



Agenda Item 6

DATE: July 15, 2014
 TO: Board of Supervisors
 FROM: Supervisor Deborah A. Poochigian **DAP**
 SUBJECT: California High-Speed Rail Project

RECOMMENDED ACTION:

Discuss and give direction to staff regarding the Fresno County Board of Supervisors' position on the California High-Speed Rail project.

ALTERNATIVE ACTION(s):

Take no action regarding the Board's position on the California High-Speed Rail project.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

DISCUSSION:

On November 4, 2008, California voters narrowly passed Proposition 1A, *the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century* that authorized the issuance of \$9.95 billion of bond funding for High-Speed Rail in California.

At the time this proposition was presented to voters, the cost of completing the project was estimated at \$33 billion. Since the measure passed, the estimated cost for completing the project has increased by more than double to \$68 billion and some experts say the project could cost as much as \$200 billion.

As originally presented, the project was to be completed by 2020. Today, the project completion date has been pushed back to 2028. In addition to the numerous lawsuits which challenge the language of the bond act, environmental issues, funding shortfalls, potential property rights violations, delays in property acquisition, stalled bond sales, as well as other issues, there is no



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telling if and when completion will occur.

On May 8, 2012, the Fresno County Board of Supervisors sent a letter to the High-Speed Rail Authority regarding "Fresno County Concerns with the Proposed HSR Project."

The Board wrote, "While we have expressed our support for the plan in the past and appreciate the blended, phased implementation plan of the Revised 2012 Business Plan, we remain concerned about the overall cost of the system, the mitigation for impacts to local businesses and residents and look forward to continual analysis of the plan."

The letter continued, "Fresno County Board of Supervisors request that the High-Speed Rail Authority take additional time to address the concern of businesses, property owners, the independent Legislative Analyst, State Auditor and others as you continue efforts to reduce costs and determine the economic viability of the project."

In fact, public opinion has also changed. In 2011, just three years after the HSR resolution passed, a Field Poll survey revealed that nearly 64% of voters would like another opportunity to vote on HSR and that a bond proposal voted on at that time would fail by a margin of 59% to 31% (with 10% undecided). A poll taken earlier this year of "likely November, 2014 General Election voters" found again that a majority would vote to stop the project. In addition, leaders of both political parties have voiced opposition to the project.

After seven years and much discussion, members of this board continue to have very strong concerns. It has become abundantly clear that the initiative supported by California voters has morphed into promises and ever-changing expectations that can not be fulfilled.

As of today, the following are just a few of the major inconsistencies between the voter initiative and reality:

- The initial price tag of \$33 billion is now estimated to be \$68 billion and some experts say this cost could reach \$200 billion.
- The ability of trains reaching 220 mph speed is virtually impossible under the current design.
- The voters were promised to get from San Francisco to Los Angeles in about 2 hours and 40 minutes. Members of the HSR Authority have stated this is not achievable.
- The initiative stated the cost of a ticket from San Francisco to Los Angeles would be approximately \$50. We now know that without substantial subsidies (which the initiative prohibits) the cost for a ticket is expected to be much higher.
- The completion date of 2020 has now been pushed to 2028. With the large number of lawsuits pending and expected to be filed, the 2028 date may be unrealistic.
- Keeping the route on existing corridors has gone by the wayside.
- The anticipated "private funding" has been non-existent. Private investors have been reluctant to fund a project that is unsustainable.
- Voters were told the HSR project would operate without subsidies.
- Voters were told that before construction began on any segment that all funds and environmental clearances would be secured.
- The initiative was written with the expectation of not burdening future generations with long term debt.

In addition to the recent challenges that have surfaced regarding the project, future federal funding is also in jeopardy as the U.S. House of Representatives in June 2014 voted to stop funding for the project. Without future federal funding, private funding, and the ability by the state to raise matching funds stalled in court proceedings, questions must be raised as to the possibility that the project will proceed in fits and starts without sufficient funds for completion – resulting in “a train to no-where” that divides our county, impairs property values, and causes economic hardship to valley families and businesses.

In 2007, a previous Board passed a resolution supporting HSR in concept. We have been more than patient and have given the High-Speed Rail Authority, Governor, Legislature, and Congress over seven years to develop a viable business plan, secure funding, and keep the promises made to the voters who supported Proposition 1A. The plan is flawed, the funding is evaporating, and the expectations and promises made to voters to gain support and passage calls the integrity of the initiative process and the integrity of the project into question.

While the business plan and speculation about potential funding have changed dramatically, the serious concerns raised by this Board on behalf of the taxpayers still exist.

For all the reasons stated above, it is our duty to unambiguously express Fresno County’s position on the High-Speed Rail project and consider a resolution in opposition.

REFERENCE MATERIAL:

May 22, 2007	BAI # 17
July 7, 2009	BAI # 8
September 22, 2009	BAI #5
December 14, 2010	BAI #4
May 8, 2012	BAI # 14

MOTION MADE BY SUPERVISOR POOCHIGIAN DIRECTING STAFF TO WORK WITH THE PROPOSED RESOLUTION AND RETURN TO THE BOARD IN OPPOSITION OF HIGH SPEED RAIL, FAILED FOR LACK OF SECOND

CONTINUED ITEM TO JULY 29, 2014

Motion by:	Perea	Second by:	Larson
Ayes:	Perea, Larson, Case McNairy, Borgeas	Noes:	Poochigian
Abstentions:	None	Absentees:	0

PROPOSED HIGH-SPEED RAIL RESOLUTION LANGUAGE (Poochigian)
July 15, 2014

- WHEREAS** California voters narrowly passed Proposition 1A (52-48%) for the construction of a high-speed rail system in California in 2008 and many Californians were enthusiastic about such a major, transforming public works project; and
- WHEREAS** Proponents of high-speed rail represented that the system would cost \$33 billion; construction would be supported by public and private investment; commuters would be able to travel from Los Angeles to San Francisco in 2 hours, 40 minutes; operating costs would not be subsidized by taxpayer dollars; fares would approximate \$50 for a ride from Los Angeles to San Francisco; and
- WHEREAS** In fact, virtually all of the representations fall far short of the mark; the project cost has risen to \$68 billion (with some experts predicting an ultimate price tag in excess of \$200); travel time between San Francisco and Los Angeles will be well in excess of the promised 2 hours and 40 minutes; based on fares and conditions of other rail systems around the country, rider costs will be several times higher and ridership lower than projected; there is no sign of private investment; and the operating system would be highly subsidized; and
- WHEREAS** In 2007, the Fresno County Board of Supervisors expressed support for the concept of high-speed rail in California with the hope that such a system would operate without government subsidies and offer an economical, convenient, self-supporting, job-producing opportunity that would improve the quality of life in Fresno County and throughout Central California; and
- WHEREAS** The high-speed rail project has become highly controversial and is the subject of numerous lawsuits relating to project cost, design, imposition of burdens on land use and ownership, and prospective disruption and harm to local businesses and agriculture; and
- WHEREAS** There are serious concerns about the sources of funding, the sufficiency of environmental review, impacts on air quality during the lengthy construction phase and its implications relating to public health, and greater regulations and costs to businesses and consumers; and
- WHEREAS** As the high-speed rail drama unfolds, a number of reputable California public opinion polls, including one commissioned by the

Los Angeles Times, have shown a reversal of public support of the project – with a strong majority disfavoring it; and

WHEREAS Despite very strong public opposition and very serious concerns about the viability of the project (whose completion is projected to be in 2028), including opposition from a significant number of members of Congress and a number of bi-partisan local and state public officials, the proponents continue to push the project even with uncertainties over the myriad of issues raised in pending and prospective litigation; and

WHEREAS The California High-Speed Rail Authority, with encouragement of some public officials, is determined to forge forward on the initial stage of development of a high-speed rail system in spite of very significant issues relating to its viability as designed and financially structured; and

WHEREAS While there are opponents as well as supporters of the proposed high-speed rail who have been urged to accept the fact that there is no turning back and that “the train has left the station,” - it is not too late, and it is imperative that public officials and other citizens advocate their positions to stave off fulfillment of a boondoggle that will burden our state for decades into the future; and

WHEREAS It is imprudent that the biggest state-sponsored public works project in the nation would proceed despite monumental challenges in meeting the requirements of Proposition 1A, a highly questionable business plan, and non-existent funding sources at the federal, state, and local levels; and

WHEREAS The time is NOW that our state officials find the will and good judgment to cut the losses on the high-speed rail project and focus attention on our immediate and future needs regarding water supply, existing transportation infrastructure, public safety, education, etc. and preserving our way of life in Central California.

NOW, THEREFORE, BE IT RESOLVED, that the Fresno County Board of Supervisors hereby **OPPOSES** the California High-Speed Rail Project and urges that our federal, state, and local officials focus their attention on higher priorities such as water supply, existing transportation systems, public safety and education for the benefit of Central California and the State of California as a whole.