

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