



March 29, 2018

Assemblymember Jim Frazier
Legislative Office Building, Room 112
1020 N Street
Sacramento, CA 95814

Dear Assemblymember Frazier,

As a lifelong local resident of Fresno, I have seen many changes in our economy over the years. The one constant has been that we have had higher unemployment and poverty rates than almost anywhere in the country. When I began working at the Fresno County Economic Development Corporation almost nine years ago – one of my first tasks was to look in to how the high speed rail project would affect Fresno County. As a ‘recovering attorney’, my first instinct was to do extensive research on the project and the effects and opportunities it might bring to my community. As I looked at what the connectivity to Northern and Southern California could do for our local economy, I was sold. Fresno County has been isolated for too long. This project will change all of that.

After I spoke about the opportunities High Speed Rail would bring to the Central Valley of California at an event in Washington DC, I was contacted by Secretary of Commerce Wilber Ross’ office. They requested that I send a short white paper detailing those opportunities and advantages the California High Speed Rail project would bring to the Central Valley. I have attached that paper for your review. As it states, Fresno County and the Central Valley are in desperate need of a game changer and the High Speed Rail project is just that.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Lee Ann Eager".

Lee Ann Eager
President & CEO

Enclosures

Benefits of High-Speed Rail for the Central Valley

Many Californians are curious as to why high-speed rail is starting in the Central Valley instead of the Bay Area or Southern California. Most of this curiosity stems from the fact that the Central Valley does not have urban centers comparable to those in other parts of the state. However, what most do not realize is that there are seven million residents who live in the Central Valley and that the region continues to be one of the fastest growing areas in the state. Work on the nation's first high-speed rail is underway in the heart of the Central Valley with more than \$3 billion of investments that is creating jobs and will connect the region to the rest of the state like never before.

With the completion of high-speed rail, Central Valley residents will be able to travel to San Francisco or Los Angeles in just under an hour without spending hundreds of dollars on gas, driving or traveling to the airport. In addition, residents of the Bay Area and Los Angeles will be able to travel through the Valley's major population areas with greater ease, with several stops in major Central Valley cities. This will help revitalize downtown areas and bring in potential new sources of revenue and opportunities.

Starting the high-speed rail program in the Central Valley makes sense for several reasons, including the availability of federal funding and the ability to advance the project faster and at a lower cost to the taxpayer. The Central Valley will serve as the "backbone" of a high-speed rail system that will ultimately tie all major regions of California together, modernizing transportation in the state and linking our diverse economic and cultural centers like never before. For the first time, the Central Valley will be linked to the Silicon Valley that will assist both areas with continued growth and prosperity.

Economic Impacts

Between 2006 and 2017, the California High-Speed Rail Program invested \$3.2 billion in the Central Valley.

The Central Valley section of the high-speed rail system is considered the "backbone" of the project, with its connections to the Bay Area and the Los Angeles Basin being critical to improving accessibility and mobility options for the region's burgeoning population.

Historically, the Central Valley's economy has lagged behind the rest of the state, but now investment in high-speed rail is helping to close the gap.

- According to a recent report by the University of the Pacific's Center for Business and Policy Research, all Central Valley counties experienced job growth either at or exceeding the state average in 2016. This trend is forecasted to continue through 2017.

The Central Valley has experienced the largest economic benefits as high-speed rail investment has poured into the region.

- From July 2009 to June 2016, the high-speed rail program created an estimated 6,800 job-years of employment and about \$1.2 billion in total economic activity in the Central Valley. Of the 1452 people working on the project at the end of 2017, 1100 are from the Central Valley.

- Between July 2015 and June 2016, the program's impact has been equal to about 14% of the 32,000 jobs that the entire Central Valley economy added over the same time period.
- Investment in the Central Valley surged in the past two years with the ramp up of right-of-way work and start of construction activities, showing almost 400% growth in jobs supported from 2014 to 2016.

Of those jobs, construction accounted for over 80% of the impact that the program has had in the region, bringing good-paying, middle class jobs to the Central Valley economy. As construction continues to advance, the program will continue to support thousands of jobs annually for the next several years.

Fresno County

Fresno County is the epicenter of construction-related economic activity since the system's groundbreaking in 2015, resulting in a substantial infusion of jobs and opportunities in the local economy.

- Between July 2015 and June 2016, high-speed rail investment generated the equivalent of 30% of the 10,550 jobs created in Fresno County over the same time period (including indirect and induced effects).
- Direct jobs working on the program were equivalent to 17% of the jobs added in the County over the same time period.

Fresno County is where the economic benefits of high-speed rail investment can be seen most clearly.

- Over the last few years, high-speed rail helped bring the unemployment rate down to under 10% for the first time since the Great Recession.
- On top of that, the County experienced three consecutive years of annual employment growth over 3%, outpacing the rest of the state. Prior to 2014, Fresno County had just one year of 3% employment growth since 1990.
- Over 30% of Fresno companies that were relocated due to the High Speed Rail project, were able to expand their businesses by purchasing larger facilities and adding new employees.

Small Business Participation

In 2012, the Authority's Board of Directors approved the Small Business Program which has a 30 percent small business participation goal for all contracts led by the Authority. Hundreds of California small businesses, disadvantaged businesses and disabled veteran businesses are hard at work planning, designing and constructing the high-speed rail system.

Current Small Business Participation Numbers:

- 407 small businesses are engaged in the project
 - 108 are from the Central Valley

- 116 are certified disadvantaged businesses
- 45 are certified disabled veteran-owned businesses

Construction/Craft Labor Workforce

The California High-Speed Rail Program is committed to building a high-speed rail system that keeps jobs in California and the regions where the system is being constructed. Local residents have an opportunity to participate in job training and apprenticeship programs that will prepare them for working on high-speed rail and other construction projects. They can also get jobs with the growing number of small businesses that are working on high-speed rail.

The High-Speed Rail Authority implemented a Community Benefits Agreement (CBA) in 2012/13 as a cooperative partnership and commitment between the California High Speed Rail Authority, skilled craft unions and contractors working on the project. It is based on the Community Benefit Policy (Policy), which promotes employment and business opportunities during the construction of the high-speed rail project. The CBA also promotes and advances training opportunities for all individuals. Priority is given to National Targeted Hiring Workers and individuals designated as Disadvantaged Workers.

Training Facility

In Fresno County the High-Speed Rail project is well underway. This is a monumental project that will require a skilled labor force to construct and maintain the nation's first high-speed rail system. The Fresno County Economic Development Corporation, the Fresno Regional Workforce Development Board, Fresno City College, along with many other partners are proposing a campus intended for training workers for the construction of and maintenance of the high-speed rail.

Because high-speed rail is new to the United States it is necessary to train workers not only to build but also maintain the high-speed rail line in a world of ever-changing technology. Fresno County has both the land and population to create a high-speed rail educational center, not only for the State of California, but for the entire country.

This proposed facility is part of a broader vision associated with the location of the California High-Speed Rail Authority's heavy maintenance facility in Fresno County. That vision includes an educational center, transportation operations facility, an ongoing training site, a facility for businesses and countries to showcase their products, and an industrial park for companies that provide services and products to the high speed rail. As this burgeoning industry grows, it will be able to rely upon both the training and firsthand experience of the professionals involved in the project from its earliest stages.

The need for the training facility is necessary as the Central Valley has an unacceptably high unemployment rate and a lack of skilled workers to fill the jobs that the construction of high-speed rail, and its ancillary industries, will provide. Fresno County is among California counties with the highest rates of poverty (26%) compared to a 15.3% rate in California. Identified as an economically distressed area due to its low per capita income figures, the region is representative of those areas needing to diversify job opportunities through technical training. With the construction of high-speed rail and the need for a trained labor force, the proposed training facility is exactly what is needed to fill jobs and grow our local economy.

Fresno County has a collaborative team which includes workforce development, economic development, education, and trade organizations, that together have developed a strategic plan to

implement our vision. Fresno County's eighteen public and private universities, community colleges, and technical institutes stand fully prepared to implement a cutting edge curriculum to train the workforce high speed rail will require.

First and foremost the training facility would provide training to our unemployed population as well as our underemployed. The prospect of employment on the high speed rail project and other major construction projects welcomes a bright future for the workforce prepared to take the many skilled jobs this initiative will introduce.

Summary

The California High-Speed Rail project will bring much needed business and capital to numerous industries in the Central Valley, help eliminate over 12 billion pounds of greenhouse gas emissions annually to combat global warming, encourage the savings of 2.0-3.2 million barrels of oil each year, and generate total projected employment of 2,388,000 jobs over the life of the project including direct, indirect, and induced jobs.

As stated above, the Central Valley has historically been overlooked in California. When decisions are made about funding priorities, the Central Valley and Fresno County in particular have had to fight to be at the table with California's larger metropolitan areas in the north and south. The High-Speed Rail project has changed that narrative. It is the largest infrastructure project in history in the Central Valley and the people of Fresno County will be the benefactors of the opportunities for decades to come....and we say – it's about time.