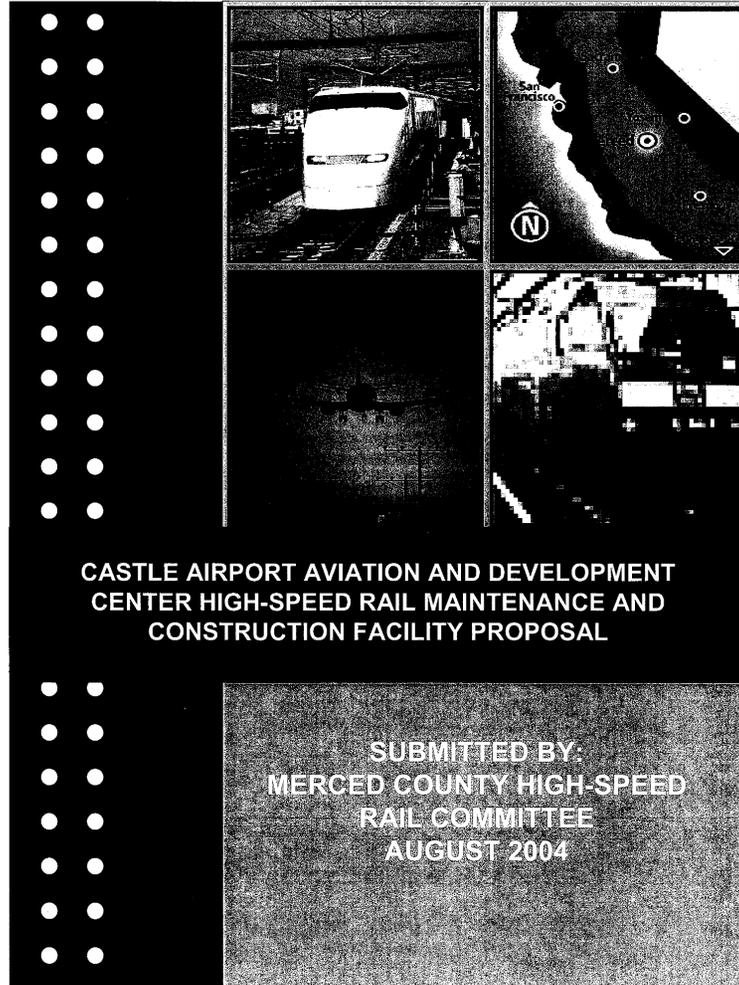


Comment Letter O087

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**CASTLE AIRPORT AVIATION AND DEVELOPMENT
CENTER HIGH-SPEED RAIL MAINTENANCE AND
CONSTRUCTION FACILITY PROPOSAL**

**SUBMITTED BY:
MERCED COUNTY HIGH-SPEED
RAIL COMMITTEE
AUGUST 2004**

Merced County High-Speed Rail Committee:
High-Speed Rail Maintenance and Construction Facility Proposal

Merced County High-Speed Rail Committee

This proposal was developed by the Merced County High-Speed Rail Committee and submitted to the California High-Speed Rail Authority on behalf of Merced County. In an effort to prepare for the development of the proposed California high-speed rail system, the Merced County Board of Supervisors established a citizen's committee, the Merced County-High Speed Rail Committee. This committee is a nonprofit committee made up of local elected officials, educators, professionals, business representatives and interested citizens.

The Merced County High-Speed Rail Committee has reviewed the two proposed high-speed route alternatives presented in the draft environmental impact report/statement (EIR/EIS). Based on this evaluation the Committee strongly supports the northern Diablo route for reasons outlined in this document. The committee will continue to educate Merced County citizens about the decision to support the northern Diablo route, as well as the direct and indirect impacts of the proposed high-speed rail system.

The committee has been extremely active in supporting the high-speed rail system and continues to express the importance of public comments in the process of implementing the largest transportation construction project in the United States. The goals of the Merced County High-Speed Rail Committee are outlined below.

- Advocate for the California High-Speed Rail system on the Diablo Range northern alternative route as the preferred site by fall of 2004.
- Advocate for Castle Airport, Aviation and Development Center as a train route stop.
- Advocate for Castle Airport, Aviation and Development Center as a construction and maintenance facility for the statewide high-speed rail system.
- Provide information to the California High-Speed Rail Authority board members and staff about the Merced community and Castle Airport, Aviation and Development Center.
- Implement a marketing and education outreach plan on the value of high-speed rail to the Merced community and the Central Valley region.

Members of the Merced County High Speed Rail Committee are listed below:

Jim Abbate Alia Corporation	Ed Abercrombie Council Member, City of Atwater	Dr. Lee Boese, Jr. Merced County High- Speed Rail Committee Chair
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Mary Bronaugh Private Citizen	Bert Crane, Jr. Bert Crane Orchards	Gloria Cortez Keene Supervisor, County of Merced
Kathleen Crookham Supervisor, County of Merced	Dee Dee D'Adamo Congressman Dennis Cardoza	Dr. Benjamin Duran Merced College
Doug Fluetsch Fluetsch & Busby Insurance	John Fowler County of Merced	Cathleen Galgiani Assembly Member Barbara Matthews
Marc Garcia Garcia Law Firm	Ted Hogan Yosemite Rail Line	Michelle Hunter Senator Denham
Jack Lesch City of Merced	Guy Maxwell Maxwell Homes	Rick Osorio Council Member, City of Merced
Lee Pevsner Private Citizen	Mary-Michael Rawling Merced/Mariposa County Asthma Coalition	Karen Walker Private Citizen
Larry Salinas University of California, Merced	Elaine Trevino Consultant	Janet Young University of California, Merced

Merced County High-Speed Rail Committee
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Merced County High-Speed Rail Committee:
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Introduction

The Merced County High-Speed Rail Committee was formed by Merced County as a citizen's committee to consider the environmental impact report/statement (EIR/EIS) commissioned by the California High-Speed Rail Authority and the Federal Railroad Administration and to advocate for the implementation of the proposed statewide high-speed rail system.

During the review of the proposed high-speed rail alternative routes, the committee looked at several factors, including the cost for construction, safety, air pollution, time, reliability, agricultural impacts, costs to ride the system, travel time, rail access, freeway access, connectivity to local transportation systems, competition with the airline industry, traffic congestion, environmental and land use impacts.

- No project alternative: which operates on the premise that the State will continue to build it's existing transportation system with planned improvements;
Modal alternative: which operates on a similar premise of the State continuing to build it's existing transportation system but with expansions to existing highway and air travel systems;
High-speed train alternative: which builds a statewide high-speed transportation system capable of travel at 220 mph.

After the evaluation of these scenarios, the committee unanimously endorses the high-speed train alternative. The committee also evaluated the proposed route options and unanimously supports the northern Diablo route alternative, with the caveat that the development of the specific route thoroughly take into consideration local agricultural land of importance.

As previously stated, the Merced County High-Speed Rail Committee advocates for the route that would best serve the Merced community and the route alternative that would result in a construction and maintenance facility housed at CAADC, previously known as Castle Air Force Base.

Merced County High-Speed Rail Committee:
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facility is perfectly located where the proposed route intersects with Highway 99 and can meet the needs of the project.

Recognizing that the high-speed rail system will be built through the Central Valley, the committee has worked diligently to educate local residents and community representatives about the high-speed rail public input process.

All committee members are greatly concerned about the quality of life in the Merced region and the greater Central Valley and the increasingly poor air quality. The committee has discussed the upcoming population growth projections and believes that a high-speed train system, coupled with smart long term planning can contribute to improving the environmental, economic and social quality of life for our region.

The Merced County High-Speed Rail Committee did not analyze the proposed countywide high-speed train route stops, since that analysis was completed by the regional transportation experts (COG's). Therefore, the committee makes no recommendations on specific city route stops other than the recommended route stop and construction and maintenance facility location at CAADC.

This proposal provides an overview of Merced County and CAADC. Additionally this proposal outlines the benefits of locating the construction and maintenance facility at CAADC.

The Merced County High-Speed Rail Committee respectfully requests that the California High-Speed Rail Authority consider the CAADC public owned site in its upcoming decision of where to locate the high-speed rail maintenance and construction facility. Our committee thanks you for your work and leadership toward making a statewide high-speed rail system a reality for Californians.

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Merced County Overview

Merced County Demographics Overview

Merced County is a community located in the heart of central California with a population of approximately 210,554 residents. Merced County is home to six incorporated cities including: Atwater, Dos Palos, Gustine, Livingston, Los Banos and Merced. The cities of Atwater, Livingston and Merced are located near the Highway 99 corridor, while Dos Palos, Gustine and Los Banos are closer to the Interstate 5 corridor. Merced County is also home to CAADC, previously known as Castle Air Force Base.



The city of Merced is the county seat with a population of over 67,000 residents. Table 1 indicates the city and county's population measured by Census 2000 and population projections for the year 2020. In addition the table provides a population comparison to the State.

Merced County's population is rapidly growing and diversifying at rates that surpass its neighboring counties and the State. Over the next forty years, Merced County's population will more than double to 460,020 residents. The county will cease being a rural region and become one of the State's new urban centers.

Merced's economy is largely considered an agricultural based economy. Since the 1870s, Merced's strong agricultural foundation has been key in influencing the growth in food processing and agri-business.

Table 1: Population by City, County, and State

Source: U.S. Census, 2000; California Department of Finance

	Census 2000 Population	Projection for 2020	% Change
City of Merced	63,933	108,505	69.7%
Merced County	210,554	319,785	51.9%
California	33,871,648	45,448,627	34.2%

In 1996, the agriculture industry accounted for 19.7% of the County's economic output. The manufacturing of food and related agricultural products accounted for 22.3% of output. Although fertile lands continue to provide employment opportunities, Merced's agricultural dependence, California's recession, and the closure of Castle Air Force Base in the mid 1990s contributed to the lack of

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socioeconomic mobility of its residents. In 2000, approximately 43.0% of Merced's labor force was employed in agricultural (picking and packing), manufacturing (includes food processing), and retail industries.

Currently the county and city's economies are diversifying, however the region continues to suffer double-digit unemployment. Table 2 illustrates unemployment rates for both the city and county for April and May 2004. Merced County had a higher unemployment rate than the San Joaquin Valley and the State for both April and May 2004.

Table 2: Unemployment Rate by City, County, San Joaquin Valley, State for April & May 2004

	City of Merced	Fresno	Kern	Kings	Madera	Merced	San Joaquin	Stanislaus	Tulare	California
April	15.4%	13.6%	12.4%	14.8%	13.1%	15.5%	10.0%	12.1%	14.3%	6.2%
May	13.5%	12.1%	11.2%	12.8%	11.8%	13.6%	9.0%	11.3%	12.7%	5.8%

Source: California Department of Finance, 2004

High unemployment rates have also been a consistent outcome of Merced's economy. Since 1998, Merced's yearly average unemployment rate has been higher than 14%. As of June 2004, Merced had a yearly average unemployment rate of 16.1%. It is the highest among the counties comprising the San Joaquin Valley.

Many efforts to attract new industry and investment to the Merced region are underway in an effort to address the challenge of population growth that exceeds job growth and diversify the economic base of the Merced community. The Merced community has worked tirelessly to update the skill sets of its labor force to ensure that they meet the needs of the existing industries as well as potential new employers for the region. Additionally, many community leaders have mobilized around the development of the new 10th campus of the University of California, UC Merced. This project alone continues to bring new opportunities and investments to the local community.

UC Merced

The community of Merced was selected as the home of the University of California's tenth campus, UC Merced. It is the first UC campus built in the Central Valley. UC Merced, is the first major U.S. research university built in the 21st Century. UC Merced's campus is located near the northeastern portion of the City of Merced, near Lake Yosemite. The new campus is scheduled to open in fall of 2005, to serve its first 1000 enrolled students.

The UC Merced campus will be built in a total of five phases. Currently, the campus is developing phase one, which will serve the campus into 2007-2008 and includes the construction of the campus' initial academic buildings, student housing and dining facilities, a recreation center, and other critical infrastructure.

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Phase two of UC Merced's construction will provide additional facilities that will be needed beginning in 2008.

UC Merced, in partnership with the Virginia Smith Trust (VST), will also construct a supporting university community village adjacent to the campus. The development will provide a downtown atmosphere to students and faculty by including retail and entertainment venues, research parks and housing opportunities for both students and faculty. The VST will provide scholarships to students from the proceeds it may realize from participating in the development.

UC Merced will serve 1,000 students during its inaugural year of 2005-2006. The campus will grow each year by approximately 800 students. UC Merced is expected to reach full build-out over a 30 year period, growing to an enrollment of 25,000 students.

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Merced County High-Speed Rail Committee:
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**Castle Airport, Aviation and Development Center (CAADC)
Overview**

Background

Located seven miles northwest of Merced near the town of Atwater, the former Castle Air Force Base was first known as Air Corps Basic Flying School. In September of 1941 it became one of the fields utilized to meet the needs of the 30,000 Pilot Training Program. As the original name indicated, it provided basic air training for beginning pilots and crewmen. In April of 1942 it was renamed Merced Army Air Field. Many pilots and crews were trained there during World War II. In 1944, General Frederick Castle rode his flaming B-17 to his death while leading one of the biggest bombing missions of WW II. He was posthumously awarded the U.S. Congressional Medal of Honor for his heroic action. The former Merced Army Air Field was renamed Castle Air Force Base in his honor on January 13, 1948. Castle served as a major B-52 training base under the United States Strategic Command.

In 1991, Castle Air Force Base appeared on the base closure list, and the cities of Atwater and Merced along with Merced County formed the Castle Joint Powers Authority (CJPA). In anticipation of the Air Force departure in 1995, the CJPA prepared a base reuse plan and transition strategy. The former base was re-named the Castle Airport, Aviation and Development Center (CAADC). The CJPA leadership faced great obstacles in implementing the reuse strategy and trying to recruit employers to hire many of those impacted by the base closure. In the fall of 2000, the County of Merced took over sole control of the CAADC and the CJPA was dissolved.

The conversion of Castle from military to civilian use has greatly changed the character and magnitude of aviation related impacts on surrounding land uses. The County of Merced has committed to maximizing the utility of the diverse and unique infrastructure attributes of CAADC, ensuring that the airport is improved and maintained. Castle Airport is designated as a general aviation airport and CAADC staff continue to receive inquiries from large commercial aircraft companies regarding potential expansion and relocation opportunities. Currently, the airport is being positioned for use as a heavy cargo and maintenance facility.

CAADC receives numerous inquiries from manufacturing and distribution companies, given its central geographic location, access to a major highway, available buildings, and proximity to the airport. In addition, the availability of multiple hangars and tiedown facilities has attracted many private owners looking for a location to service and store their aircraft.

With more than 50 industrial and commercial tenants already located at CAADC, marketing efforts are focused on attracting additional high quality employers to occupy the facilities at Castle. The CAADC staff continues to market the ramp-side facilities for aviation uses and build-to-suit structure sites.

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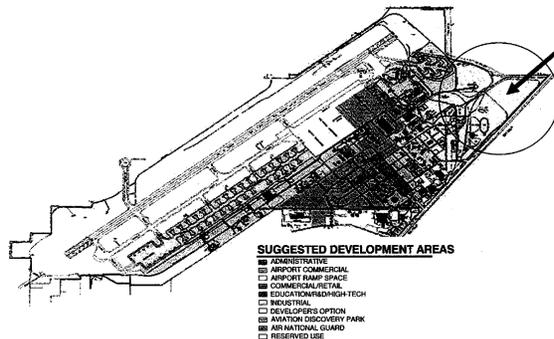
CAADC Profile

CAADC is made up of approximately 1,800 acres which consists of an airfield, aviation support buildings, warehouses, hangars, commercial buildings and a hospital. CAADC is located in an unincorporated area of Merced County which borders the City of Atwater. CAADC houses the 4th largest civilian runway in the State which is 11,800 feet long and 300 feet wide. The nearest commercial airport is located in Merced with a 5,900 foot runway. Currently there are 185 buildings and structures located on CAADC.

Existing infrastructure at CAADC includes water distribution, sewer, industrial waste pipeline, electrical distribution, natural gas distribution, telephone system, television cable system, roads, sidewalks, parking lots and storm drains. Over the last 10 years there have been improvements to the property including power transmission lines, fiber optic systems, sewer line extensions, a video conference center and dilapidated building demolition.

The County of Merced undertook a planning process to determine the best uses of CAADC. The image below outlines the specific areas for airport, commercial, industrial and new development uses.

Exhibit 1 – CAADC Suggested Development Areas



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Current CAADC Tenants

There are over 50 current industrial and commercial tenants already located at CAADC ranging from utility companies with over 1,000 employees to educational entities to private small businesses. A partial list of current CAADC's tenants is provided.

Airport/Air Cargo

Because of its central location, CAADC provides many economical advantages for air cargo operations. With its existing 11,800 foot heavy duty runway, CAADC is prepared for the heavy lift cargo and heavy duty equipment needed to build a high-speed rail system. In addition, CAADC can provide space for aircraft parking and "build-to-suit" product storage of heavy equipment. As CAADC is a conveniently located, cost efficient hub it provides the needed proximity to aviation maintenance and support. CAADC's airfield and ramps can accommodate the largest and heaviest aircrafts made today. Additionally, CAADC has space for cargo terminal development and has existing warehouse space.

Rail Service and Access

CAADC is located near a major rail line, providing an excellent and efficient opportunity for industrial product manufacture and movement. Whether utilized for long haul or local use, CAADC's rail network provides a convenient and central location. CAADC has direct spur access to Union Pacific with its adjacent classification yard, next to the Burlington Northern & Santa Fe rail line.

Utilities

CAADC continues to receive low cost electric power from Merced Irrigation District. CAADC's electrical power system and provider has sufficient reserve capacity to meet the needs of the current tenants and new companies. A CAADC utility summary is provided.

Castle Airport Aviation and Development Center Partial Tenant Listing
AT&T
A Woman's Place
Atlas Storage Group
Browning Ferris Industries
Bloss Memorial Hospital
Castle Air Museum
Castle Analytical Laboratory
Castle Dental Group
Castro Electric
Challenger Learning Center
Cingular Wireless
Evans Private Security
Hoffman Electronics Systems
Gemini Flight Support
Merced Adult School
Merced Irrigation District
Merced Union High School District
OMNI Concepts
Party Perfect
Patelco Credit Union
Riverside Motorsports Park, LLC
Sierra Del Pacifico Engineering
Sky King, Inc.
Solutions West
Turning Point Industries
University of California, Merced
VA Clinic
Western Farm Service

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Utilities	
Gas	
Supplier	West Coast Gas Company
Electricity	
Distributor	Merced Irrigation District
Generating Capacity	Unlimited
Water	
Distribution	County of Merced
Pumping Capacity	6,000,000 gallons per day
Peak Pumping Rate	3,000,000 gallons per day
Sewer	
City of Atwater	
Type of Treatment	Sludge and Tertiary Treatment
Permitted Capacity	1.9 MGD
System Utilization	25% of capacity
Refuse	
Service Provider	BFI
Telephone	
The County of Merced provides a state-of-art communications infrastructure including fiber optics technology. These technologies meet the voice, data and video requirements needed by CAADC tenants.	

Access to Major Freeways and Highways

CAADC is an attractive location for businesses moving goods across the country or into international markets. CAADC's location and access to multiple transportation modes is beneficial to businesses and provides them a competitive advantage. CAADC is directly located near Highway 99, the main north/south route for access to northern and southern main trade links, linking Mexico to northern California and Canada.

Approximate Driving Times

from CAADC to:	
Oakland, CA	2 hours
San Francisco, CA	2.5 hours
Los Angeles, CA	4 hours
Baja, Mexico	6.5 hours

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Land Availability

CAADC continues to actively market vacant buildings and land for industrial and commercial developments that complement the suggested criteria standards adopted by the Merced County Board of Supervisors. As shown in grey in Exhibit 1 there are currently 134.3 acres available for new industrial construction and development on the southern border of CAADC. The identified vacant acreage hosts an active rail spur and is located near the main roadway with convenient access to Highway 99.

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