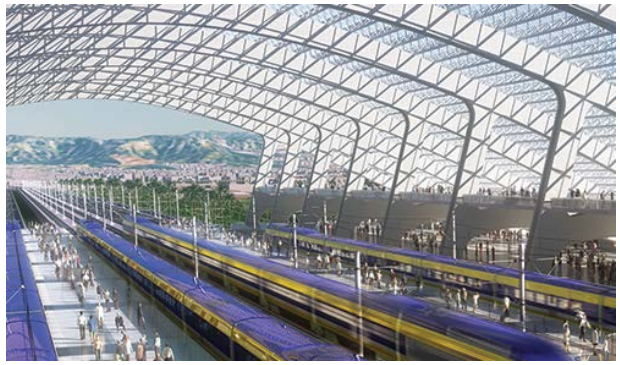

California High-Speed Rail and the Central Valley Economy

March 20, 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**

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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**

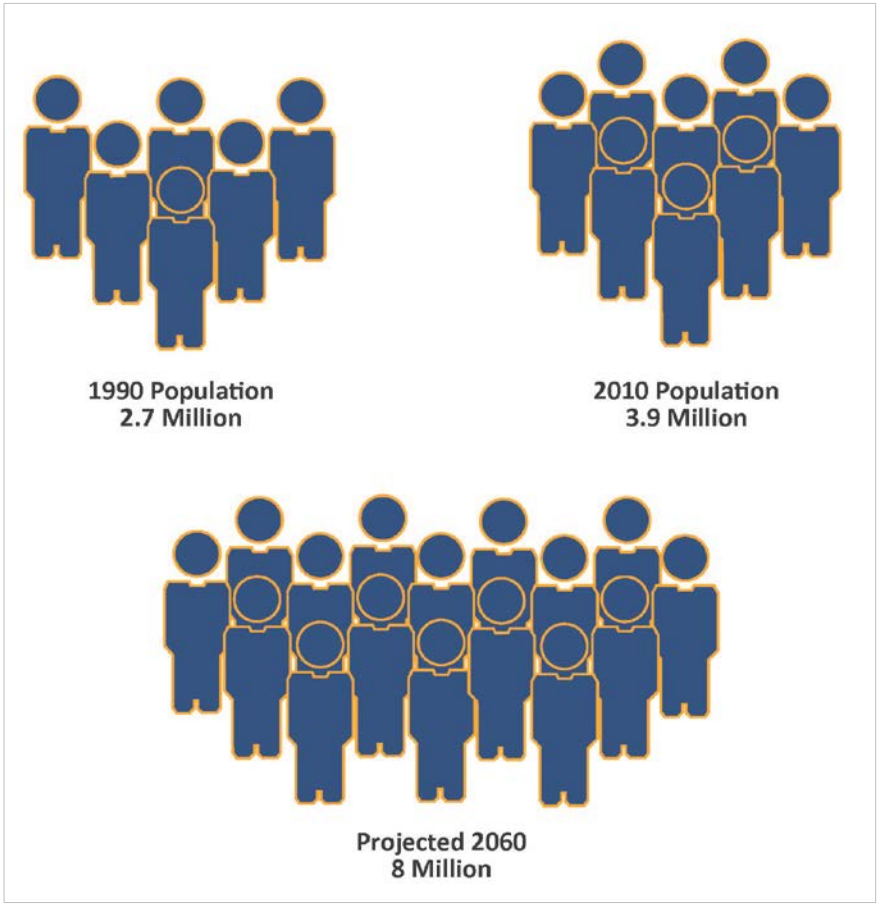
With representatives from:

- **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



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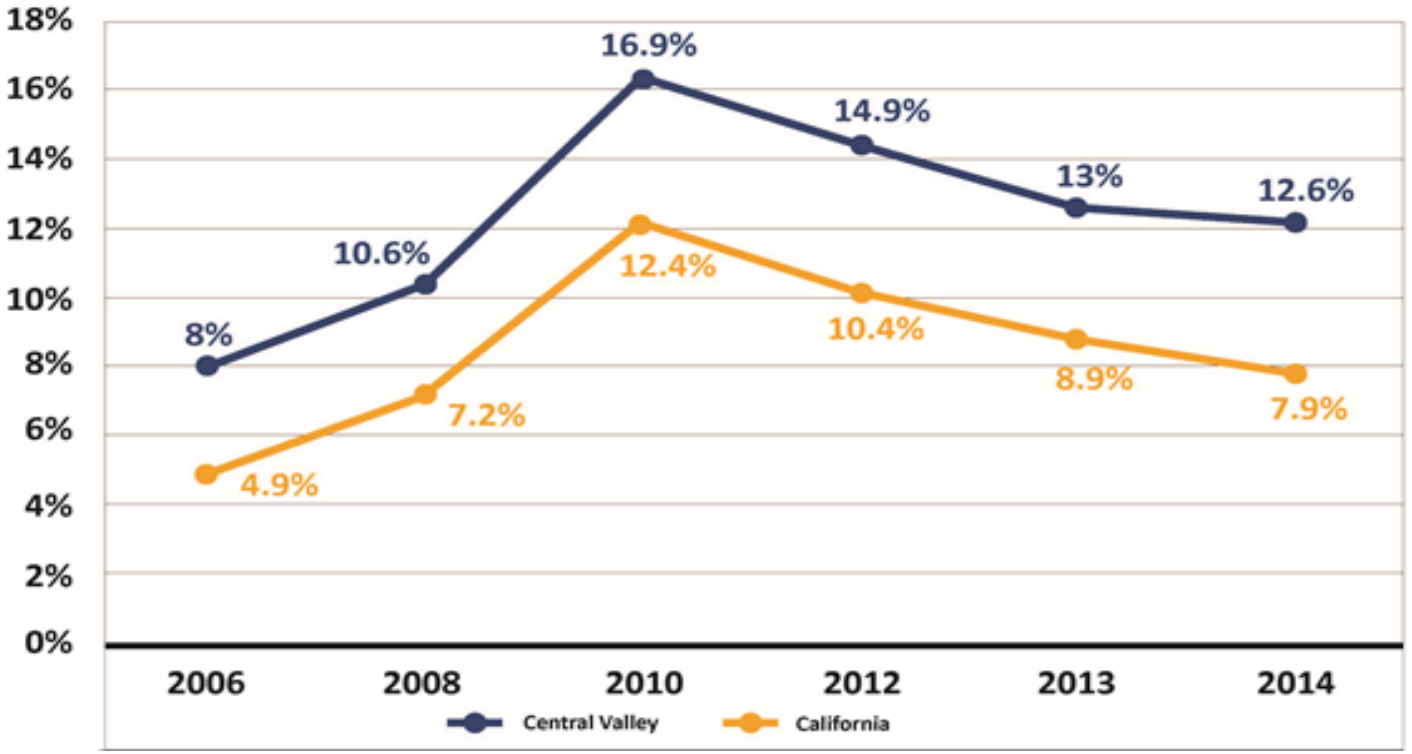
UNEMPLOYMENT

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



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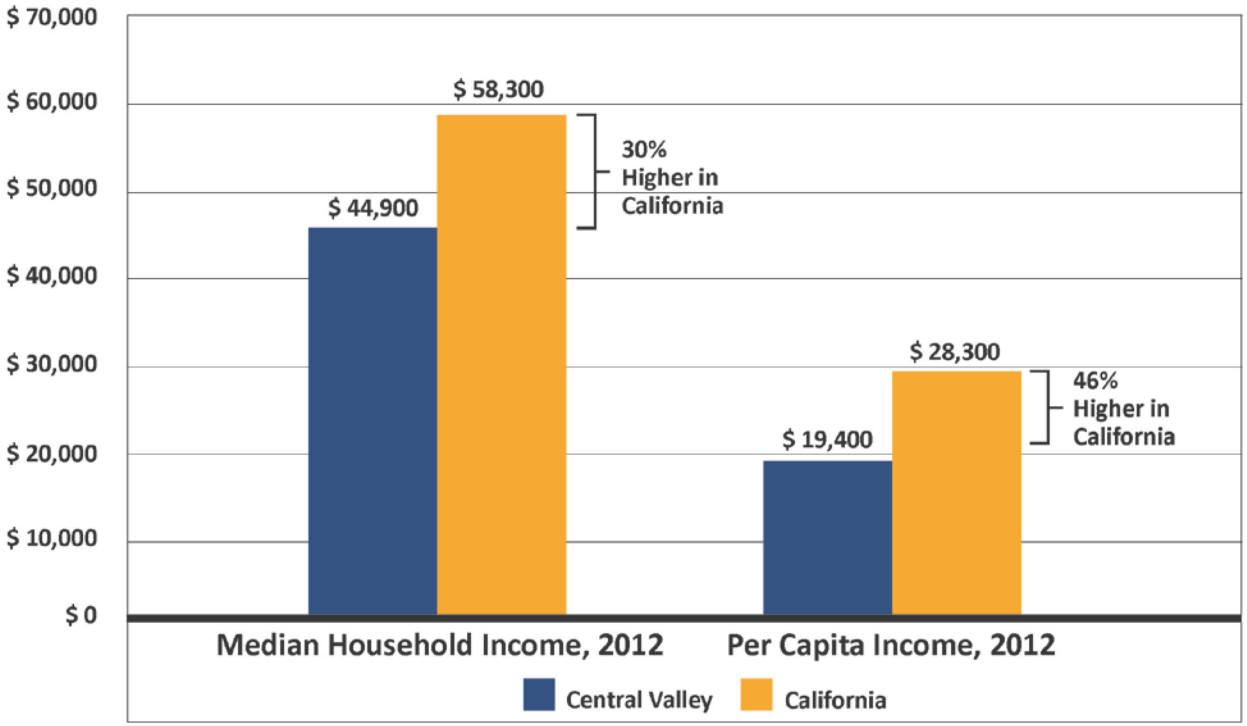
INCOME

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



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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**

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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**

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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**

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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**