



California High-Speed Rail and the Central Valley Economy

February 10, 2015

**PARSONS
BRINCKERHOFF**

in association with Oliveira Advisory Services

PURPOSE

- **Why**

To help the Authority ensure that its investments and actions support regional and local economic objectives

- **How**

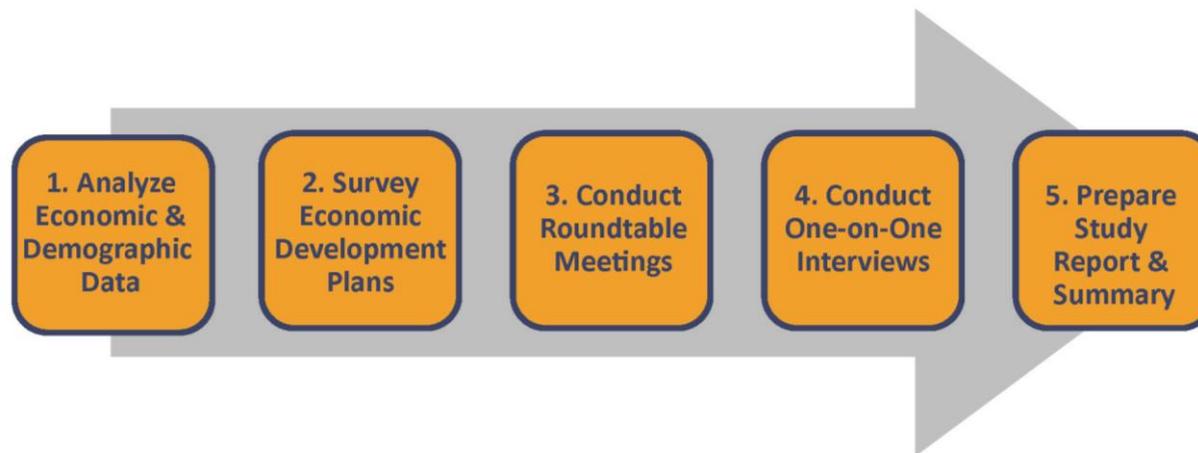
An independent, on-the-ground analysis of the economic conditions, challenges, and opportunities in the Central Valley and the potential transformative effects of high-speed rail

STUDY OBJECTIVES

1. **Develop a deeper understanding** of economic conditions, plans and objectives
2. **Establish a dialogue** with organizations working to advance economic development and explore how high-speed rail could support those objectives
3. **Identify ways to engage and collaborate** with those organizations and other California stakeholders

STUDY APPROACH

- **Quantitative research and analysis** – grounded in economic and demographic data
- **Qualitative research and outreach** – informed by the perspectives of 86 stakeholders from a range of Central Valley organizations and institutions



STAKEHOLDER OUTREACH

We held a series of eight half-day roundtables in:

- **Fresno, Kern, Kings, Madera, Merced, Tulare counties**
- **Plus one regional and one with small cities**

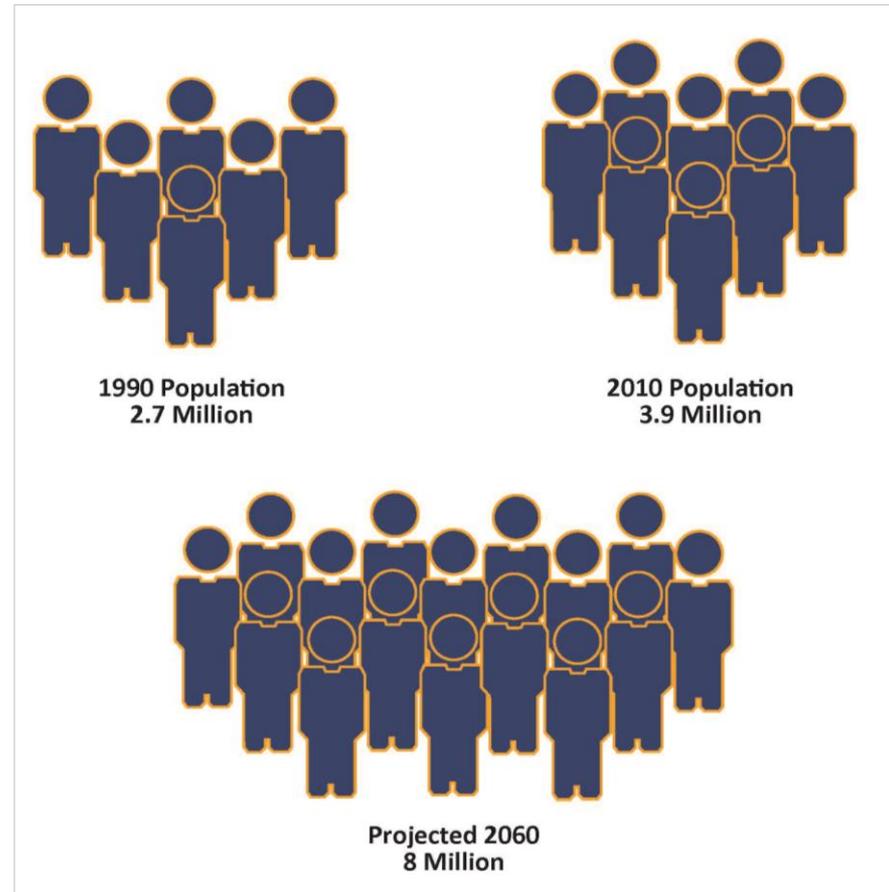
With representatives from:

- **Workforce investment boards, labor councils**
- **Economic development corporations, visitor & convention bureaus**
- **Community colleges, state colleges, universities**
- **Councils of government, city/county planning departments**
- **Housing authorities and regional consortiums**

Followed by one-on-one interviews to delve even further to key themes that emerged from the roundtables

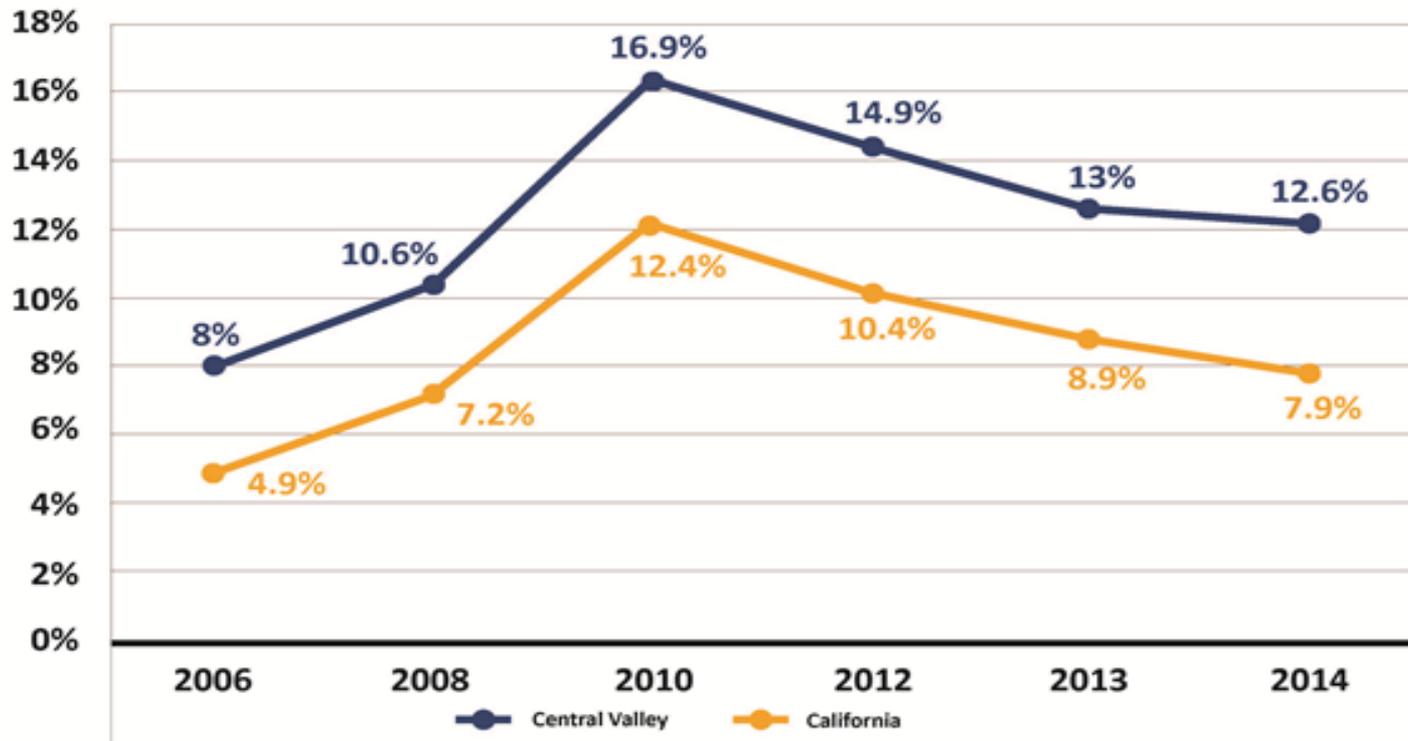
POPULATION

- The region is **growing at a faster rate than California**
- Its population is projected to more than **double again by 2060**
- 40% percent of the population is **under 24 years of age**



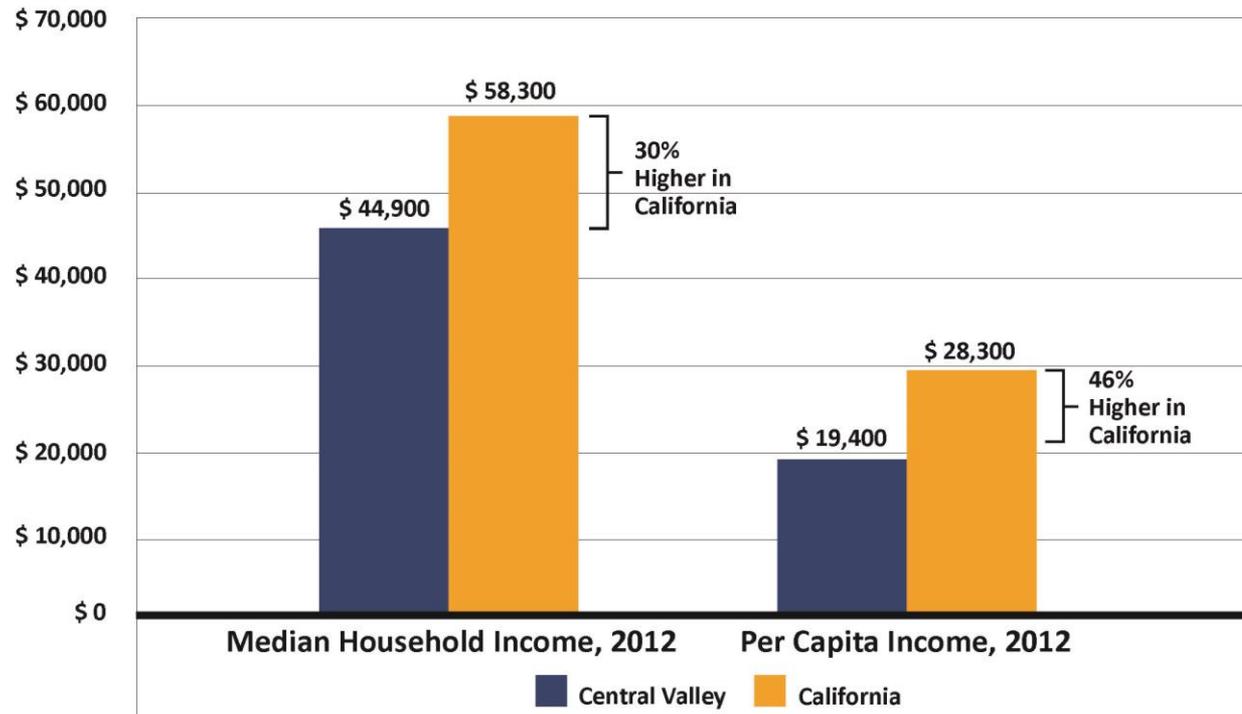
UNEMPLOYMENT

Unemployment has been consistently higher in the Central Valley than the state as a whole



INCOME

Median household income and per capita income levels in the Central Valley are lower than the state as a whole



EDUCATION

Educational achievement levels also trail the state—in 2012:

- More than **25%** of the Central Valley residents did **not hold a high school diploma**
- **And only 16%** held a **bachelor's degree or higher**, half the statewide level of 31 percent



KEY FINDINGS

- The Central Valley population is growing, but regional **employment, income and educational attainment levels**—and the critically important knowledge economy—continue to **lag the rest of the state**
- Some stakeholders described the Central Valley as an **“island” that is isolated from the rest of California** by geographic and economic barriers – and saw high-speed rail as a means to help break down those barriers

KEY FINDINGS

- **High-speed rail is an important piece of a broader strategy to help integrate the Central Valley's economy with the Los Angeles basin and the San Francisco Bay Area economies and to evolve to a more balanced, resilient economy**



KEY FINDINGS

- Stakeholders expressed **hesitation about how to target resources** given the uncertainty they felt about how and when the program will be completed—but as this diminishes they will be more able to make training, hiring and business decisions
- They were **positive about steps the Authority has taken** to improve communications and to create opportunities for small and disadvantaged businesses and workers

KEY FINDINGS

- **Workforce preparation** was a common concern as was a **desire to keep jobs local** – there is a need for more clarity about what types of jobs will be needed and when
- Some stakeholders saw an opportunity to use **high-speed rail as part of a “marketing pitch”** to bring more businesses to the region

KEY FINDINGS

- Some saw potential for **stations to be a catalyst** for economic revitalization and growth
 - At the same time, they want to ensure access and seamless multimodal connections at the stations
- Several expressed interest in using the **high-speed rail corridor for expanding broadband access** in the Central Valley– seeing it as important to advancing education, training and economic competitiveness

KEY FINDINGS

- High-speed rail was seen as a potential **catalyst to attract more state, national and international visitors** to the region and stimulate new tourism and recreational business opportunities



KEY FINDINGS

- There is interest in seeing the Authority **collaborate with the region's higher education institutions** on a range of initiatives—job training, research, advancing applied sciences—which are the foundation for growing new business and employment opportunities
- State, regional and local leaders have formed a **range of partnerships that are taking concerted action** to address the Central Valley's economic challenges – that also offer opportunities for the Authority to collaborate