

Valley counties vie for rail maintenance station

Posted at 11:50 PM on Sunday, Feb. 14, 2010

By Tim Sheehan / The Fresno Bee

With at least 1,500 jobs -- and perhaps thousands more -- at stake, a maintenance station for California's proposed high-speed rail system is the object of increasingly intense competition among central San Joaquin Valley communities.

Up and down the Valley -- in counties where the economy has been derailed by high unemployment, real-estate woes and farm-water shortages -- 13 sites are being pitched to the California High-Speed Rail Authority. Only one can be home to a "heavy maintenance facility" where the futuristic bullet trains would be outfitted, tested, repaired and stored.

"This is an economic game-changer," Fresno County Supervisor Henry Perea said. "This will be the biggest economic development project this county has seen in the last 40 or 50 years."

A 2008 economic study estimated that \$6 billion to \$16 billion would be spent in the San Joaquin Valley to build the high-speed train system.

Perea and officials from Atwater to Bakersfield say that investment and jobs at the maintenance facility can go a long way in helping counties diversify their labor forces beyond an agricultural base.

"No matter where it goes, the economic engine it creates will be significant," said Ronald Brummett, executive director of the Kern County Council of Governments.

"This will span all stratas of employment, everything from janitorial all the way to computer technicians," Brummett added. "There will be blue-collar jobs, white-collar jobs, and some very technical jobs -- the entire gamut of people."

So far, a \$45 billion system of bullet trains that can speed passengers between San Francisco and Los Angeles in just 2 1/2 hours remains firmly on the drawing board.

But a recent \$2.25 billion injection of federal stimulus money for California's high-speed rail plans, combined with the \$9 billion or so approved when voters passed Proposition 1A in 2008, are giving officials more reason than ever to believe the 220-mph dream will come true.

"It's coming," Perea said. "The very first thing that's going to be built is this maintenance facility ... and the competition is on."

The heavy maintenance facility would support operations on the Merced-to-Bakersfield section of the high-speed line, part of the first phase of the system between San Francisco and Los Angeles/Anaheim. Smaller terminal maintenance and storage facilities are being planned near San Francisco and Los Angeles for first-phase operations.

California's application for the federal stimulus money earmarked the largest chunk of money for the Los Angeles-to-Anaheim run. The Southern California segment has a great deal of financial support and is well along in the planning and approval processes.

But the rail authority's latest business plan indicates that the Valley stretch of the system -- the only area where the trains can reach their top speed -- would become operational for paid passenger service in 2019, perhaps six months ahead of the rest of the first phase.

Later segments of the system will stretch north from Merced to Sacramento and south from Los Angeles to San Diego through San Bernardino and Riverside counties.

Proposed locations

Fresno County is putting its weight -- and \$25 million in Measure C transportation funds -- behind a site south of Fresno in the high-speed rail corridor that parallels the Burlington Northern Santa Fe rail line.

While Fresno officials are confident about their chances, so are backers of other sites.

Three have been proposed in Merced County, including one at the former Castle Air Force Base near Atwater. In Madera County, where several prospective routes remain in consideration for the high-speed trains, Madera County officials are pitching five sites, mostly clustered near Chowchilla.

The Kings County Economic Development Corporation has proposed a site just southeast of Hanford, while property near the rural Tulare County town of Allensworth has been suggested by a developer.

In Kern County, two sites have been proposed -- one near Wasco, the other near Shafter.

Not only are the project's 1,500 or so jobs coveted, so too are the economic ripples as more people have more money to spend in a community. In its proposal, Fresno County estimates the annual payroll at the maintenance station at more than \$110 million.

"We feel very strongly that these jobs will be relatively high-paying, on a par with a good manufacturer," said Jay Salyer, economic development manager for the Kings County Economic Development Corporation. "We think it will boost the education level and boost consumerism, and hopefully we'll be able to get our housing started up again around here."

There are potentially thousands more jobs expected from related industries to support maintenance operations -- as many as 5,000 jobs within five years.

"The facility itself will bring a lot of jobs, but that's not the whole story," said Tom Skinner of Valley Planning Consultants, working for the city of Chowchilla. "It's the engine that's going to run all those small businesses that will gravitate around it."

"Everything that train will use -- from toilet paper to wires to windows and seats -- will all be replaced or repaired here," Skinner added. "Suppliers will want to be near it ... rather than shipping from the Bay Area or Los Angeles."

Other officials have even more ambitious hopes. As California aims to take the lead in high-speed rail in the U.S., some backers see the potential for the train-builder itself to build a factory near the maintenance hub rather than ship equipment overseas.

Companies from countries where high-speed trains already run -- Japan, Korea, France and Germany, among others -- are likely to compete for the contract to build California's trains. "We want to create partnerships with those players to manufacture the trains here," Perea said.

All told, with jobs from the maintenance station and related industries, Perea said the total payroll effects could be more than \$200 million a year.

When will it happen?

It's unclear how soon such economic benefits could be realized. The California High-Speed Rail Authority offered no firm goal for when the maintenance hub would be operational.

Seeking site proposals from the Valley was the start of an elaborate evaluation process, said Medhi Morshed, the authority's executive director.

"No final selection of maintenance facility sites will be made until the completion of the environmental review process, which at the earliest will be next year," Morshed said.

But the authority's business plan indicates that construction could start sometime in 2012. For the Merced-to-Bakersfield segment of the rail system, nearly \$900 million is programmed for buildings and structures in 2012 and 2013. In addition to touting the advantages of their sites, many of the proposals include economic lollipops dangled in front of the rail authority.

In Fresno County, it's \$25 million from the county's half-cent sales tax for transportation projects. "The one thing we have that no other jurisdiction has is Measure C," Perea said.

Perea said that money is being offered to the rail authority to use for land acquisition, infrastructure or construction.

Perea said Fresno County's other advantages are its location at the north end of the 110-mile stretch to Bakersfield that will serve as a test track for the electrified rail system; and its ability to draw an ample labor force from Fresno and neighboring counties.

One of the five proposals in Madera County comes with an offer of free land.

And officials in Merced County aren't putting up cash, but they are offering the rail authority a long-term lease at \$1 a year at the Castle Commerce Center -- the former Castle Air Force Base.

"We believe that will save the authority a ton of money," said Dr. Lee Boese Jr., a dentist who co-chairs the Greater Merced High-Speed Rail Committee.

Both the Castle site and a second site near Highway 99 and Mission Avenue south of Merced have ample room for industrial development.

But Boese said Castle has the advantage of extensive environmental study because of its past use by the U.S. Air Force.

"This thing is going to be a massive industrial structure, and we couldn't think of anyplace else in Merced to put something that's going to be as loud and as dirty as this," Boese said. "Whichever site gets its environmental clearances done first is where [the rail authority] is going to spend its money."

Other areas don't have cash or land, but are pitching redevelopment or enterprise zones that could help offset the cost of property improvements such as roads, water lines or storm drains.

A unified front

Another thing that both Fresno and Merced counties say they have going for them is unity of purpose within their communities.

"The more together we are on this, the better chance we have," Perea said in a presentation last week to the board of the Greater Fresno Chamber of Commerce.

Steve Geil, president of the Fresno County Economic Development Corporation, said recently that he's never seen Fresno County agencies so unified behind one project.

"We're not going to let what happened with UC Merced happen this time," Geil said, referring to the perception that local disharmony contributed to the state's decision 15 years ago to put a new University of California campus in Merced County instead of Fresno County.

It's something that Merced officials are mindful of, too.

"I think we learned a lot [from the UC selection process]," Merced Mayor Bill Spriggs said. "It was all about the site, it was never about competing with the other sites."

"This is a similar situation," he added. "We're not going to concern ourselves with what the other sites are up and down the Valley. We have two very viable sites with significant attributes, and we'll focus on selling the attributes of those sites."