

# **The Economic Impact of the California High-Speed Rail in the Sacramento/Central Valley Area**

## **KEY RESEARCH FINDINGS**

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- **Direct cost savings to Central Valley travelers and society attributable to high speed train:**
  - shift to less costly means of transportation – \$780 million
  - reduced freeway congestion – \$2.2 billion
  - reduced airway congestion – \$2.6 million
  - accident reduction – \$366 million
  - pollution abatement – \$48 million
  
- **Economic benefits of high speed train to Central Valley communities**
  - modest effect on population growth, except in Madera and Merced Counties
  - modest effect on employment growth, except in Madera and Merced Counties
  - pronounced effect on service, transportation, communications and utilities (TCU), and finance, insurance, and real estate (FIRE) sectors in the Central Valley region
  - significant effect on service, TCU, FIRE industry sectors in the Southern San Joaquin region
  - direct expenditures within the Central Valley to construct HST system estimated between \$6 and \$16 billion
  - potential income gain to Central Valley regions from market integration of \$48 billion annually
    - translates to \$2.2 billion in new state income tax revenue
    - translates to \$333 million in new sales and use tax, \$46 million flowing to counties and cities
  - value of real property would rise with reduced transportation costs and increased accessibility
    - more pronounced in cities with station stops and with plans for Transit Oriented Development
  - given nature of state's public finance, Central Valley residents will pay between 16 and 25% of state investment in HSR
  
- **High speed train's enhancements to the quality of life in the Central Valley**
  - revitalization of downtown districts
  - modest impact on urbanization
  - use of existing transportation corridors will consume less open space than freeway development
  - will lead to fewer vehicle and airplane miles travelled
    - pollutants will be reduced 8% in the Central Valley and up to 4% in the Bay Area