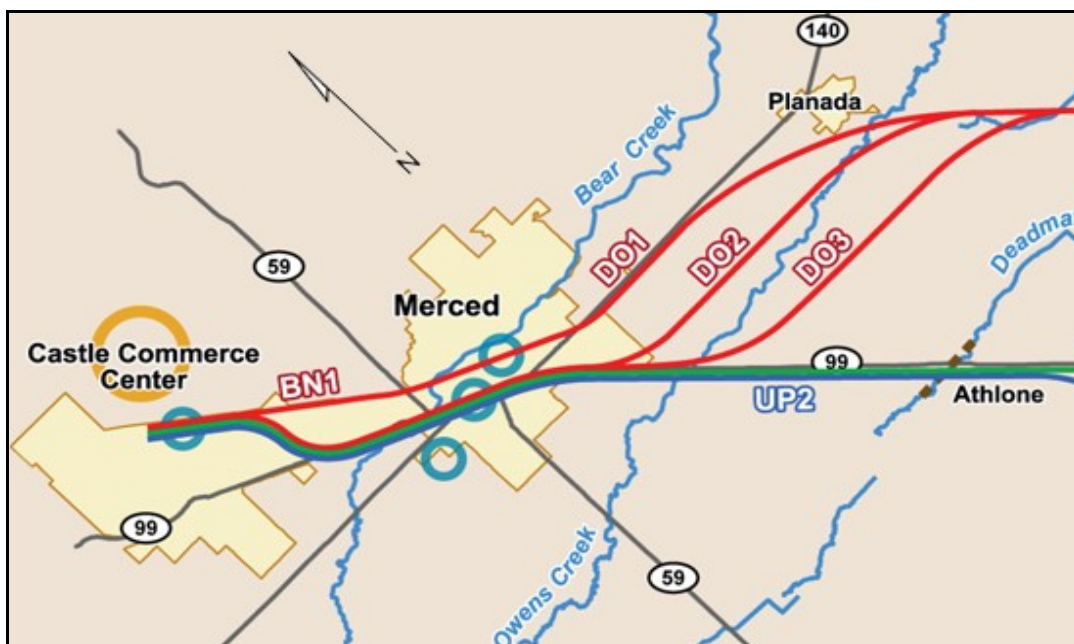


Castle Commerce Center Site for the California High Speed Rail Heavy Maintenance Facility (HMF)



On January 15, 2010 the Greater Merced High-Speed Rail Committee presented the California High-Speed Rail Authority with an Expression of Interest to locate a High-Speed Rail Heavy Maintenance Facility (HMF) at the Castle Commerce Center Site. The Site is located on the former Castle Air Force Base.

Site at a Glance

160 acres in size:	Exceeds the size requirements for the Heavy Maintenance Facility
One primary owner:	Merced County, with over 90% ownership of the site
Planning/Zoning:	Planned and zoned for urban use: primarily industrial and commercial
Primarily vacant:	Includes one residence and one business
Railroad Access:	Adjacent to Burlington Northern Santa Fe Railroad line
Multi-modal Site:	Freight rail spur on site; adjacent to Castle Airport, with runway over 11,000 feet long to handle heavy cargo and aircraft
Highway Access:	Excellent surface transportation access via Santa Fe Avenue and Bellevue Road; planned Atwater-Merced Expressway provides critical link to California Highway 99
Utilities:	Sewer on site from City of Atwater; water on site from Merced County
Electric Power:	On site from Merced Irrigation District; rates at least 10-20% less than investor-owned utilities
Environmental:	Site is a brownfield, which is already substantially remediated and cleared for industrial uses; U.S. Department of Defense is the responsible party and will continue funding remaining cleanup

Key Features and Incentives

- Merced County offers the Site on a long-term lease at \$1.00 per year
- Ready access to major airfield at Castle Airport provides global link for operations of HMF
- Lowest possible electrical power cost of any HMF site for minimized operational costs
- Land lease and federal responsibility for environmental cleanup allows brownfield re-use at no financial or legal risk to High Speed Rail Authority
- Offer of funds and property exchange from adjacent developer
- Coordinated assistance in recruiting and training the HMF's 1,500 employees from WorkNet and Merced College
- Incentives already in place:
 - In an Enterprise Zone, offering tax credits for new employment
 - In a Redevelopment Project Area, offering assistance with necessary infrastructure
 - In a Foreign Trade Zone, of special importance if any train components are imported
- Expedited permit processing due to CEQA environmental work already completed; special status as a closed military installation provides significant CEQA benefits; County pledges fast-tracking
- Unified community support from local governments, and community organizations, including business, labor, educational and environmental groups

Community Benefits

- The HMF brings 1,500 jobs directly, and will generate 3,000 additional indirect jobs, generating approximately \$320M in payroll
- Additional retail sales of \$80 million annually and \$8 million in sales taxes to local governments
- Accelerates development of Castle Airport by generating cargo traffic
- Economic incentives from the federal and state governments will draw investors to the area

Greater Merced High Speed Rail Committee, Inc.:

The Greater Merced High Speed Rail Committee has worked since 2003 to educate and advocate for high speed rail. The Committee formally incorporated as a nonprofit public benefit corporation in January 2009, and has established a unified regional approach for high-speed rail involving the County of Merced and its cities (including Merced and Atwater), local business and industry, Merced College, the University of California Merced, and others.

The Committee's Board of Directors includes representation of all key stakeholder groups for high-speed rail in Merced County, and is led by the private sector with public sector support.

