

HIGH-SPEED RAIL

Planning costs soar for state's rail project

Officials: Extra \$97 million needed for office and field work

Transportation
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Bay Area News Group

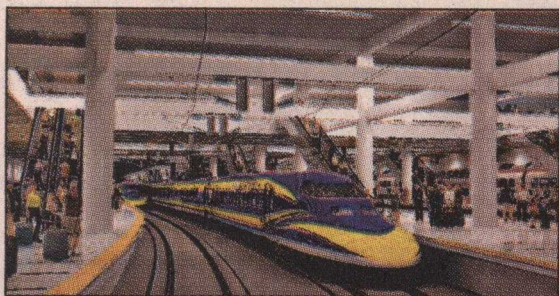
SACRAMENTO — While much of the squabbling over California's high-speed rail project has focused on its huge construction price tag, the cost to taxpayers just to plan the bullet train is also soaring.

California rail leaders said Tuesday it will cost an extra \$97 million in office and field work to design the rail line, which has famously seen its construction cost double to \$69 billion since voters approved it five years ago. The extra state and federal funds set aside for planning will wind up in the pockets of private consulting firms, including some that earn billions of dollars in annual revenue.

Rail officials say much of the latest increase is because of delays to the project's aggressive timeline and the need to study alternative plans aimed at appeasing concerns of communities along the San Francisco-to-Los Angeles rail corridor.

For instance, the California High-Speed Rail Authority board Thursday is set to approve an extra \$38 million for mega-firm URS to work on clearing state and federal bureaucratic hurdles required before construction can begin in the Central Valley this summer. That \$158 million effort dates back six years and was supposed to be done by now, but has been delayed because residents between Fresno and Bakersfield have asked the state to study different locations to lay tracks, a time-consuming and costly endeavor.

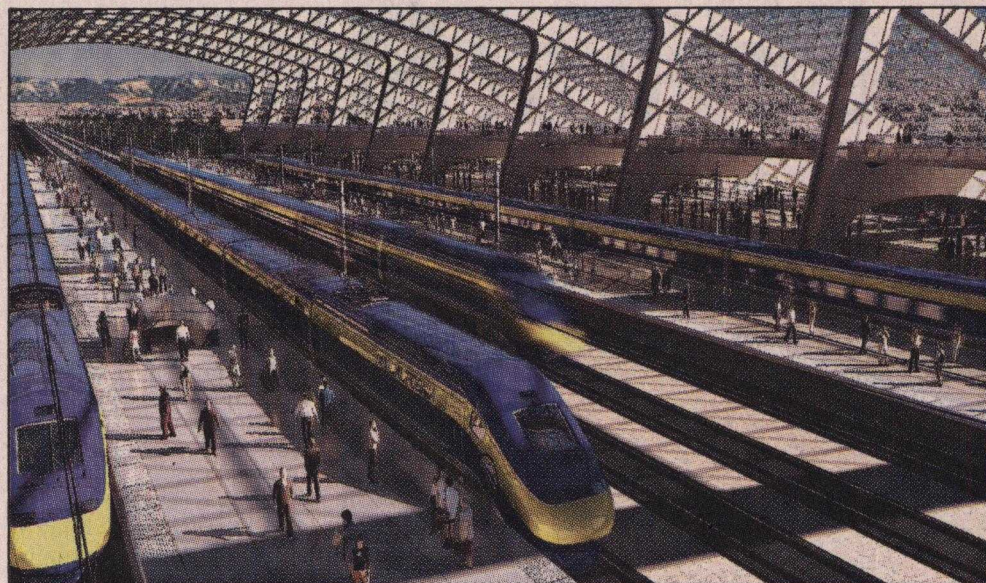
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CONTRIBUTED

This 'interior view of Transbay Terminal shows how high speed rail would operate in a large transit-oriented station.

SANTA CRUZ SENTINEL



BLOOMBERG

The California High-Speed Rail station in San Jose is seen in this artist rendering released to the media on Feb. 14, 2011.

RAIL

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Rail officials say the new pre-construction planning budget of \$878 million, while it is an increase of 12 percent, is still within the limit approved by voters in 2008.

"Spending a little more time and a little more money up front can have huge benefits" over the long run, said rail authority CEO Jeff Morales, noting that the planning expense was still only about 1 percent of the overall project cost. "The overwhelming majority of all the funds will go toward (construction) that people can see, touch and ride."

But opponents say the continued price increases are a sign of more problems to come once the expenses go from millions to billions of dollars when the construction of the first 29 miles starts near Madera as soon as July.

"I think we're just going to burn through the money without ever really seeing a project," said Assemblywoman Diane Harkey, R-Dana Point, who's tried and failed repeatedly to halt the project, which has a \$50 billion funding shortfall. "The money is burning a hole in our pocket and we're just spending it, and everybody is taking a piece of the pie."

In addition to the extra \$92

million in consulting costs, Gov. Jerry Brown's administration this week asked the Legislature to approve another \$4.8 million for the rail authority staff. Most of the money will go toward filling 44 new positions, along with \$826,000 to raise the salaries of existing staffers and \$631,000 for extra office space.

"It's going to be very hard to hold costs down for such a big project," said state Sen. Mark DeSaulnier, D-Concord, chairman of the Senate Transportation and Housing Committee. "It's always disappointing when you hear that scarce resources are being expended that you didn't anticipate."

In all, more than half a billion dollars has already been spent on design contracts for six firms working on the project, while the rest of the consultants' money is expected to be doled out through 2017. A much smaller but growing amount of money has been spent on staff at the rail authority, a relatively trim agency that relies mostly on consultants for planning work.

In a related development, the Brown administration on Monday asked lawmakers to approve a \$26.2 million loan from a state public transit account to fund high-speed rail planning from this July through June 2014.

That money will be needed

while the rail authority deals with a lawsuit it filed two weeks ago that is literally aimed at the entire world, in which anyone can sign up to oppose the use of state bond funds for the bullet train — a strategy the state is using to deal with all legal opponents at once.

The rail authority says it can't issue bonds during the case and needs the money to pay its bills for the time being — and will pay back the funds after the case is resolved.