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

KEY RESEARCH FINDINGS

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September 2008

• Direct cost savings to Central Valley travelers and society attributable to high speed train:
  o shift to less costly means of transportation – $780 million
  o reduced freeway congestion – $2.2 billion
  o reduced airway congestion – $2.6 million
  o accident reduction – $366 million
  o pollution abatement – $48 million

• Economic benefits of high speed train to Central Valley communities
  o modest effect on population growth, except in Madera and Merced Counties
  o modest effect on employment growth, except in Madera and Merced Counties
  o pronounced effect on service, transportation, communications and utilities (TCU), and finance, insurance, and real estate (FIRE) sectors in the Central Valley region
  o significant effect on service, TCU, FIRE industry sectors in the Southern San Joaquin region
  o direct expenditures within the Central Valley to construct HST system estimated between $6 and $16 billion
  o 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
  o 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
  o 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
  o revitalization of downtown districts
  o modest impact on urbanization
  o use of existing transportation corridors will consume less open space than freeway development
  o 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