

**City of Merced
High-Speed Rail Downtown Station Briefing****Background Paper
January 12, 2026****Background/History**

As part of the High-Speed Rail Development Act of 1994, California was identified as one of the five corridors nationally for high-speed rail planning. The California Legislature formed the Intercity High-Speed Rail Commission and tasked it with determining the feasibility of a system in California. By 1996, the Commission determined that a High-Speed Rail system in California was feasible.

In 2008, the California voters approved Proposition 1A providing financing for a High-Speed Rail system. The Proposition mandated that a High-Speed Rail Station would be in Merced connecting Los Angeles to San Francisco through the Central Valley.

The original location for the Merced High-Speed Rail Station was W. 15th St/W. 16th St from G Street to Martin Luther King Jr Way. Environmental clearance (CEQA and NEPA) was approved in 2012. Subsequently, the City and High-Speed Rail Authority considered moving the Station site to W. 15th St/W. 16th St from O Street to R Street using a viaduct system to traverse through the City. City leaders and High-Speed Rail planners agreed that moving the Station would maintain the connectivity between Central and South Merced, reduce the need for over and under crossings, and preserve the revitalization progress made in the Downtown Core. The High-Speed Rail Authority approved the relocation and granted environmental clearance for the new location.

2025 Supplemental Project Update Report

On August 22, 2025, the High-Speed Rail Authority released the 2025 Supplemental Project Update Report. The Report suggests the Merced Downtown High-Speed Rail Station be re-sequenced favoring a more direct route from Madera to Gilroy. A date as to when the Merced Station would be constructed was not included in the Report. The justification to re-sequence the Merced Station focusses on increased ridership, revenues, and potential to attract investment in the form of Public Private Partnership (P3.) Another reason for re-sequencing the Merced Station is due to insufficient funding since the Feds took back the \$4 billion committed to the High-Speed Rail Project by the Biden Administration.

The City of Merced first learned about the re-sequencing option when a member of the press contacted the Mayor and Council members. The respective elected officials and staff were not aware that the option was included in the Report.

At the High-Speed Rail Board of Directors meeting of August 28, 2025, Deputy City Manager Frank Quintero addressed the Board expressing the City's disappointment that the High-Speed Rail Authority did not contact the City or its elected officials prior to the release of the Report. Similar comments were made by Dalia Costa, Merced County, and Staci Guzman, Merced County Association of Governments.

Board Chairman Tom Richards acknowledged the frustration voiced by the Merced representatives. He committed to improving communications between the High-Speed Rail Authority and Merced agencies, and stated that CEO Choudri, HSR staff, and Board members would initiate and hold meetings with Merced elected officials and staff to discuss the content of the Report.

Key Legislation Mandates

Provisions in California legislation call for the construction of a Downtown Merced High-Speed Rail Station that has provided certainty that the Station would be included in the first phase of construction.

- Proposition 1A (2008): The ballot measure mandated a Merced-High-Speed Rail Station as part of the original plan to connect Los Angeles and San Francisco through the Central Valley.
- Senate Bill 198 (2022): The bill mandated the rail authority to prioritize the 171-mile Merced to Bakersfield segment for completion. Language in SB 198 specifically calls out a High-Speed Rail Station to be constructed in Downtown Merced as part of Phase I – Segment 1 that would also include rail service from the Altamont Corridor Express (ACE) and Amtrak – The San Joaquin train.
- Assembly Bill 377 (2025): This bill requires California High-Speed Rail Authority to provide a detailed funding plan for the Merced-Bakersfield segment by May 1, 2026, including a strategy to address the financial gap.

Cap & Trade/Invest (AB 1207 & SB 840)

In September 2025, the California Legislature reauthorized the Cap & Trade/Investment program to 2045. The approved legislation included providing the High-Speed Rail Authority with \$1 billion per year from 2025 to 2045.

EXCERPT from the LA Times

California's High-Speed Rail project is slated to receive \$1 billion a year in funding through the state's cap-and-trade program through 2045 — a relief to lawmakers who

had urged the Legislature to approve the request as billions of dollars in federal funding remain in jeopardy.

State leaders called the move, which is pending a final vote from the Legislature, a necessary step to cementing investments from the private sector — an area of focus for project officials. And the project's chief executive, Ian Choudri, said the agreement is crucial to completing the current priority — a 171-mile portion from Merced to Bakersfield — by 2033.

"This funding agreement resolves all identified funding gaps for the Early Operating Segment in the Central Valley and opens the door for meaningful public-private engagement with the program," Choudri said in a statement. "And we must also work toward securing the long-term funding — beyond today's commitment — that can bring high-speed rail to California's population centers, where ridership and revenue growth will in turn support future expansions."

Ian Choudri, CEO – California High-Speed Rail, LA Times, September 12, 2025

Meetings with High-Speed Rail

Since the Board meeting of August 28, 2025, six meetings have been held with High-Speed Rail Board Members and High-Speed Rail staff. Meetings were held on the following dates:

- Friday, September 5, 2025 (Mark Tollefson, Peter Whippy, Bassem Maullem, Daniel Teran, and Diana Gomez)
- Thursday, November 6, 2025 (Ian Choudri and Peter Whippy)
- Monday, December 8, 2025 (Mark Tollefson, Peter Whippy, Bassem Maullem, Daniel Teran, and Diana Gomez arranged by MCAG)
- Tuesday, December 9, 2025 (Board Member Henry Perea arranged by Merced County)
- Friday, December 19, 2025 (Board Member Anthony Williams via Zoom)
- Monday, January 5, 2025 (Mark Tollefson, Peter Whippy, and Diana Gomez)

New Location for the Merced HSR Station

The common thread in all the discussion with HSR Board Members and staff is that they are seeking ways to reduce cost and be as expedient and efficient as possible with construction. For the Merced Station, the High-Speed Rail Authority suggests moving

the Station from Downtown Merced to Southeast Merced in the vicinity of Highway 99/Mission Avenue/Campus Parkway. According to High-Speed Rail staff members, relocation may improve the certainty of delivering the Station project as part of the first operating segment.

Relocating the Station from Downtown Merced also relieves the High-Speed Rail Authority from costs such as acquiring property/right of way, relocating businesses, building over the Highway 99/E. 16th Street overcrossing, and elevating the tracks with a viaduct within the Central Business District.

The current plan to construct the Merced Station in Downtown Merced calls for acquisition and relocation of City facilities such as the McCombs Youth Center (leased by the Boys & Girls Club of Merced County) and Merced Senior Community Center (occupied by Senior Inc. and other senior service providers.) Businesses such as In N Out Burger, Pazin & Myers, El Bajio Market, and others would not be acquired and relocated. Furthermore, plans to construct a Chick Fil A at the northeast corner of W. 15th Street and Martin Luther King Jr. Way could potentially proceed.

The new Station site is currently in the County and may require services from the City such as water, sewer, refuse, fire, and police. Infrastructure and facilities are not readily available to serve the suggested site, but lines could be pulled, and facilities constructed with assistance from High-Speed Rail.

Other factors to consider should the station relocate to Southeast Merced include the current comprehensive update of the General Plan that is underway, a new Station Area Plan (the Downtown Station Area Plan is on hold), evaluation of lost investment opportunities in Downtown Merced, and environmental clearance.

At this point, all that is discussed between the High-Speed Rail Authority, City, and County is conceptual. The plan to relocate the Merced Station must be contained and approved in the 2026 High-Speed Rail Business Plan. The DRAFT document is due to be released in February 2026 and adopted by May 1, 2026.

Reports of Interest

- CHSRA – 2025 Supplemental Project Update Report (August 2025)
- CHSRA – 2025 Project Update Report (March 2025)
- CHRSA – 2024 Business Plan (May 2024)

All reports are available online at www.hsr.ca.gov.