in that first phase, and ultimately cover 800 miles when it stretches from Sacramento to San Diego.

California's high-speed rail system is a job creator. With this project, when estimating job creation, a conservative figure is used, compared to that of transportation advocacy groups and other infrastructure projects, of 20,000 jobs per \$1 billion in investment.

In a short amount of time, less than a year and half, California was awarded the most funding in the nation for its high-speed rail project. More than \$6 billion is available to start construction, and that will mean more than 100,000 jobs during initial construction. That means jobs for construction laborers, equipment operators, construction managers, cement masons and concrete finishers, electricians, accountants/auditors, civil engineers and more. The bulk of these jobs will be local and based out of the Central Valley.

California's high-speed rail system is slated to begin construction in the Central Valley next year. There are many reasons the High Speed Rail Authority and the federal government chose to begin construction of the Los Angeles area to Bay Area system in the Central Valley.

The Central Valley constitutes the backbone of the statewide system, where we will have true high-speed train travel on dedicated tracks. The new tracks will accommodate the testing of the nation's first high-speed trains, equipment and technology.

Also, beginning in the center gives the flexibility to build either north or south as more money becomes available. Why begin where our system will be straight, flat and relatively inexpensive? To get the most bang for our buck and get more Californians directly to work.

California's high-speed rail system will run 100% on electricity, which means that electricity can be produced from clean sources like wind, solar and more, protecting the air quality in a place that has some of the poorest air quality in the nation.

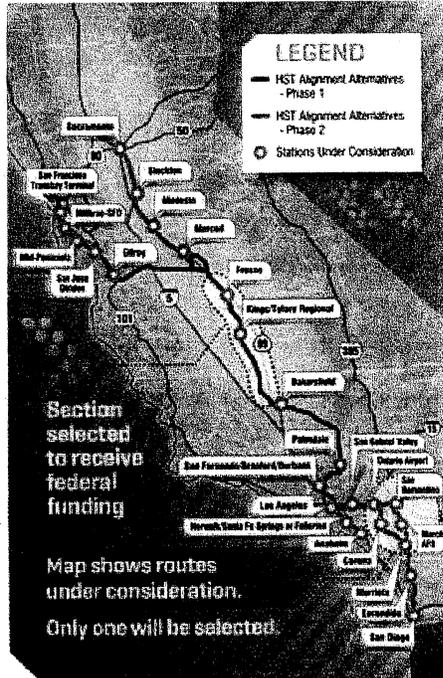
California's high-speed rail system will turn a profit. According to the International Union of Railways, which is the international authority on rail, every existing high-speed train system in operation around the world generates a profit from its operations.

Two lines - the Tokyo-to-Osaka and Paris-to-Lyon lines - have even made enough profit to pay back the cost of their initial infrastructure investment. The authority is working with nine countries around the world to tag their expertise and exchange best practices to ensure California's system will be the best in the world.

California's high-speed rail system will be funded by a mix of sources. With their approval of a \$9.95 billion bond measure in 2008, Californians did their part. The federal government has already pumped more money into California's project than that of any other state in the nation, through the authority continues to work to secure a long-term federal commitment. And we have a great deal of interest from the private sector to invest and operate the system, more than 1,500 representatives of which attended a high-speed rail industry forum we hosted in Los Angeles earlier this year.

Soon, you will see the environmental impact reports for the Central Valley portion of the project, as well as an updated business plan from the Authority, both of which will give you a clearer picture of what it is exactly that we're proposing.

In the end, it is this: a safe, clean, fast and affordable way to travel that improves California's economy and quality of life and brings us onto the same playing field the rest of the world has enjoyed for decades.





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Reality

Does HSR help mid-sized cities?

History shows that investment in infrastructure results in economic growth in the future.

— CNN.com user "threesuns"

Expert response: That's true.

"One of the biggest and often overlooked advantages of high speed rail, and even of not-so-high-speed rail, is its ability to restore the economic promise of many mid-sized cities where airline service is no longer available or prohibitively expensive. Fast, frequent rail passenger and package express service once provided cities like Lynchburg, Va., or Rockford, Ill., with the connectivity to other markets they needed to thrive as centers of business. Now, as part of 'Forever America,' they struggle because getting from there to anywhere else requires long non-stop drives to distant and/or poorly served airports."

— Philip Longman, senior research fellow, New America Foundation

High-Speed Rail

DALE CRANFORD FOR THE VALLEY

2007 November, Proposition 1A, a \$9.95 billion high-speed rail bond measure, passes.

2009 Federal government announces \$8 billion in American Recovery and Reinvestment Act funding available to jumpstart national high-speed rail program.

Downtown station could be regional transportation hub

Bus service from outlying areas and to destination points like Fresno Yosemite International Airport will connect region to high-speed rail.

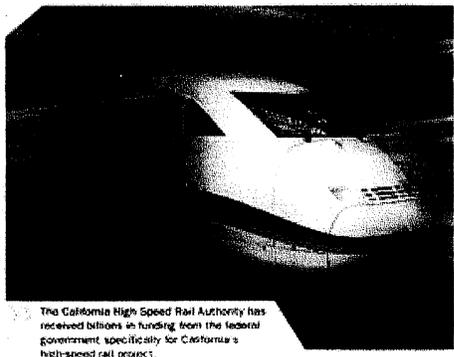
Locating this country's first high-speed rail station in downtown Fresno is incredibly exciting. Fresno's status as the regional economic center for the San Joaquin Valley, in combination with its centralized location, makes it an ideal location to serve as the regional hub of a sustainable multimodal rail, public transportation, bicycling, walking transportation system serving the San Joaquin Valley.

The San Joaquin Valley is currently home to 4 million people, with growth expected to take us to more than 9 million by 2050. This will have a tremendous impact on our ability to move both people and goods throughout the Valley. This projected growth, combined with our tremendous air-quality challenges in the Valley, makes it imperative that we look for opportunities to encourage people to move from their automobiles to other modes of transportation. A high-speed rail station in downtown Fresno has the potential to serve as a tremendous catalyst for both economic development and multimodal mobility in the Valley.

Providing regional connectivity to the high-speed rail station from throughout the San Joaquin Valley is likely to require a combination of transportation strategies including strategically timed shuttle buses serving the station from the Valley's smaller rural cities, and well-timed connections to existing bus and train service. In addition, direct inter-city bus service from outlying communities is always an option if sufficient demand is present.

Connectivity from the regional high-speed rail station to our regional airport (Fresno Yosemite International) can be achieved by utilizing a combination of express bus routes, shuttle bus service and conventional taxis. Ideally these services would all intersect at the downtown high-speed rail station and could potentially be linked to additional shuttle bus service that could provide direct service to the three national parks (Yosemite, Sequoia and Kings Canyon) serving our region.

From a traveler's perspective, the downtown station location will provide excellent connectivity as it has convenient access to three major state highways: State Route 99, State Route 41 and State Route 190, which in turn provides convenient access to State Route 190, thus providing the entire Fresno-Clovis metropolitan area with automobile access to the downtown station in less than 20 minutes, as well as highway connectivity to all of Fresno County's rural communities and the surrounding San Joaquin Valley counties.



The California High Speed Rail Authority has received billions in funding from the federal government specifically for California's high-speed rail project.

No better time to embrace the dream

From college students to government officials, the idea of high-speed rail in California is catching on.

With a struggling economy and energy costs skyrocketing, now is the perfect time to begin building America's first true high-speed rail system. The completely electric railways will not only stimulate the economy of the state, but help reduce fuel costs by not needing to import fossil fuels to run this system.

If we are to break this addiction to fossil fuels that every technological society must do to have its economy and energy sources secured, we must make the investments in green energy technology, including electric transportation, which not only includes railways but cars as well. High-speed rail isn't a dream. It is reality. It is at the core of the strongest economies in the world.

Many countries in Asia and Europe that built high-speed rail would never go back to the days before they constructed their systems. Their economies would take a large hit from the slowing movement of its people and goods. California has the opportunity to join these nations and jumpstart the economy with a piece of infrastructure that is universally regarded as being what smart societies build to grow and prosper in the 21st century.

When it comes to the future of high-speed rail, there's no other place to be than right here in Fresno.

The competition between Valley cities to win the Heavy Maintenance Facility brings a promise of jobs and educational opportunities that will benefit our community for generations.

— Paul Herman

Fresno Works is a coalition of officials from the City of Fresno, Fresno County and the Council of Fresno County Governments, which is taking up the job of bringing the HMF to Fresno. Already this coalition has marked an area just south of Fresno for the facility with an incentive of \$25 million of Measure C transportation funding if the site is chosen by the state's high-speed rail authority.

Fresno colleges and universities are also on board, with support from California State University, Fresno, Fresno Pacific, Fresno City College, and the State Center Community College District, with curriculum currently being developed with the support of international partners in Europe and Asia.

Many people have asked me, "What will this train bring to Fresno?"

I say it will be a game-changer. With a brand-new downtown station on H and Mariposa streets, which the city has signaled as its preferred station site, it makes the prospect of Fresno becoming a destination city a reality. Our downtown will have a real opportunity to boom with new apartment and office buildings, and new retail and entertainment districts on Fulton and Mariposa streets.

High-speed rail will bring in millions of dollars from investors locally and abroad to build the vibrant downtown this community wants. With thousands of boardings and departures at our station, Fresno will see not only our downtown change for the better, but also the rest of the community.

Being a college student, I have dedicated many hours to study and advocate for this project. It has become a personal goal to ride bullet trains out of Fresno to the Bay Area and Southern California in the next decade.

I've volunteered my time to this cause because I think it's the most important infrastructure project in the entire country today. If this train isn't built, we will still have to figure out how to move once and more people as California's population will eclipse 50 million in 20 years.

Not building this project doesn't mean we've saved money; it actually means we will spend more. We will have to expand our already burdened freeways and airports. Instead of eight lanes of clogged freeways, we will see 12 and 16 lanes of traffic jams. Instead of 20 minutes waiting on the tarmac for take-off at our airports, we will see delays longer than 40 minutes.

High-speed trains will run when they are scheduled to run every day. Even the slightest of delays, five minutes in some countries, will bring refunds to its riders. And unlike cars and airplanes, high-speed trains do not run on costly fuel from foreign countries.

So far, the California High Speed Rail Authority has secured more than \$6 billion in federal and state funding to begin construction, has created partnerships with countries that have high-speed rail, developed interest with more than 1,000 private businesses, and produced the documents to begin construction next year. Once construction begins, more than 100,000 people will be employed here in the Central Valley, giving our economy the boost it needs.

Paul Herman was born and raised in Fresno. He graduated from Bullard High School in 2007 and attends Fresno City College. He is an intern with Fresno County District 2 Supervisor Susan Anderson, working specifically on high-speed rail.

The CURRENT RATE IS AT 21.4 PERCENT

— and the number continues to increase.

High Speed Rail #99 create more than 20,000 construction-related jobs for every \$4 billion of investment. With an actual \$6.33 billion of state and federal funds committed to construction, that's more than 125,000 Valley jobs.

NEXT STOP: Economic Boost

High-Speed Rail

WANT TO KNOW MORE ABOUT THE VALLEY?

2009 November: The CHSRA Board of Directors issues first call for Central Valley heavy maintenance facility locations to be included in environmental review. Final decision on facility anticipated after environmental clearance and after construction is under way.

2010 January: California awarded \$2.25 billion for high-speed rail project. First award unlocks state bond funding package and lays out eligible segments that can be considered for initial construction.

The Central Valley, and Fresno County in particular operates on a largely agriculture economy. A large one, at \$5.4 billion in 2009, but one with historically high rates of unemployment. High-speed rail will diversify that economic base, creating a new workforce — directly and indirectly — during and after construction.

High-speed rail project's impact could be staggering

The clean, environmentally sound transportation alternative will create jobs unlike any project the Central Valley has seen. Just imagine what 135,000 new jobs could mean for the economy.

by Edward P. Cavalline, Former Vice Chair of the California High Speed Rail Authority

Job Types

CORE SYSTEM JOBS

- Train fabrication
- Train control signaling
- Communications
- Central control center
- Operators and power supply
- Electrication/tracker
- Tracker power supply stations
- Switching/marking stations
- Overhead contact systems (OCS)
- Track, ties/balast, fastening system
- Maintenance equipment for tracks and systems

OPERATIONAL JOBS

- Service planning and fare setting
- Operators planning, scheduling, train
- Train driving and dispatching
- On-board passenger services
- Ticketing and revenue accounting
- Station services and security
- TRAIN SERVICE JOBS
- Train servicing and inspection
- Train maintenance
- Fixed core system and infrastructure inspection and maintenance

California's long-studied and currently much-talked-about High Speed Rail (HSR) project is about to become reality. What that means for us in the Central Valley as a region, and in Fresno as project, a positive, clean, environmentally sound transportation alternative that will infuse into our sagging agrarian economy a much needed 'game-changing' boost that will be beneficial for at least the next 100 years.

Economics

The advent of 135,000 permanent construction jobs on the Merced-Bakersfield segment is a game-changer for the Valley, especially with our almost record-setting unemployment rates ranging anywhere from 16.3% to 19.5% in various Central Valley counties. (Source: Fresno Bee).

Adding in the impact of locating the Heavy Maintenance Facility in Fresno County, which will become the operational foundation of the entire system on this segment, is another 600 to 1,300 permanent high-tech, high-paying jobs. (This doesn't take into account the permanent jobs created by the operation of the system and its ancillary services.) Given the financial incentives along with our local technical training alliances with our higher education system (CSUE, SCCC, FPU), this is not an unrealistic expectation.

Additionally, the reality that all HSR contractors and vendors will need to not only have their products tested and certified by the Federal Railroad

Administration (FRA), hopefully right here in the Valley, those same companies will need a venue where they can showcase their wares to the rest of the U.S. high-speed rail market. This adds the potential for hundreds more jobs. Many of these companies have already expressed interest in investing heavily in this 'soon-to-be-reality' high-speed train system.

Fresno's downtown station location will return downtown to the center of transportation activity it was in the halcyon days of passenger rail service that ended in the early '60s. Additionally, station area development will be an integral part of this renewed economic engine repowering an honest downtown revitalization. This downtown renewal is not a pipe-dream, but has been witnessed in almost every city center in Europe and Asia, with the advent of a downtown/city center HSR passenger station.

Environmental

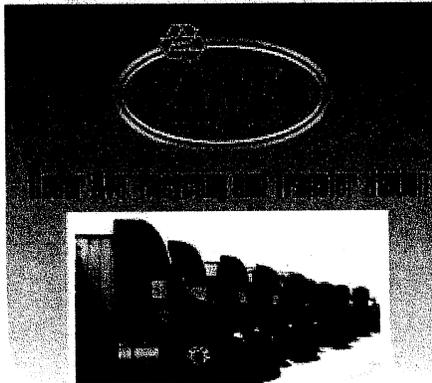
We have recently been told by some of our Valley

Fresno's downtown station location will return downtown to the center of transportation activity it was in the halcyon days of passenger rail service that ended in the early '60s.

— Edward P. Cavalline

SEE COMMERCE, PAGE 7

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Let's Address the Challenges and Issues and Make It Happen

High-Speed Rail

DALE GARDNER FOR THE VALLEY

2010

May: The CHSRA Board of Directors hires Rodol van Ark, a senior executive with more than 30 years experience as an engineer and manager for some of the world's leading transportation companies, as the agency's chief executive officer.

2010

August: Groundbreaking ceremony of San Francisco's Transbay Terminal. The Transbay Joint Powers Authority begins constructing station to accommodate California's future high-speed trains.

A vibrant downtown will welcome train riders

Efforts are under way now to transform downtown into a vibrant stop for high-speed rail passengers.
by Craig Scharron and Elliott Gulch, Downtown and Community Revitalization Department

What will happen when high-speed trains pull into the downtown Fresno station? Will passengers want to make Fresno a destination, or stay on the train and pass through it all depends on what we do now to build a thriving downtown in the years ahead. A vibrant downtown is key to making any city worth visiting — but even more so when visitors are arriving right on the heart of it.

What do you see when you arrive in a vibrant downtown Fresno? As soon as you exit the station, you find a place that calls you to walk around. At night, the music from a rooftop bar splashes over the cheer of the crowd at Chuck-chainsi Park.

Will passengers want to make Fresno a destination, or stay on the train and pass through? It all depends on what we do now to build a thriving downtown in the years ahead.

space above.

Within easy walking distance, you find great commerce and culture, not to mention convenience.

The city began laying the foundation for this



When visitors exit the train at the downtown Fresno station, city planners hope they will see a vibrant downtown, alive with restaurants, nightlife and places to shop.

kind of place last year, with the start of work on the Fulton Corridor Specific Plan. The Specific Plan provides a new code for development throughout downtown.

Under the new zoning, every project must be designed for pedestrian access, as buildings once were. The rules make it easier to build a great downtown, one investment at a time. A draft of the Development Code is available at www.fresno.gov/downtownplans.com.

The city is also working to plan the public investments that will make the station area function well, with streets and transit access.

The Specific Plan makes the first move in this direction by resolving the long-running debate about the future of the Fulton Mall. Five mall options are now under study, each offering varying blends of restoring vehicle traffic and the current landscape, all with the goal of making the mall a more attractive place for private investment.

The city is also seeking funds to develop a high-speed rail multimodal station area plan that will design the streets leading to the station,

program public transit, locate parking, and offer solutions to fund the necessary investments to maximize economic development and opportunity in and around the station.

The city has even applied for arts funding to redesign the Manposa Plaza area at the center of the Fulton Mall, making it an easy place to host concerts and cultural events. Where better to put on a show every weekend, and show off the Valley's diversity, than just steps from the high-speed train station?

The city is working now to prepare our downtown for high-speed rail. Fortunately, we're not alone.

At each step we are asking the private sector to tell us what would make the most impact on their decision to invest. We are asking the public to continue to participate in the Specific Plan decision-making process.

Through all the efforts under way, we will be asking you to get involved as the future envisioned for the station area moves along the track to reality.

Commerce: Project means jobs

By Dale Gardner

congressmen that now is not a good time to spend federal dollars on HSR. We are led to believe that we ought to take those federally allocated dollars and widen Highway 99 through the Valley.

The footprint for a two-rail HSR line carrying 10,000 passengers per hour in either direction is 50-feet wide. To duplicate this same capacity on Highway 99 would require an additional four lanes at 132 feet of width.

This definitely speaks to the question of agricultural land loss as it relates to the construction of HSR. The total acreage affected in Fresno, Kings, Tulare and Kings counties is at most 2,542 acres (Source: UHS Corporation). The cost per mile for the construction of HSR is approximately \$60 million per mile compared to an estimated

cost of \$186 million per mile for again, the same capacity of highway for an additional 10,000 passengers per hour (Source: California cost estimate for I-5 from Oceanside to San Diego).

In comparing how far a gallon of fuel or its energy equivalent will take a person by transportation mode, the following was discovered: On a gallon of gas, a Prius hybrid will take one person from 40 to 100 miles; an Airbus will take you from 49 to 100 miles and HSR will take you from 150 to 300 miles (Source: fueleconomy.gov, Airbus, Japan East Rail and SNCF).

Clearly, taxpayers get the greatest bang for their dollar with the investment in HSR. Californians cannot afford the cost of adding new freeway lanes at the expense of ag land, mode capacity loss and incredibly poor fuel mileage.

Transportation impact

Given that both Los Angeles International Airport and San Francisco International Airport are at maximum ground and gate capacity (pre-recession) without the prospect of being able to build out to meet air-travel demands due to overwhelming environmental concerns, HSR creates a long-term solution for this very real current problem.

Ground and gate capacity at major airports are negatively affected by the proliferation of small regional aircraft used to shuttle passengers to larger airports to connect to long-haul flights that are the real profit centers for all airlines. HSR creates the opportunity to overcome some of these impediments by allowing the traveling public access to our international airport, Fresno

ANALYSIS Reality

Jobs: Rail vs roads

"History shows that you get more jobs and economic growth for every dollar spent on rails than you do for every dollar spent on roads or any other infrastructure project."

— CNN.com user "thenewsjunk"

Expert response: It depends.

"This question is impossible to answer because it's hard to talk about these projects in the abstract. It matters where and how these projects are built."

Location: "If you built high-speed rail in a remote place like

Montana, then economically, this project may not make a lot of sense."

However, if you focus high-speed rail in corridors between metropolitan areas that are economically connected, then there is no reason why it couldn't have an economic return if built correctly. — Los Angeles in San Francisco is a perfect corridor for this type of project, because there is an economic connection and it's the right distance (about 300 miles) for high-speed rail to be competitive with air travel."

— Robert Puentes, the Brookings Institution

Referred to as "the Appalachia of the West," **FRESNO** IS ONE OF THE POOREST CITIES IN THE STATE.

NEXT STOP: Financial Benefits



With high-speed rail, we're going to see communities come back to life. As a more convenient and more affordable alternative to traveling by car or plane, we'll see an economic boost around the new transportation terminals, which will include the stop in Fresno.

High-Speed Rail

GAME CHANGER FOR THE VALLEY



2010 October: California awarded \$715 million in fiscal year 2010 for federal intercity high-speed rail funding.

2010 October: All federal funding awarded in date dedicated to the two eligible Central Valley initial construction segments — Meridian backbone of statewide system.

Japan's rail lines reliable, quakeproof

March's earthquake and tsunami didn't stop Japan's high-speed rail, long a source of tourism and economic stability.

by Masayuki Tanemura
Consulate General of Japan,
San Francisco

On 2:46 p.m. March 11, a magnitude 9 earthquake struck northeast Japan, and its effects were felt as far away as Tokyo. Prefectures along the Pacific Ocean were hit with shaking that reached the maximum level, according to Japanese measurements. The accompanying violent rise in the sea floor created a massive tsunami —

the tsunami lost their homes, and now live in shelters.

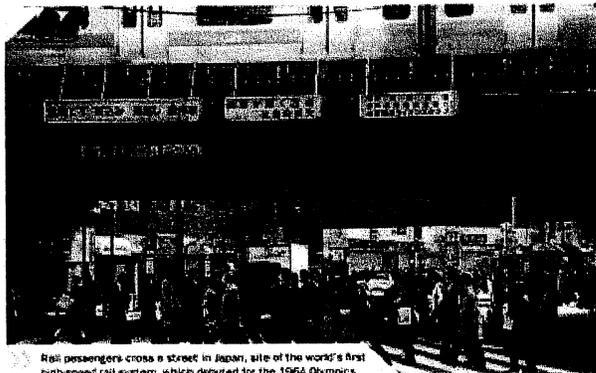
Nevertheless, during this historic event, 27 Shinkansen (Japanese High-Speed Rail) trains in operation in the Tohoku region, with many passengers on board at the time, stopped safely without a single derailment. In terms of preventing the derailment, JR East, one of four high-speed rail operators in Japan,

claims that the Shinkansen trains had their speed automatically decreased by their earthquake early detection system before the powerful quake arrived. The anti-seismic reinforcements on the elevated track pillars also had significant effect, a lesson learned from their experience with the Great Hanshin/Awaji Earthquake in 1995.

As one of the main arteries of Japan's transportation infrastructure, this line's renovation and the slowly increasing number of tourists stood as a symbol to the Japanese people that they could endure and rebuild.

estimated at more than 100 feet — that swept inland. Cars and homes, boats and breakwaters — the waxy smallness of everything like they were dollhouse pieces and left 15,000 people dead and another 10,000 missing. Those who managed to escape

Despite the damage caused by this disaster, JR East gradually restarted operations in sections without much damage. It reopened the entire Tohoku Shinkansen line on April 29. As one of the main arteries of Japan's transportation



Rail passengers cross a street in Japan, site of the world's first high-speed rail system, which debuted for the 1964 Olympics.

infrastructure, this line's renovation and the slowly increasing number of tourists stood as a symbol to the Japanese people that they could endure and rebuild.

As the 1964 Olympics — the first in Asia — opened in Tokyo, the world's first high-speed train also made its debut.

Japan in the 1960s was booming with increased demand for transportation and tourism, and the Tokyo-Osaka Tokaido conventional rail line was reaching the limits of its capabilities. To address this, Japanese National Railways planned a 130-mph train to connect the two cities in about three hours.

The Shinkansen network, which forms an important support network for the Japanese economy, grew in the following years and now includes approximately 1,500 miles of tracks, with further expansion in the future. JR East also plans to increase operating speeds from current 186 to 200 mph.

The Shinkansen system has more advantages than successful anti-seismic and disaster-proof engineering. It also drives the growth of tourism in a given area. For example, in December 2002, JR East opened a new route from Mito to Hachinohe in northeastern Japan. These 60 miles of track enabled JR East to shorten the trip to Hachinohe from Tokyo by 40 minutes, while simultaneously

proving that one-day ridership increased 50% and continues to climb. Yearly transportation numbers through Hachinohe station increased from 1.1 million to 1.9 million within five years. This data shows the effect high-speed rail has on regional and inter-regional demand.

Furthermore, the Shinkansen also has an impact on tourism demand itself. The number of tourists to

Aomori (Hachinohe's prefecture) increased by almost 6 million people the year after the line opened. These people visited national parks and spring festivals where cherry blossoms — the Japanese national flower — were in full bloom.

The number of tourists to southern Aomori specifically from the Tokyo area doubled in the five years after the line

SEE JAPAN, PAGE 10

Commerce: Project means Valley jobs

PHOTO PAGE 7

Yosemite International, by reducing the amount of air shuttles with timely HSR trains to and from the LA basin and the Bay Area at a lower cost. In return, FYI becomes a hub for transcontinental flights due to reduced "drive aways" that have been created by an increased passenger base in and from the Central Valley.

With the advent of a state-of-the-art intermodal transportation center in downtown Fresno, anchored by the new HSR station, Fresno has the opportunity to offer an integrated and seamless transportation system that can serve the entire Central Valley.

This can be accomplished by integrating a Bus Rapid Transit system connecting outlying communities like Kernan, Selma, Kingsburg, Sanger, Reedley and Madera as well as FYI to the new station. This intermodal facility would offer affordable transportation to all in the Valley.

All of the aforementioned are indicators that we are on the cusp of a transportation revolution in the

United States.

As an integral part of the international community, we have been identified for more than two centuries as problem solvers and innovators. Let us not be defined by the problem identifiers and naysayers.

I'm not suggesting that the environmental process won't be fraught with real issues that in some cases could become highly divisive. However, I honestly believe that this is a once-in-a-lifetime opportunity for us as a community and region to shed the belief held by so many for so long that nothing great can happen in Fresno. We must dispel that myth.

We, more than any other nation, ought to be striving toward HSR as part of the solution to mitigating many of our intra-city travel issues for the next 100 years.

We owe it to our children and grandchildren to leave this state in better shape than it has been left to us.

So, to borrow a bit from a recent ad slogan: Let's build something great together!

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High-Speed Rail

SCALE CHANGEPUP FOR THE VALLEY

2010

November: CHSRA CEO Invo van Welyk, a longtime veteran of international infrastructure projects, is the key part of project manager to oversee station site preliminary engineering and environmental review.



2010

December: CHSRA Board of Directors approves initial construction segment of 65 miles in the Central Valley (for construction beginning late 2012).

HSR: A world connected

High-speed rail has helped countries like China, Japan, Germany, Russia and Spain transform themselves in many ways.

by Oliver Hauck, President, Siemens Mobility Division, USA

Saying competitive in today's global economy is no easy feat. Emerging markets are challenging more developed countries like the United States, and this trend will only continue as the marketplace evolves.

One area that is adversely affecting the United States' competitiveness is its transportation system. The current system needs to be updated and integrated with other modes of transportation to create a comprehensive network that makes it easy for businesses to ship their products to customers and for people to get where they need to go. Unfortunately, the United States is currently stuck in the slow lane, not only figuratively, but literally.

The benefits of high-speed rail are already being realized by countries around the globe — countries the United States is competing with in the global marketplace.

— Oliver Hauck

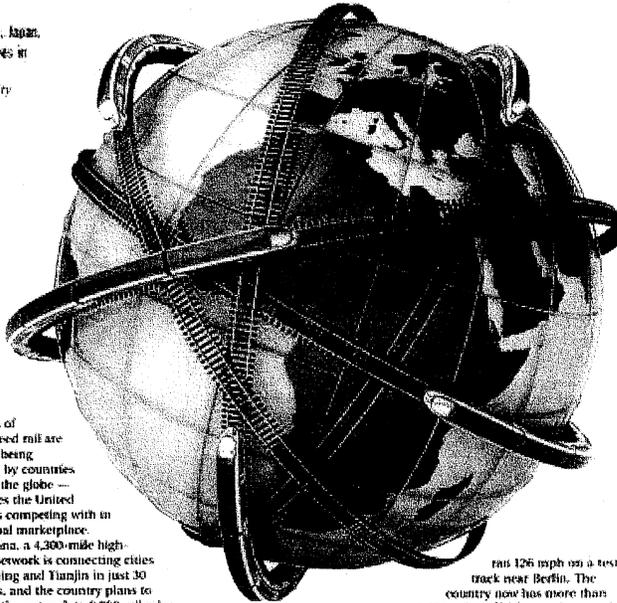
A truly intermodal transportation network that integrates air and automobile travel with passenger rail. In particular, high-speed rail networks, would strengthen the United States' position in the global marketplace by driving economic growth, increasing energy efficiency — while reducing dependence on foreign oil, and facilitating the smart growth of towns and cities. The

benefits of high-speed rail are already being realized by countries around the globe — countries the United States is competing with in the global marketplace.

In China, a 4,300-mile high-speed network is connecting cities like Beijing and Tianjin in just 30 minutes, and the country plans to expand the network to 6,000 miles by 2012. High-speed rail is not only making it easier for people to move around in dense urban areas — the system recorded 41 million passengers in its first two years — but also stimulating the economy, driving up demand for construction materials such as steel and cement, and creating jobs to construct the line. Construction of the Beijing to Shanghai line put 110,000 people to work.

In a 2010 study Siemens sponsored for the U.S. Conference of Mayors examining the economic impact of

While high-speed rail has yet to catch on in the United States, there has been a global expansion in HSR lines in recent years, and for many countries. It is a major source of transportation. Spain, for instance, has been pursuing HSR for 20 years and by 2012 will have the longest system in Europe.



building high-speed rail in four major cities, researchers found that building high-speed rail would add \$6.1 billion annually in new business sales to Chicago while creating 42,000 new jobs. In Los Angeles, \$7.6 billion would be added yearly and some 55,000 jobs created, and in New York's state capital, Albany, \$2.5 billion would go to the local economy and some 21,000 jobs would be created.

Dispelling a myth, high-speed rail actually started in Germany in the early 1800s with the first rail car that

ran 126 mph on a test track near Berlin. The country now has more than 1,000 miles of high-speed networks connecting cities in Germany and connecting Germany to the rest of Europe with trains that cross borders into Austria, Belgium, Denmark, France, the Netherlands, Switzerland and the United Kingdom.

These highly efficient trains are fully integrated into the country's transportation network and work together with the airlines and automobile travel. A passenger traveling through Germany can purchase a complete travel itinerary including

SEE WORLD, PAGE 10

Jobs & Reality

Overseas jobs?

"Any rail project in the U.S. will require steel rails imported from Korea or China and train components imported from Germany."

"Yes, we will need a few heads to put this all together, but the primary jobs will be created overseas."

— CNN.com over "SteelCafe"

Expert response: Not true

"The high-speed rail program includes strict Buy America provisions

which require steel, iron and any manufactured goods used in the program to be produced in the United States."

Examples: "Already, the steel rail for projects in Maine and Vermont are being cast at a plant in Indiana."

"Localization of passenger cars is underway in Delaware, Indiana and New York. And, rail sector manufacturers and suppliers are developing or expanding their operations in the U.S. to accommodate anticipated future demand."

— Ray Kleiser, under secretary for policy, U.S. Department of Transportation

While high speed rail is new to the United States, it has already made an impact globally. China, Japan, France, Germany, Spain, Italy and Russia are the global leaders in high speed rail.

Country	Miles	Moves at	Services	Future plans
CHINA	4,300	Moves at 217 mph	Serves 132,000 passengers a day from Beijing to Tianjin	Future plans call for 8,000 miles by 2012
JAPAN	1,487	Moves at 196 mph	\$19 billion economic impact annually, with no passenger fatalities in 45 years	Future plans call for 1,800 miles by 2015
FRANCE	1,143	Moves at 199 mph	Plans in the central hub for all HSR connections in France	Future plans call for 2,500 miles by 2023
GERMANY	1,056	Moves at 196 mph	German trains traveled more than 14 million miles in 2009	Future plans call for 1,500 miles by 2025
SPAIN	633	Moves at 220 mph	HSR absorbed 50 percent of airline traffic from Barcelona to Madrid	Future plans call for 2,000 miles by 2020
ITALY	547	Moves at 196 mph	70 daily connections for the 27-minute trip from Bologna to Florence	Future plans call for 800 miles by 2020
RUSSIA	403	Moves at 164 mph	Had 411,000 passengers in first four months of operations	Future plans call for 7,000 miles by 2020
UNITED STATES	435	Moves at 149 mph	Apple tests Boston, Washington and New York	Future plans call for 1,200 miles by 2020

23 percent of all people in TULARE COUNTY ARE BELOW THE POVERTY LINE

— the third worst county in California.

(Source: 2009 Census data)

HIGH-SPEED RAIL JOBS!

High-Speed Rail represents the largest ROI the State of California has ever seen, far greater than the historical 7% per dollar we usually get which will provide the jobs needed to help Tulare County out of poverty.

NEXT STOP: Air Quality

High-Speed Rail

THE SAME CARROTS FOR THE VALLEY

2010 December: California awarded \$616 million in ARRA funding re-allocated from Ohio and Wisconsin.

2010 December: The Board of Directors approves extending initial construction segment to 110 miles in the Central Valley based on the end December award of additional funding.

World: United States stuck in slow lane

FROM PAGE 8
airline and train tickets at the same time. Train travel complements air travel, taking the burden off airlines on the shorter regional trips that are not profitable and freeing the airlines up to increase capacity on long-distance flights that are more profitable.

Furthermore, rail is already among the cleanest and most energy-efficient transportation modes available. Air travel between Paris and London has been decreased by approximately 50% since implementation of the Eurostar service between the two cities. This rail line is estimated to be 90% more energy efficient per passenger than air travel over the same distance.

According to a study by the Center for Clean Air Policy, implementing high-speed rail corridors in the United States could result in 6 billion pounds of carbon dioxide being removed from the atmosphere annually.

In addition to being more energy efficient than travel by automobile or airplane, high-speed rail is more reliable. In Russia, the Sapsan train is functioning in extreme weather with outdoor temperatures as low as -58 degrees Fahrenheit. Travelers would no longer have to worry about delays or cancellations due to inclement weather. Trains can run in nearly any conditions, getting people where they need to go on time. In fact, the Siemens Velaro train in Spain arrives on schedule more than 99% of the time.

Americans are looking for a better quality of life and rail travel is considerably more relaxing than the stress of fighting traffic jams. The

value of knowing exactly what time you will arrive at your destination is priceless — no more extra hours to accommodate traffic or battling for parking, no more long security lines at airports and extra time for check-in.

In order to build a modern transportation infrastructure that will help keep this country competitive and increase individual Americans' transportation choices, we need to begin these projects now and demonstrate to America how valuable this can be for the nation.

The system envisioned in California would be true high speed, meaning it will be on its own tracks and travel at speeds up to 220 miles per hour. Passengers already ride on these types of systems on routes today in Spain, Japan, Russia, China and Germany.

The Velaro high-speed train is the perfect fit for California. The Velaro — one of the world's fastest production trains — gets the equivalent of 700 miles a gallon per passenger on a fully loaded train. That's like going 62 miles on the amount of gasoline you could fit in a can of soda. And because the Velaro is electrically powered, it can be made to use renewable sources of energy.

Siemens stands ready to play a role in helping America realize its own vision for high-speed rail, enabling it to stay competitive for decades to come.

■ Siemens Mobility Division U.S. is a full-service provider of products and services for the transportation industry in North America.

Myths Reality

MYTH: International investment in the system is bad.

REALITY: We live in a global economy. Just as you will find significant American investment in other countries, there is significant foreign investment here in our own San Joaquin Valley. Rabobank, Bova and Shell are Dutch; Union Bank is Japanese; Siemens is German; Schneider Electric is French; Fresh and Easy is British; Grumfos is Danish; to name a few. It's a good thing these companies are here. They are a part of keeping the economy healthy and moving. High-speed rail is no different. In fact, in this case, international investment will bring better transportation and a great deal of jobs to the area.

Japan: Tourism grows in connected areas

FROM PAGE 8
opened, while the closest national park to Hachinobe reported increases of 30% in the year immediately following commencement of service.

The communities along the line, as would occur in Fresno, work hard to incorporate high-speed rail into their future development, and these cities continue their efforts to stay attractive to tourists by developing their downtown areas, station squares, bus service to local tourist sights, events and local tourist resources.

This is good news for numerous Central California towns looking at the possibility of high-speed rail in their communities. Using the presence of the rail line as the impetus to drive development, Californians can lure tourists to destinations as far as Yosemite National Park or as close as Main Street.

As can be seen from Japan's experience with the Shinkansen, effective engineering and disaster planning means that infrastructure this impor-

tant never needs to lead to a loss of service or a loss of life, while bringing myriad benefits to millions of ordinary people.

In my experience, the recent disaster has led to an outpouring of support from Americans individuals and organizations in the form of donations, materials, rebuilding advice and condolences.

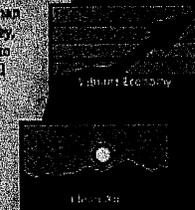
The U.S. military has also taken an active role in rescue and reconstruction with Operation Tomodachi (Friends). The connection America and Japan share is recognized as one of the strongest bilateral relationships in the world, and the earthquake has only reinforced that impression.

Personally, I am convinced that the Japanese people will never forget the kindness shown to them in these trying times, and on behalf of the Japanese Consulate in San Francisco, I would like to extend my thanks for the moral and material support.

FULL SPEED AHEAD



Measure C has worked hard to deliver on our promise to better Fresno County by leveraging tax dollars, cleaning our air and improving our local economy. Now, with high speed rail looking more possible than ever in the Central Valley, Measure C continues to deliver by matching federal funds in order to build a Heavy Maintenance Facility projected to generate \$110 million annually for local workers.



\$ \$
Leveraging Funds



High-Speed Rail

DALE CARLISLE FOR THE VALLEY

2011

April: Station area planning policy provides funds to locally led studies. Communities offered matching funds to combine plans for business, residential and transportation development in the areas surrounding a high-speed rail station. Seven cities near the initial construction segment invited to apply include: Merced, Fresno, Tulare/Kings, Bakersfield, San Jose, Elroy and Palmdale.

Public-private partnerships essential

P3s, as they are called, offer the potential to stretch government dollars with private capital as a way around lack of funding for large-scale public projects.

By Michael Colbelli, Skanska USA

The United States has fallen behind much of the developed world in implementing a rail system that is fast, reliable and safe, which is why the demand for high-speed rail support in this country is so high.

The residents of California are familiar with freeway congestion in our state's north-south corridors. We can all agree there would be immediate benefits from the California high-speed rail project.

By developing public-private partnerships, government provides incentives for quality work and demands accountability for operations and maintenance.

—Michael Colbelli

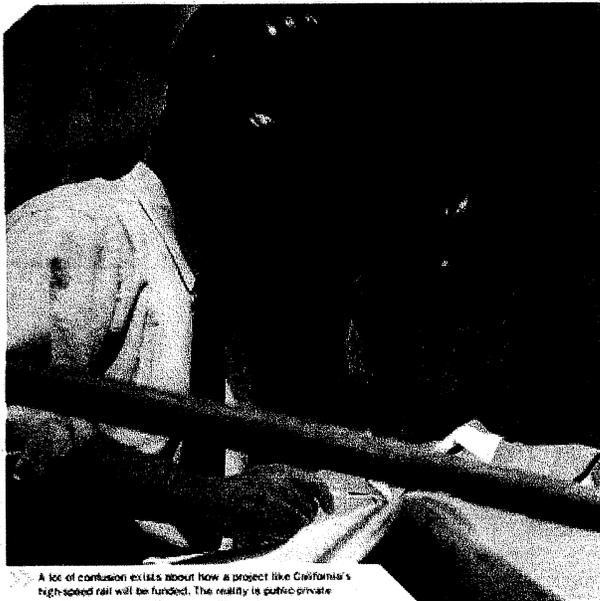
with the advancement of a San Francisco to Anaheim corridor through Merced and Fresno counties.

Thousands of full-time jobs will be created. California will continue to progress as a leader in sustainability as high-speed rail will reduce oil consumption, greenhouse gas emissions, road congestion and dependence on cars. California's new rail corridors will

spur economic growth and new business development in the region. Local politicians and community activists are fighting for high-speed rail stops in their cities and towns because they realize that having access to a 21st century transportation option means that businesses will be able to compete better in the global economy.

There has been a lot of concern as to who will pay for this \$43 billion project, and rightfully so. Government officials on both the local and federal levels are concerned that taxpayers will bear the burden of cost overruns. However, there is another option for the state to consider. It's called a Public Private Partnership.

P3s, as they are known around the world, essentially allow the private sector to help fund, build, own and maintain large-scale infrastructure projects such as high-speed rail tunnels or turnpikes. The concept, similar to how utilities do business in the U.S., has been popular for at least 20 years in Europe. The Swedes have used P3s to fund wind projects. In the UK, they have been employed to build 800 projects since 1992, including power plants. In Poland, they are building a public hospital. Now, other parts of the world are embracing P3 opportunities. In Chile, which has a strong economy, instead of spending



A lot of confusion exists about how a project like California's high-speed rail will be funded. The reality is public-private partnerships are essential to a healthy system.

money on roads, the government is investing in health care, and great success, and leaving transportation to the private sector, easing congestion, improving safety and modernizing travel.

The U.S. has been late to embrace public-private partnerships because we have long been told that it's the government's job to provide basic services, such as laying highways. But the railroads were built by private companies. Our electricity, gas, telephone and television are privatized and regulated.

But what has been a foreign concept is now taking hold in Florida, where two highway projects are under way; Texas, with two massive roadway deals executed this year; and Virginia, where private companies are rebuilding the Capitol Beltway, as well as the Millstone Tunnel beneath the Elizabeth River, connecting Portsmouth to Norfolk. All are P3 projects. Fundamentally, a P3 involves the procurement of a public service (such as a high-speed rail project) by the private sector on a long-term contractual basis usually lasting

anywhere from 20 to 50 years. In these types of projects the private sector executes and manages the finance, design, construction, taking, traffic management, operations, maintenance, safety, and sustainability efforts that deliver cost-efficient assets to government without raising taxes. At the end of the contract period, the facility and management of it, is handed back to the public sector at no cost.

By developing public-private partnerships, government provides incentives for quality work and demands accountability for operations and maintenance.

Despite the promise of economic growth, jobs and less government money, there is a misconception that somehow governments are "giving away" public assets. That is not the case. Through a performance-based contract, P3 projects remain mostly controlled by the government, which can fire or fire a developer throughout the contract if it fails to perform.

Private firms have every incentive to build

Myths Reality

MYTH: Any funding California receives for high-speed rail should instead be spent on Highway 99 improvements.

REALITY: The California High-Speed Rail Authority has received billions of dollars in funding from the federal government specifically granted for California's high-speed rail project. Because of the way these funds have been designated toward high-speed rail, the federal, state and local governments cannot take this money and spend it on Highway 99.

MYTH: Proposition 1A, the Safe, Reliable High-Speed Passenger Train Bond Act, approved by voters in 2008, provides for \$9.35 billion in bonds to be issued to establish the high-speed train service. In this instance, too, it would be illegal to spend the money on anything other than the high-speed rail system.

MYTH: Taxpayers will have to complete

ly subsidize the high-speed train system.

REALITY: CHSRA's economic model for its high-speed train system has, from the onset, always called for a public-private partnership in finance, system construction and operations. The goal is to attract local, state, federal and private funding, with private funders taking on the lion's share of the investment. High-speed train systems are built and operated worldwide under this model. These financing experts and interests are out there, including high-speed train operators in France, Germany, Spain, China, Japan, Korea and more. They've been visiting Fresno over the past several months to see how they can participate financially in this historical project. With an 18.4% unemployment rate in Fresno County, the next six months will determine whether this investment partnership will come together. When it does, much needed jobs will come to our county.

RE MONEY, PAGE 12

BAKERSFIELD RANKS SECOND IN THE NATION

for the highest year-round levels of toxic particles.

Reduced greenhouse gas emissions, lower levels of smog and toxic particles. With high-speed rail, Valley residents will see a dramatic improvement in the air they breathe.

Source: Environmental Protection Agency, 2010

NEXT STOP:
Reduced Travel Time

High-Speed Rail

GAME CHANGER FOR THE VALLEY

2011

April: CHSRA holds a high-speed rail industry forum, with more than 1,500 private business attendees, providing an in-depth look at the procurement process and opportunities for potential primes, subcontractors and small businesses to participate in project.

2011

May: California awarded \$300 million in funding re-allocated from Florida. Total state and federal funding available to begin construction is \$6.23 billion.

Costs



Fares

Full fare, which includes Boston, Washington, D.C., and New York. Looking at typical fares for these lines, we can get a sample of what it may cost to travel California's high-speed rail.

Round trip from Boston to Washington, D.C. non-stop to San Francisco to Los Angeles 394 miles	Day-of: \$235 (single rider), \$940 (family of four) Next-day: \$209 (single rider), \$836 (family of four) Two-day notice: \$183 (single rider), \$732 (family of four) Two-week notice: \$157 (single rider), \$628 (family of four) Two-month notice: \$157 (single rider), \$628 (family of four) Six-month notice: \$157 (single rider), \$628 (family of four)
Round trip from Boston to New York non-stop to Fresno to Los Angeles or San Francisco 193 miles	Day-of: \$115 (single rider), \$460 (family of four) Next-day: \$99 (single rider), \$372 (family of four) Two-day notice: \$89 (single rider), \$396 (family of four) Two-week notice: \$89 (single rider), \$396 (family of four) Two-month notice: \$89 (single rider), \$396 (family of four) Six-month notice: \$89 (single rider), \$396 (family of four) Monthly unlimited pass: \$1,710 10-ride pass for 45-day time period: \$76

High-Speed Rail VS. Highway

FOOTPRINT	1 two-rail HSR rail can carry 10,000 passengers per hour, in either direction: 60 feet wide.	To reach that capacity Highway 99 would need four more lanes at 132 feet wide.
COST	HSR: \$60 million per mile	Highway: \$106 million per mile
GASOLINE	HSR: 150 to 300 miles on the energy equivalent of a gallon of gas.	Truck: 40 to 100 mpg Airbus: 48 to 100 mpg

Money: Partnerships are the answer to HSR

FROM PAGE 11
and operate the asset with maximum care to make the partnership with government work — and keep the public happy.

Another misperception is that P3s cost union jobs. Yet without private financing, many public projects and the jobs they create would not even exist, and among the largest investors in P3s are union pension funds.

Increasingly, municipalities understand the value and promise of P3s. About half of all U.S. states, including California, have enacted legislation that permits public-private initiatives on state projects. But the private sector must also come to the table with the leadership and expertise necessary to complete one of these projects along with a solid business case based on value for money. There must be transparency on both sides along with a genuine partnership between the government and the private entities.

As more and more municipalities face these tough decisions, we urge them to consider a public-private partnership for the sake of the economy, the environment, and a public benefit to commuters who now bear horrible congestion that impedes business growth and diminished quality of life.

We all understand the reality that

In California, it's clear our significant transportation needs cannot be met entirely through state funding.
— Michael Calbeti

government simply cannot afford to fully pay for our growing infrastructure needs. In California, it's clear our significant transportation needs cannot be met entirely through state funding. The good news is that there are billions of dollars in private capital available and ready to invest.

P3s offer potential to stretch government dollars with private capital as a way around lack of funding for these large-scale public projects. They are the right option for the state, at the right time, beginning with the California high-speed rail project.

Michael Calbeti is the chief operating officer of Skanska USA's Civil business unit. Globally, Skanska has delivered 19 public-private partnership projects including toll roads, hospitals, schools, water treatment plants, hydro-power and prisons.



Kiewit-Granite High-Speed Ventures

Kiewit-Granite High-Speed Ventures (KGHSV) is comprised of two of the most accomplished contractors in the United States, Kiewit Infrastructure West and Granite Construction. KGHSV has teamed with designers HNTB Corporation and Hatch Mott MacDonald to create the optimal Design-Build team to assist the California High-Speed Rail Authority in building a cheaper, faster and more convenient form of public transportation and getting the economic engine of the Central Valley jump started.

The California High-Speed Rail Project is potentially the largest transportation project since construction of the interstate highway system in the mid-1940s. We invite you to join KGHSV to learn more about us and potential subcontracting opportunities with our team at our sponsored events listed below.

POSSIBLE SUBCONTRACTING OPPORTUNITIES:

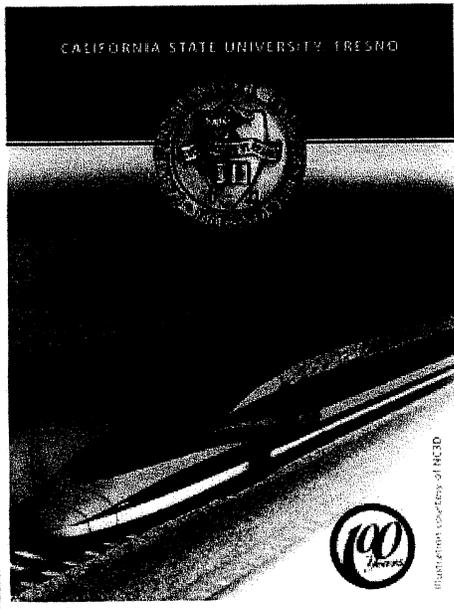
- Structural Concrete
- Minor Concrete
- Engineering/Design
- Geotechnical
- Grading
- Metal Beam Railing
- QC/QA Inspection
- Reinforcing Steel
- Underground Utilities
- Sound Control & Vibration Monitoring
- Surveying
- SWPPP
- DIDH Piling and Casing
- Prestressing and Post Tensioning
- Trucking & Traffic Control
- and more

SUBCONTRACTOR OUTREACH

BAKERSFIELD	June 27, 2011 3:00 ^{PM} - 6:00 ^{PM} Bakersfield Marriott 801 Truxtun Avenue, Bakersfield, California 93301
FRESNO	June 28, 2011 9:00 ^{AM} - 12:00 ^{PM} Radisson Hotel & Conference Center Fresno 2233 Ventura Street, Fresno, California 93721
MODESTO	June 28, 2011 3:00 ^{PM} - 6:00 ^{PM} Doubletree by Hilton Hotel Modesto 1150 Ninth Street, Modesto, CA 95354

If you are not able to attend or you would like more information visit our website: www.highspeedventures.com

Kiewit-Granite High-Speed Ventures, 6941 Business Center Drive, Fairfield, CA 94504
KGHSV is an affiliate with the California High-Speed Rail Authority.



Fresno State is ready to use its faculty expertise in educating and training students to become tomorrow's leaders, and contribute to the efforts to see high-speed rail in the Valley become a reality.

IT'S ONE OF THE MANY WAYS FRESNO STATE IS POWERING THE NEW CALIFORNIA.

www.csufresno.edu

High-Speed Rail

W A R M E R A N C E R F O R T H E V A L L E Y

TDOT
 Summer: Merced to Fresno and Fresno to Bakersfield draft environmental review documents released for public input.



TDOT
 Summer: Request for Qualifications for the initial construction section contracts issued.

Agriculture interests are perhaps the most outspoken opponents of California's high-speed rail project — and with good reason. The rail lines have to go somewhere, and some of that will undoubtedly be ag land. While high-speed rail comes with an infusion of jobs and capital, it must be balanced against the Valley's long and steady history with agriculture.

HSR treads softly on agriculture

Farmstead or high-speed rail line? There needs to be an effort to balance the two.
 by the High Speed Rail Authority

Well before California could even claim statehood, it was home to some of the most productive land in the world.

Some of these farms have been in the same family's hands for years, for decades and for generations. It is no wonder that the approach of high-speed rail — which brings with it undoubted benefits — also brings with it the kind of questions that have surrounded the advent of every major new development from the telephone to the interstate.

The California High Speed Rail Authority has in place nearly a dozen agreements with other countries around the world that operate successful high-speed rail systems. We did this so that

we didn't have to reinvent the wheel, so that we can learn from them what challenges they overcame and what opportunities they embraced.

And we have found something of almost importance: Done right, high-speed rail's relationship with agriculture can be mutually beneficial. By working hand-in-hand, we can create smarter growth over the long term, which may reduce stress on agricultural land.

We can certainly continue to build additional freeway miles and more airport gates and runways, but we are pursuing a better alternative, one that, by working directly with the agricultural community, will help preserve that community.

Consider the often-repeated suggestion to simply widen Highway 99, which bisects the Central Valley, to accommodate future traffic. That may yet be an option, but also consider that a freeway requires significantly more right-of-way than we propose for high-speed rail — which will be 120 feet or less.

There are nearly 7 million acres of agricultural land being farmed in the Central Valley. Conservative estimates indicate that less than 4,000 acres of agricultural land between Merced and Bakersfield may be affected. When you do the math, 4,000 acres of 7 million acres equates to .057%, less than 1%.

It is simply impossible that

any public works project of this scope is going to be without its impacts.

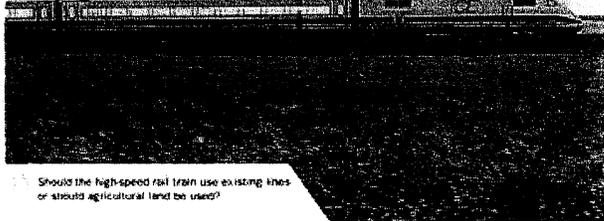
Of course, while the big picture may be one of smart, sensible growth, we are committed to working with our agricultural partners whose land will be affected — those 4,000 acres — to do all we can to maintain their operation and way of life as best we can.

That is why staff with the California High Speed Rail Authority has met repeatedly — and will continue to do so — with farmers and agricultural groups and experts to get their input on the project and how to best mitigate potential impacts.

We have heard their concerns, and you will see many of them represented in

our work going forward. We have already agreed with the Federal Railroad Administration to use existing transportation corridors as much as possible to minimize the impact on agricultural land.

It's important to remember that the Authority is guided by very strict state and federal laws. We must — by law — minimize any impacts to existing land use, including farming and ranching. We are creating a working group to bring the Authority and agriculture even closer together as we move ahead. Let us continue to work together as we figure out how best to bring all Californians a clean, fast, safe and convenient way to travel that moves them into the future while also protecting the best parts of their past.



Should the high-speed rail train use existing lines or straddle agricultural land to be used?

Route main issue of concern for farmers

Farmers aren't necessarily against high-speed rail, ag leaders say. The debate is about where the rail line lands and long-term sustainability.
 by Ryan Jacobson, CEO/Executive Director, Fresno County Farm Bureau

Central Valley agriculture is the envy of the rest of the world. The agricultural and irrigation infrastructure created here, including our large tracts of uninterrupted land, cannot be found in most other parts of the world. For those who know this, there is the desire to

The map of the initial proposed HSR route through Fresno, Kings, Kern, and Madera counties creates havoc for local farm operations.

by Ryan Jacobson

protect these critical assets, no matter what the threat. The most recent concern is that of the proposed high-speed rail route.

The map of the initial proposed HSR route through Fresno, Kings,

Kern, and Madera counties creates havoc for local farm operations. On hundreds of parcels in these counties, a new line bisects through, many on a diagonal, slicing up operations and destroying infrastructure.

The facts are simple: two dissected parcels are much more difficult to farm than one single parcel, let alone the replacing and/or duplicating of infrastructure as a result.

The pro-rail lobby has unsuccessfully tried to cover up agriculture's concerns, stressing that short-term job gains, no matter who or what they affect, are more important than long-term planning and project sustainability. Unfortunately, through this process, farmers and ranches have been portrayed by some as trying to stop progress, and HSR has been touted as the silver bullet to solve all of the Valley's troubles.

What needs to be highlighted is that farmers and ranchers who are part of the Valley's No. 1 industry

have much at stake and need to be included in decisions that affect their livelihoods and homes.

It is difficult for some to believe that there are still families that spend decades and multi-generations in a single home. The home becomes an integral part of their identity. The fields around the home are more than just dirt; many farmers view the soil and crops with the intimacy and protectiveness of a family member — a living, breathing form that has provided a living for them over their lifetime. Yet, as one reads letters to the editors and news stories, it has become apparent that there are government agencies and self-serving interests that would like to bulldoze through these operations without a second thought.

Voters were promised by passage of the HSR proposition in 2008 that it would use existing corridors of transportation. Unfortunately, HSR leaders have broken that promise. A few small- to mid-sized communities

have stated their desire to not have the track go through their backyard, thus forcing agriculture to once again serve as a "cheap" mitigation alternative. Urban California's desire for an HSR system is proposed to come at the expense of agriculture and its rural residents.

There is an easy fix to the problem: Get the track back on existing transportation corridors. Whether it is the Union Pacific or Burlington Northern Santa Fe railroad lines, or the I-5 or Highway 99 routes, the HSR authority should not arbitrarily create a route that devastates agricultural lands.

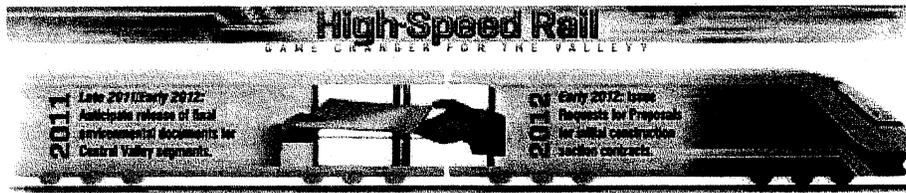
Work should be completed to mitigate problems with the cities rather than forcing eminent domain on agricultural land.

Agriculture is not against HSR. If built, however, our requests are simple: Please stay on existing corridors and show the public that the project is sustainable based on an accurate portrayal of a business and financial plan.

High-speed rail commuters will travel from **MERCED** TO **BAKERSFIELD** IN JUST **52 MINUTES.**

Commuters will get to their destinations far more quickly than traveling by car. With faster travel time, commerce will also dramatically increase.

NEXT STOP?



It's not enough to have thousands of jobs streaming into the Valley as the high-speed rail project progresses. There also needs to be a literate and ready workforce, which means there will be immense educational opportunity in the near future. Already, a broad coalition of education, business and labor groups are working to make sure the area has an educated pool of employees ready for the jobs created by high-speed rail. Creating new high-speed curriculum and training is happening now, taking cues from educational institutions in China, Germany and Spain.

Educators prep for creation of ready workforce

From high school to college, high-speed rail curriculum is being designed now to ready tomorrow's employees.
by Blake Kowczal, Executive Director, Fresno Regional Workforce Investment Board

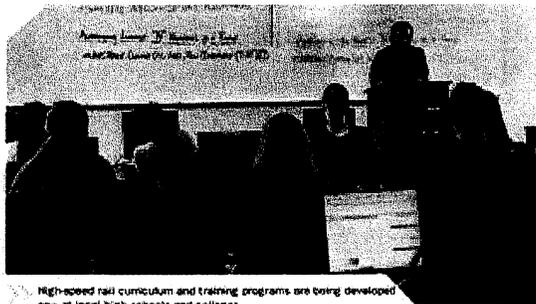
The creation of a high-speed rail system in California will depend largely on local workers who are trained and prepared to bring this transportation technology to life.

It is vital that the region possess an abundant workforce supported by a network of education and training systems to build and operate a high-speed railroad.

As new technologies enter the Valley, local education, business and labor leaders

are working to ensure that Fresno's workforce will be ready to fill the thousands of jobs that will be created by high-speed rail.

Because high-speed rail is new to the United States, an education subcommittee of Fresno Works is establishing informational exchanges with countries including China, Germany and Spain to determine what specialized jobs and skills will be required of California high-speed rail workers.



High-speed rail curriculum and training programs are being developed now at local high schools and colleges.

This will lay the groundwork for new high-speed rail curriculum and training programs.

The technical training and education needed for high-speed rail can easily be met in Fresno. Some of our education and training institutions include:

- California State University, Fresno—Colleges within Fresno State of particular interest to California high-speed rail include the College of Science and Mathematics, the Department of Industrial Technology, the Craig School of Business and the Lyles College of Engineering. Together, these colleges offer programs in: construction management, civil and geomatic engineering,

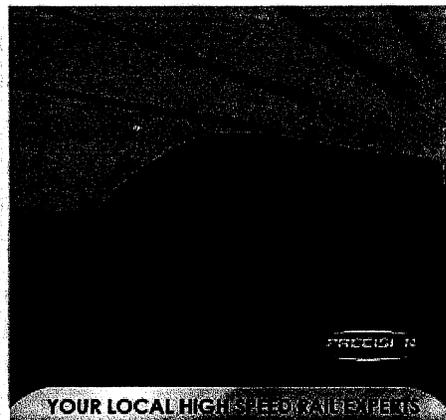
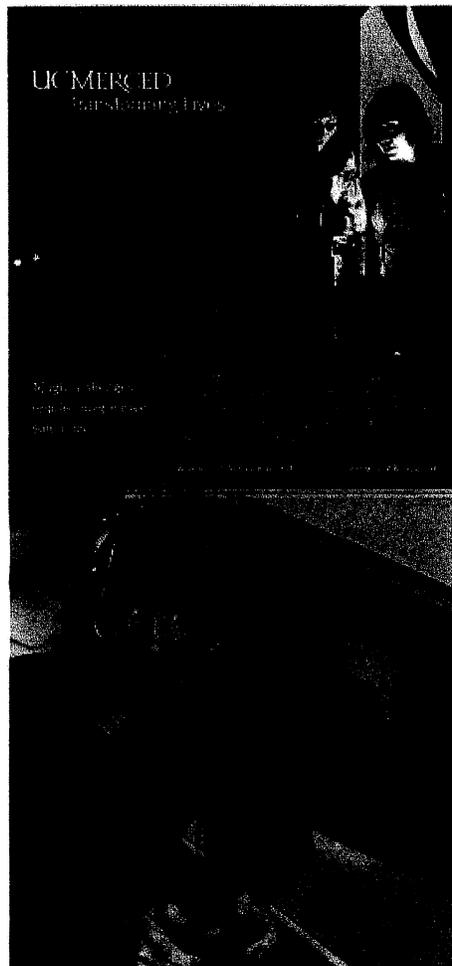
electrical and computer engineering, mechanical engineering, computer science, earth and environmental sciences, logistics and supply chain strategies, computer information systems and human resource management.

■ State Center Community College District—Fields of study offered include air conditioning, architectural drafting and design, construction, electronic technology, environmental technology, industrial education, manufacturing technology and welding/metal fabrication.

■ Fresno Unified School District—The district has more than 5,000 students enrolled in career and

technical education courses and 250 sections of CTE classes offered at the secondary level. Collaboration among regional and national industry partners, such as our local Workforce Investment Board and Ford PAS as a Next Generation Learning Community, and alignment to identified high-demand employment sectors provide a network of training opportunities unique to our region. Additionally, thousands of local residents outside the education systems are ready for high-speed rail jobs.

The Fresno Regional Workforce Investment Board has identified an abundance of clients in Fresno County alone that are training ready for each job category associated with high-speed rail.



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- Maintenance Facility Planning & Design
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7440 N. Palm Ave., Suite #101
Fresno, CA 93711

High-Speed Rail

GAME CHANGER FOR THE VALLEY

2010 Late 2011: Begin initial Central Valley construction.

2020 2025 Anticipate beginning initial passenger service.

Fresno may be the first Central Valley city to see high-speed rail, but it won't be the only one to benefit from the project. The rail line will eventually run to Sacramento and San Francisco, taking passengers straight into Merced, where there will be a downtown station. Here, it will connect with existing Amtrak trains — a benefit for Valley residents long before the high-speed system's final stages.



Merced sees high-speed rail as an answer to its high unemployment rate, and is fighting to secure the much-sought-after maintenance facility.

Merced mobilizes community support

Merced High-Speed Rail Committee fights for rail maintenance facility. *By Dr. Lee Boese Jr. and Dr. Benjaram Duran, Co-Chairmen of the Greater Merced High-Speed Rail Committee*

The fortunes of a small farming community in Japan were highlighted recently in a national newspaper, and the story should provide encouragement for our own community.

The article focused on the efforts of these Japanese farmers as they lobbied for a high-speed rail station to be built in their community, a largely rural, agricultural area isolated from major transportation hubs and known for high unemployment.

Through their efforts, a high-speed rail station was built and the community literally changed its economic destiny, lowering unemployment to single digits and attracting major companies that have employed many of their citizens in cutting-edge industries.

This should sound familiar, as the Greater Merced High-Speed Rail Committee is focused on the same goal, advocating for the high-speed rail heavy maintenance facility to be constructed at the former Castle Air Force Base and making sure that downtown Merced is selected as a station stop. Fresno is also vying for the maintenance facility.

Knowing what high-speed rail has done for the economy in other countries, we believe that big things are in store for the Merced region. The technology of the high-speed rail systems is mind-boggling and continues to improve. Some

If we want these jobs to be located in Merced, we need to make our voices heard now. Just as our community joined together to bring UC Merced to our county, our local community, business, and elected leaders must mobilize with that same passion and unity if we are to win the competition of securing the HMF.

— Dr. Lee Boese Jr. and Dr. Benjaram Duran

foreign systems travel up to 300 miles per hour at maximum speed. While California's system is not designed to reach these speeds, the system will change travel patterns throughout the state.

Since 2003, our committee has been committed to making sure that the Merced region gets the maximum benefit from the development of the California High-Speed Rail system. And this is for a very good reason. We feel strongly about doing anything possible to help lower our 22% unemployment rate.

In fact, the Associated Press recently released a study declaring Merced County as the second most economically stressed county in the nation. This is not a reputation we want to continue.

Now is the time to get very aggressive about this project. The heavy maintenance facility at Castle will bring 1,500 full-time, high-paying jobs and serve as Castle's anchor tenant. The downtown station stop, one of only three stations in the entire Central Valley, will provide a central regional transportation location with connections to various modes of transportation, allowing train passengers to take a bus, taxi, trolley or shuttle to their destinations. The redevelopment potential of having a downtown station is endless, and the potential to create thousands of jobs while serving as an economic catalyst is too great to ignore.

If we want these jobs to be located in Merced, we need to make our voices heard now. Just as our community joined together to bring UC Merced to our county, our local community, businesses and elected leaders must mobilize with that same passion and unity if we are to win the competition of securing the HMF.

Our committee has developed an extensive website with important information on the benefits, technology, challenges, and impacts that high-speed rail poses for our community. The project's progress changes daily and our website is one method to help community members keep informed. The new website address is www.mercedhighspeedrail.com.

The website has a section to post comments or questions and will show

the latest routes through Merced, as well as the location and possible designs of the proposed Merced downtown station. Various links to the state high-speed rail website are included. The website also lists two committee proposals for the heavy maintenance facility. We have many partners collaborating on this website, and we thank the cities of Merced and Atwater and the County of Merced.

Merced County Farm Bureau, Merced College and UC Merced, along with all of our elected officials, have also provided valuable feedback during the creation of the website.

While some community members express doubt about high-speed rail coming to the Merced community, many of us remember hearing the same skepticism about UC Merced. Yet, the first class of UC Merced seniors has graduated and the campus continues to grow and flourish.

High-speed rail will happen and we need to be prepared to capitalize on this \$45 billion statewide investment. So now, more than ever, it's time to fight and advocate for what we deserve — jobs created by a maintenance facility that will revitalize Castle and a downtown Merced station that will serve as a catalyst for our economic revival.

Community support has been phenomenal, but we still need to do more. To win this project, we must be visible, vocal, engaged and active. We think all those who support our efforts and encourage those who are not yet convinced to visit our new website and take a look at the system development.

You will continue to hear from us as we continue to advance high-speed rail and bring the HMF to Castle and a station stop to downtown Merced.

Let the battle begin today with all of us joining in the fight to revitalize our community.

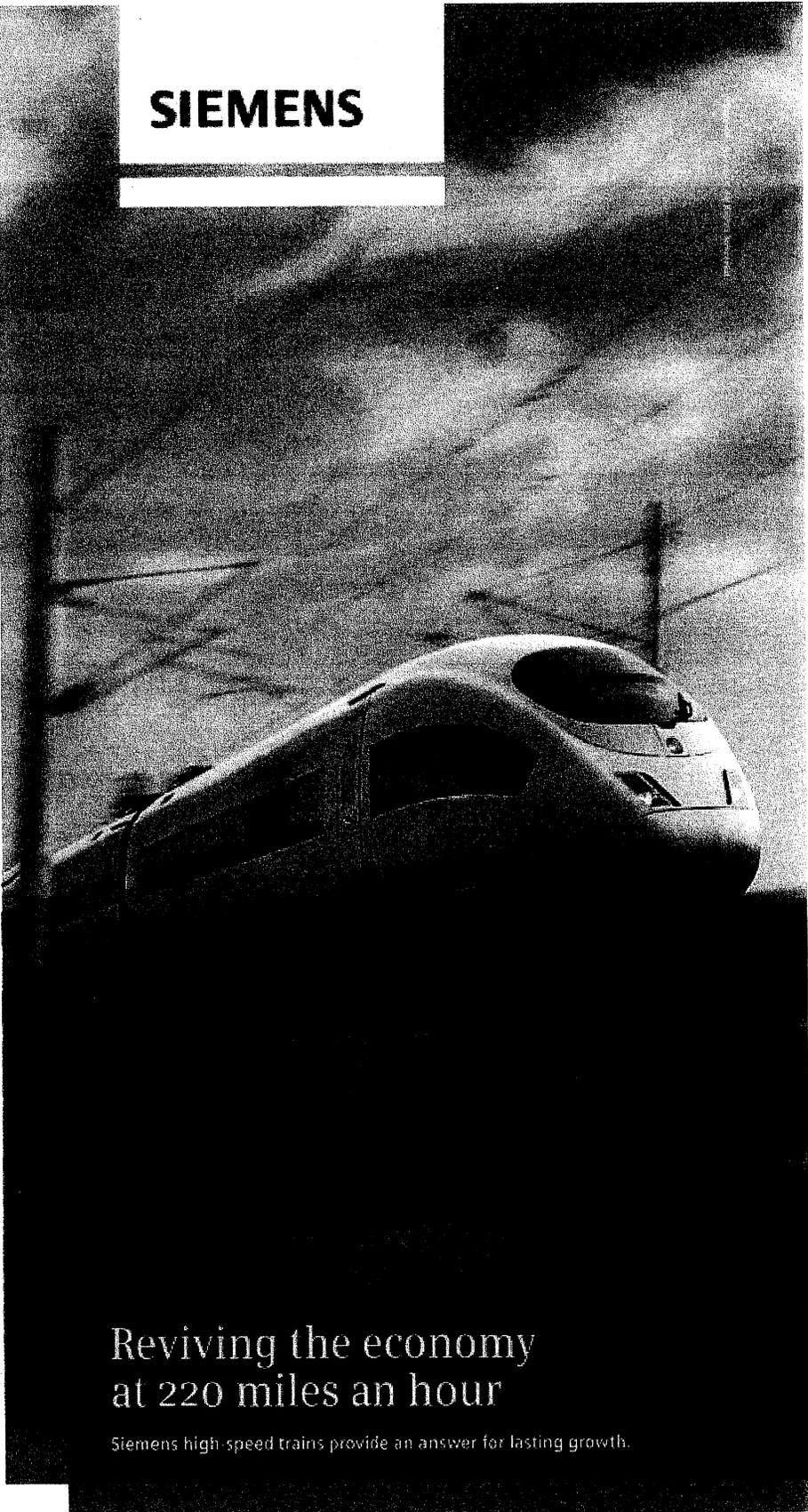
Dr. Lee Boese Jr. and Dr. Ben Duran are co-chairs of the Greater Merced High-Speed Rail Committee, a citizens committee formed in 2003 comprising of elected officials, educational leaders and private business owners all advocating for the California High-Speed Rail Heavy Maintenance Facility to be located at the former Castle Air Force Base and a station to be located in downtown Merced.

Myths & Reality

Profitable?
There are no high-speed rail projects in the world that are profitable. None. They are all taxpayer/government subsidized.
— CNN.com ever "astud"

Expert response:
Not necessarily true. The Azusa Express Amtrak's high-speed rail service along the Northeast corridor, has shown a positive return from its New York-to-D.C. route. And it's not fair to say that the losses of high-speed rail. Highways and other modes of transportation, like the airlines, are heavily subsidized, too.
— Robert Puentes, The Brookings Institution

Expert response:
Not true. While many high-speed rail systems in the world rely on a government subsidy, this in no way means that rail operations cannot be profitable.
Private rail operations in Great Britain, such as South West Trains and Virgin Rail, compete for franchise. Intercity rail service contracts and regularly generate a profit. Rail routes in Japan and France turn a profit.
— Rep. John Mica, R-Florida, chairman of the Transportation and Infrastructure Committee and Rep. Bill Shuster, R-Pennsylvania, chairman of the Subcommittee on Railroads, Pipelines and Hazardous Materials.



SIEMENS

Reviving the economy at 220 miles an hour

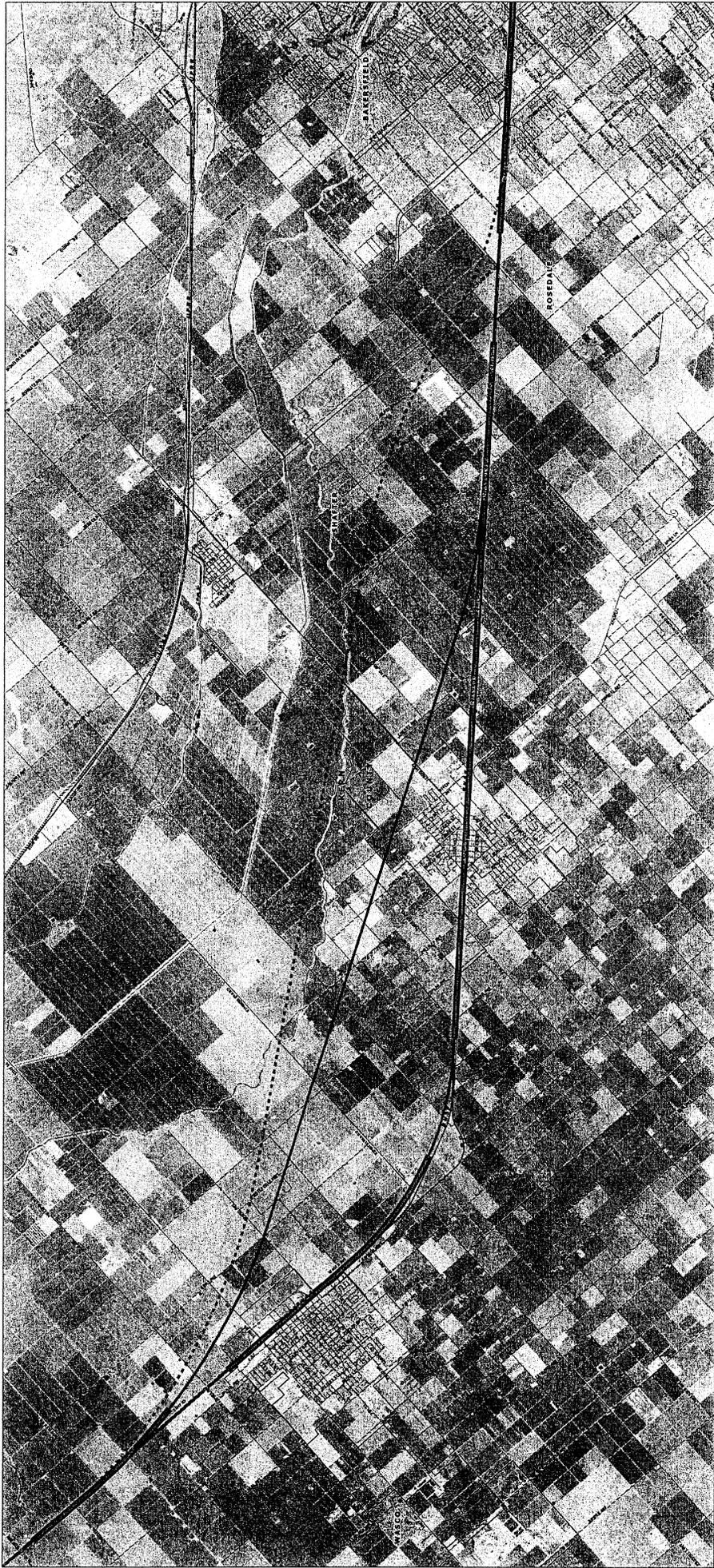
Siemens high-speed trains provide an answer for lasting growth.

Building a stronger economy takes more than creating new jobs—it also takes an infrastructure that can keep the pace. Like energy-efficient trains that could connect Fresno to San Francisco or Los Angeles in just one and a half hours. Siemens has answers to keep America moving from hard-working

commuter rail to the fastest trains on Earth. And we can build them right here, in the U.S. Somewhere in America, our team of more than 60,000 employees spends every day creating answers that will last for years to come.

usa.siemens.com/highspeedrail

Holly King Packet



**PRELIMINARY DRAFT/SUBJECT TO CHANGE
HST ALIGNMENT IS NOT DETERMINED**

DATE ENDED: AUGUST 1, 2010

Alternatives Alignment
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Wasco-Shafter area



Components of the Cost to Farm Operators/Owners of High Speed Rail Built on Farmland

Note: These costs are NOT listed in order of importance or magnitude. Not all costs will be incurred on all farms, nor will they occur in the same magnitude. Each farming operation is unique in terms of structure and location. Consequently, the ultimate cost will vary accordingly.

- **Loss due to Right of Way**
 - Acreage (dirt) lost to Right of Way
 - Present Value of the remaining life of the crop on the ground at the time of condemnation. In the case of a permanent crop, recapture of the investment and damages due to the per acre Loss of Production. Calculated as follows:
 - 100 ft right of way at grade – this does not include land access during construction, which is included below
 - Crops will not be planted right up to the edge of the fence on the edge of the right of way. Turn around areas will be required at the end of rows (40 ft.) – those turn around areas will need to be provided on both sides of the right of way.
 - Tool for discerning value: UC extension calculator - http://coststudies.ucdavis.edu/tree_vine_loss/ - this calculator needs to be modified such that all costs are entered – rather than using only pruning and harvest costs. The calculator was designed for the removal of a few trees here and there throughout the orchard, with no replacement. This will calculate the present value of the remaining years left on the trees/permanent crop – crop that will be lost due to removal of the trees.

- **Remnant Parcels - too small or inaccessible to farm**
 - Too small to farm:
 - Redesign of Irrigation System is infeasible
 - Cost of access for the equipment does not match up with size of parcel (miles to travel, height and width of crossings)
 - If not farmed, there will be the cost of occasional discing of weeds on the parcel.
 - There is limited potential to sell these parcels to neighboring farmers as the owner is subject to the subdivision act and would have to go through a permitting process. Existing zoning would not allow for a successful permit being issued.

- **Dust Related Costs**
 - Pesticide Applications
 - An example - Dust Mites in almonds – 2 extra applications – will need to treat the entire field as dust mites do not confine themselves to one area of the field – they are mobile.

- SC800 – asphalt based oil – would need to be placed along the track in order to reduce dust from train and from any maintenance crew travelling along the track. Cost associated with first time application – then lower, annual maintenance cost.
 - Rail will introduce two new roads – one on each side of the rail – that will need to be treated initially and annually. These roads will be used by equipment and vehicles in the field.
 - Related to air quality regulations and PM10, all farming operations have to file a Conservation Management Plan. These plans will have to be modified, and those modifications, to accommodate the items above, mean additional costs to the operations.
 - **Irrigation System Costs**
 - Replacement of pumps and wells taken out by the rail – need to consider that in most cases, there is a waiting list to get a deep well drilled. It does not happen the day you put in the order – and in most cases there is a year waiting list.
 - Redesign of Irrigation Systems
 - These will be specific to the particular parcel and owner.
 - Issue – the rail will create two separate fields
 - Underground Pipe for delivery of water to above ground emitters exists in many fields
 - Assuming that entry under the high speed rail track will not be allowed for maintenance of the underground pipe, a new system will have to be designed – essentially creating two separate systems independent of one another.
 - For example, four 80 acre parcels will become eight 40 acre parcels. Depending on the requirements needed for pressure:
 - Will need two reservoirs to supply two systems versus one
 - Costs related to pump structures and stands – will need two rather than one
 - Filtration Systems – two rather than one
 - Pumps and electrical – two rather than one
 - Labor, engineering and parts to redesign and build – this is to address things like restructuring the system for pressure requirements.
 - 1.5 acres of trees will be lost to establish another reservoir
 - Tail water return systems would have to be rebuilt
 - Irrigation District Delivery System Costs
- **Equipment Movement**

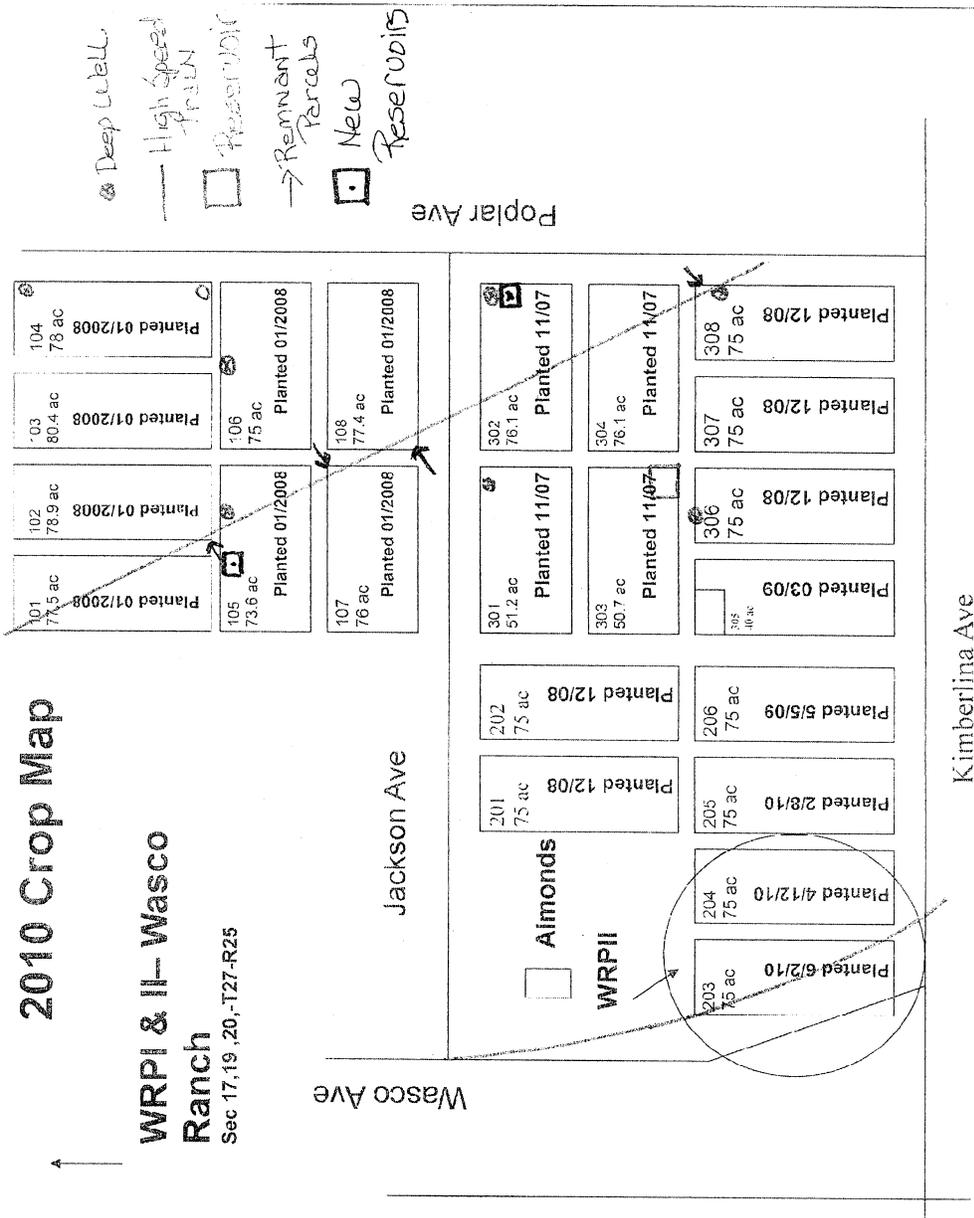
- Loss of efficiency – when rail cuts one field in to two separate fields, they will have to be farmed separately. This will require additional time, energy and labor.
 - Movement of equipment to the “other side” of the tracks using pass thrus that will be constructed every 1 to 2 miles. Staff indicates there will be a grade separated crossing at least every mile.
 - Add 30% to current cost of equipment for reduction in efficiency
 - Size and clearance of crossing for large equipment, harvest equipment
 - 25 foot width
 - 15 ft height
 - Crossings will need to be shared with cars – equipment is slow moving.
- **Pesticide Applications**
 - Setbacks – 150 feet from roadway in order to comply with the no drift regulation.
 - HSR is a human transportation corridor – is it more?
 - Wind less than 10 mph
 - No offsite movement is requirement
- **Loss of Yield due to Reduction in Pollination**
 - Consider wind patterns at that speed and negative impacts on bee activity – HSR staff indicates swirl like that of a plane crop dusting will be created– the spray “curls” up.
- **Bloom Loss due to Wind**
- **Impacts during Construction**
 - Damage to orchards
 - Drip lines
 - Tree Damage
 - Dust
 - Clean up of Construction Debris
- **Reappraisal of Property by Lending Institution** – loss of value due to parcel splitting, impacts of production capabilities, loss of efficiencies
- **Damages due to Reduction in Development Potential** – impacts on zoning
- **Minerals**
 - In most cases in Kern County, the minerals are severed from the property. There are numerous gas and oil wells on farm property.
 - Costs of relocating wells
 - Cost of relocating tank farms

2010 Crop Map

WRPI & IL- Wasco Ranch

Sec 17, 19, 20, T27-R25

North



Poplar Ave

Jackson Ave

Wasco Ave

Railroad Tracks

Kimberlina Ave

- ⊗ Deep Well
- High Speed Drain
- Reservoir
- Remnant Parcels
- ◻ New
- ◻ Reservoirs