COSTAR DECEMBER 8, 2023

Federal Government Awards Billions of Dollars in Grants for Passenger Rail Projects Nationwide

Expansions in Los Angeles, Las Vegas, Chicago Among Those Selected for Funds

Feds Announce New Grants for Nationwide High-Speed Rail and Pipeline Projects

Hover Over Project Location for More Details



Source: U.S. Department of Transportation, December 2023 Map: Nicole Shih



By Andy Peters

Four major projects to expand passenger rail service in the United States are set to receive up to \$7.3 billion in federal grants, potentially sparking commercial and residential real estate development between some of the nation's major metropolitan areas.

The federal government awarded funds for a high-speed rail connection between Los Angeles and Las Vegas; the first phase of a high-speed line between San Francisco and Los Angeles; expansion of passenger service originating from Chicago and a new line between Richmond, Virginia, and Raleigh, North Carolina. Other projects in Pittsburgh and the Hampton Roads area of Virginia also received grants.

Trains on high-speed rail corridors typically travel between 155 mph and 220 mph compared to the typical passenger train speed of 110 mph to 145 mph. Train stations tend to be catalysts for higher-density building in their respective areas, with developers aiming to leverage their connectivity for transit-oriented projects as workers can commute to further locations along the rail lines.

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The Department of Transportation awarded a total of \$8.2 billion on Friday to projects across the country, with the money going to both passenger and freight rail projects. The funding is part of a wider effort by President Biden to expand Amtrak and commuter rail service nationwide.

The grants are intended to provide "convenient, climate-friendly alternatives to congested roads and airports," Amit Bose, administrator of the Federal Railroad Administration, said in a statement.

Los Angeles to Vegas

The Los Angeles-Las Vegas route would be operated by Brightline, a private company that already runs passenger rail service in Florida that connects Miami and Orlando. The trip on the Los Angeles-Las Vegas line would take 2 hours and 15 minutes.

The federal funds would be used to build four new stations in Las Vegas and in Victor Valley, Hesperia and Rancho Cucamonga, California. Passengers would connect in Rancho Cucamonga to a separate rail service to travel to downtown Los Angeles.

Also in California, the state's effort to develop high-speed rail between its two largest urban areas received up to \$3.1 billion from the transportation department. The first phase is under construction between Merced and Bakersfield, and part of the new federal money would be used to construct a train station in Fresno. The overall project, connecting San Francisco to Los Angeles, is estimated to cost \$128 billion.

The federal government awarded up to \$94 million to upgrade facilities at Chicago Union Station, allowing for expanded passenger rail service from the city to other parts of the Midwest.

The Chicago project includes rebuilding a discontinued rail line to allow passenger trains to service those platforms and make other upgrades to the station's facilities.

A proposal to develop a new route between Richmond and Raleigh obtained \$1.1 billion in federal funding. The line would use a discontinued track and is estimated to reduce travel times between the two state capitals by 90 minutes.

In addition to the funds for construction, DOT awarded grants to study the viability of 69 proposed new passenger rail lines in 44 states. The projects would expand existing services and add new services.

Passenger rail projects that received study grants of as much as \$500,000 from the Corridor Identification and Development Program include:

- High-speed rail between Dallas and Houston.
- High-speed rail connecting Portland, Oregon; Seattle and Vancouver, British Columbia.
- High-speed rail between Atlanta and Charlotte, North Carolina.
- New service between Atlanta and Nashville, Tennessee.
- New service connecting Cleveland, Columbus, Cincinnati and Dayton, Ohio.
- New service between New Orleans and Baton Rouge, Louisiana.
- New service between Phoenix and Tucson, Arizona.
- New service between New York and Scranton, Pennsylvania.
- New service between Minneapolis-St. Paul and Duluth, Minnesota.