

May 7, 2018

California High-Speed Rail Authority  
770 L Street, Suite 620 MS-1  
Sacramento, CA 95814

Re: California High-Speed Rail Draft 2018 Business Plan

Dear California High-Speed Rail Authority,

Thank you for the opportunity to provide comments on the Authority's *Draft 2018 Business Plan*. **SPUR strongly supports the direction articulated in the Draft 2018 Business Plan and the vision of a future California it helps achieve.** The state's investment in a high-speed rail system is key to achieving important goals like reducing the state's greenhouse gas emissions, capturing growth within existing communities, revitalizing downtowns, tying economic centers together, and shifting more intercity travel to a comprehensive and space-efficient statewide rail network.

SPUR, the San Francisco Bay Area Planning and Urban Research Association, is a non-profit, member-supported organization that promotes good planning and good government. We have been following, commenting on, and supporting the high-speed rail project for several decades, including producing numerous reports and policy papers. In the coming years, SPUR looks forward to remaining a thought partner and key participant in the implementation of the state's high-speed rail program at both the statewide and local levels.

Over the past several years, we have been particularly focused on how **high-speed rail can support urban development and become integrated within existing urban communities**. Last Fall, we released *Harnessing High-Speed Rail*, a report focused on the economic development and land-use opportunity of high-speed rail in station cities (particularly in the San Joaquin Valley). In San Jose, SPUR has been a leading advocate working to shape the development around San Jose's Central Station - Diridon. Based on an analysis of international precedents, we released a set of guiding principles for remaking Diridon Station. We also brought a dozen key South Bay decision-makers to visit major multi-modal high-speed rail stations in The Netherlands and France. Each person invited on our study trip represented an agency or institution with a stake in the future of Diridon Station.

After reviewing the draft 2018 Business Plan, SPUR offers the following comments to the California High-Speed Rail Authority:

- 1. Continue with the vision in the draft business plan to complete Phase I construction and connect the early interim service sections.**

**SPUR supports the strategy to finish construction on the “Early Interim Services” in the Central Valley and the Bay Area.** These are discrete projects that provide independent utility to two key regions in the state. The proposed 2027 timeline for improved rail services between San Francisco and Gilroy (in the Bay Area) as well as between Madera and Bakersfield (in the Central Valley) will improve mobility within each region respectively as well as help to grow public confidence in the overall high-speed rail program.

In the Bay Area, the Authority’s investments reinforce intercity rail services that are either already running and or that are under construction. Investments in the Peninsula Corridor electrification will offer a more reliable, sustainable and competitive solution to auto travel for trips along the Peninsula. In San Jose, the Santa Clara Valley Transportation Authority has committed to bringing an operative BART service by 2026 that will connect to high-speed rail at Diridon Station and link the South Bay to the East Bay. **The addition of early interim service by 2027 reinforces these investments and supports a more comprehensive and efficient regional rail service in the Bay Area.**

In the San Joaquin Valley, connecting Madera to Bakersfield by 2027 is critical to providing a fast and clean alternative to driving and to supporting a more compact pattern of development. The presence of high-speed rail is an opportunity for each station city and its surrounding metropolitan region to **shift more growth toward existing communities, thereby preserving valuable agriculture lands while also revitalizing downtowns and urban centers.**

**SPUR also supports the plan’s proposed investments within Southern California.** The draft high-speed rail business plan proposes investments along the Burbank to Anaheim corridor that will improve the regional rail corridor capacity. For example, the Rosecrans-Marquardt grade separation project is making the most hazardous grade crossing in California safer. In addition, investments in Los Angeles Union Station will improve regional rail service by removing a bottleneck that reduces the number of trains that can go through the station.

**2. Ensure that the California High-Speed Rail project gets the funding it needs to successfully complete the entire Phase I as soon as possible.**

The costs estimated in the Draft 2018 business plan for the first phase of the system (\$77.3 billion) remain a bargain relative to the \$170 billion or more that it would cost in road and airport expansions to meet the needs of California’s growing population.

Yet for too long, the high-speed rail project has been limited in its funding and hampered by uncertainty in being able to carry out what was necessary to plan and build a project of this scale. Since the passage of Proposition 1A in 2008, important progress towards sustainable funding includes the legislature’s provision of cap and trade auction revenues. These funds have bolstered the project’s finances, raising the available funding from a fifth to a third of the entire Phase I program cost. However, looking forward it **will be necessary for the state to consider additional resources to ensure the project can be completed in a timely manner.**

Increases and uncertainties in the cost and schedule for the overall project should not bar the legislature from considering additional resources to ensure the rail system can be completed in a timely manner. The sooner the project is completed, the sooner the state can begin realizing the return on its investment. For example, the Silicon Valley to Central Valley line is forecast to generate enough farebox revenue in 2029 to cover the operations and maintenance costs of the system and to begin providing additional revenue that could be used toward system expansion.

3. **Strengthen partnerships with local and regional governments and commit to well-integrated land use and transportation planning around stations in order to realize the full benefits of high-speed rail in station cities.**

SPUR has argued that **high-speed rail has the potential to change the way California grows and develops** in a way that is more space-efficient and environmentally-sustainable while also bringing significant economic opportunity to underperforming parts of California. SPUR recommends that **the Authority, the Governor's Office and the State legislature explore all possible tools to help realize the full economic and land use opportunity of high-speed rail.** We made numerous recommendations in our *Harnessing High-Speed Rail* report, including establishing development corporations and modifying tax increment financing rules. It will be key to combine the state's state investment or creation of new economic development tools with an expectation that local plans meet statewide criteria. Overall, concentrating urban growth around high-speed rail and other transit is not only essential to ensuring high ridership on the system, but also to enable transit in general to become a better option than driving a car.

SPUR also supports the Authority's partnerships with transit agencies and local cities for integrated multi-modal station area planning. Implementation of these plans will require the Authority and each of the other partners to bring resources and expertise to the table. The goal is to create a well-designed station district that combines compact development (particularly employment and other destinations adjacent to the station) with multi-modal designs that encourage biking, walking and taking transit. International best practices demonstrate that the best station area development occurs when all parties (state and local transit, cities, etc.) work in a clear and organized partnership for delivering the station and surrounding infrastructure (including new transit lines, infrastructure and adjacent development).

In conclusion, SPUR supports the direction of the draft 2018 Business Plan and looks forward to working with the Authority and the State legislature to ensure its successful implementation.

Sincerely,



Egon Terplan  
SPUR Regional Planning Director