1. Introductions

2. Oral communications

   Any member of the public may address the Commission for a period not to exceed three minutes on any item within the jurisdiction of the Commission that is not already on the agenda. The Commission will listen to all communication, but in compliance with State law, may not take action on items that are not on the agenda.

   Speakers are requested to sign the sign-in sheet so that their names can be accurately recorded in the minutes of the meeting.

3. Additions or deletions to consent and regular agendas

   CONSENT AGENDA

   All items appearing on the consent agenda are considered to be minor or non-controversial and will be acted upon in one motion if no member of the RTC or public wishes an item be removed and discussed on the regular agenda. Members of the Commission may raise questions, seek clarification or add directions to Consent Agenda items without removing the item from the Consent Agenda as long as no other Commissioner objects to the change.

   No consent items
REGULAR AGENDA

4. Release of the 2010 Draft Regional Transportation Plan
   *(Rachel Moriconi, Senior Transportation Planner)*
   
   a. Staff report
   b. Draft 2010 Regional Transportation Plan Chapter 6

5. Highway 1 HOV Lanes Project Sustainable Transportation and Access Rating System (STARS)
   *(Kim Shultz, Senior Transportation Planner)*
   
   a. Staff report
   b. Credits recommended by the STARS TAC for application to the Highway 1 HOV Lanes project
   c. List of potential credits

6. Santa Cruz Branch Rail Line Acquisition – Revised Uniform Transit Application
   *(Luis Mendez, Deputy Director)*
   
   a. Staff report
   b. Revised draft uniform transit application for acquisition of the rail line
   c. Resolution authorizing the Executive Director to submit the uniform transit application

7. Review of items to be discussed in closed session

CLOSED SESSION

8. Conference with Real Property Negotiator Pursuant to Government Code 54956.8 for acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport
   
   Agency Negotiator: Kirk Trost, Miller Owen & Trost
   
   Negotiation Parties: SCCRTC, Union Pacific
   
   Under Negotiation: Price and Terms

9. Conference with Labor Negotiators Pursuant to Government Code 54957.6
   
   Commission Negotiators: George Dondero and Yesenia Parra
   
   Bargaining Units: Mid-Management Unit and General Representation Unit

OPEN SESSION
10. Report on closed session

11. Next meetings

   The next SCCRTC meeting is scheduled for Thursday, March 4, 2010 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean St, Santa Cruz, CA.

   The next Transportation Policy Workshop is scheduled for March 18, 2010 at 9:00 am at the SCCRTC Offices, 1523 Pacific Avenue, Santa Cruz, CA.

HOW TO REACH US

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   - Aptos Branch Library         - Branciforte Library
   - Central Branch Library      - Scotts Valley Library
   - Watsonville Library

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RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission:

1. Review and provide input on the proposed new greenhouse gas chapter of the RTP (Attachment 1);

2. Authorize staff to release the Draft 2010 Regional Transportation Plan (RTP) and Supplemental Draft Environmental Impact Report (SDEIR) for public review March 1-April 15, 2010;


BACKGROUND

The Santa Cruz County Regional Transportation Commission is in the process of updating its long range plan, the Regional Transportation Plan (RTP). The RTP is a state-mandated document that identifies transportation needs in Santa Cruz County over the next twenty-five years. It estimates the amount of funding that will be available and identifies planned transportation projects. The plan is an essential first step in securing funding from federal, state and local sources. As required by state law, the RTP includes discussion of highways, bicycle and pedestrian facilities, transit services, specialized transportation services for seniors and people with disabilities, and airports.

In order to meet federal mandates, the Association of Monterey Bay Area Governments (AMBAG) must adopt the federally-mandated Metropolitan Transportation Plan by July 2010, which incorporates the Regional Transportation Plans and corresponding project lists for Santa Cruz, Monterey, and San Benito Counties. The last updates of the RTP and MTP were completed in 2005. The 2010 RTP is a minor update which includes some changes to the project lists, revisions to the text to reflect the most up-to-date information available on the existing transportation system, and updated funding assumptions. A more extensive update is planned for 2012, which will incorporate forthcoming greenhouse gas emissions targets from Senate Bill 375.
DISCUSSION

The Regional Transportation Plan (RTP) consists of four main elements:

1. A description of the existing transportation system
2. Policy Element
3. Action Element
4. Financial Element

The Policy Element identifies the goals, policies, and evaluation measures that guide transportation funding decisions and prioritization. At its June 2009 meeting the Commission re-approved the goals and policies from the Policy Element of the 2005 RTP, with minor amendments. The Action Element of the RTP identifies specific projects, programs and actions necessary to implement the policy element of the RTP. The RTC approved the draft project list at its August 2009 meeting. The Financial Element identifies funds available to the region, lists the additional funding needs over the next 25 years, distinguishes between dedicated and discretionary funds and explains uses of both. The 2010 RTP includes revenues from a potential future local half-cent sales tax. The Commission reviewed and approved the draft project list and financial projections in August 2009 to initiate the environmental review work for the RTP.

As required by state and federal law, the project list shows which projects could be funded within the projected funds identified in the draft Financial Element (Constrained) and which would require new revenues above and beyond those anticipated over the next twenty-five years (Unconstrained).

The emphasis of constrained projects is on those that fill critical gaps in the transportation network, benefit a large number of people, address safety, are located along major transportation corridors, specifically address needs identified in the draft goals and policies of the Policy Element or have identified dedicated, programmed funding. Unconstrained projects are not currently financially feasible or are of lower priority. Many projects could be partially funded with projected revenues, but will be scaled back unless new revenues become available, such as new gas taxes, fees, or grant programs.

Greenhouse Gas Emissions

While the RTP will be updated in 2012 to address greenhouse gas (GHG) reduction targets to be established later this year by the California Air Resources Board as a result of SB 375 and corresponding land use-transportation recommendations when they are available, staff has developed a new section for the 2010 RTP which recognizes some of the initiatives currently underway and plans for the future to address GHG emissions. Including a discussion of greenhouse gas prior to knowing the targets, specific direction from the state, and before sufficient modeling information is available pose significant challenges. However, the RTC has included many projects in both the Constrained and Unconstrained project lists which move toward meeting GHG reduction goals. It is important that this chapter be recognized as a work in process with significant advancements expected over the next few years. Staff recommends that the RTC review and provide input on this new section (Attachment 1) at this meeting.
Next Steps

The timing of release of the Draft RTP and the Draft SEIR was coordinated with San Benito COG, TARC and AMBAG staff to meet federal deadlines for approval of the MTP. Since the RTC has already reviewed key components of the RTP, staff recommends that the RTC authorize staff to release the Draft RTP and Draft SEIR by March 1, 2010, starting the 45-day review period which ends April 15, 2010. Notices about the availability of the document and the Executive Summary will be sent to the RTC's advisory committees, the media and community-based groups, including business, social services, environmental and neighborhood groups. The draft RTP and SEIR will be posted on the Commission's web site and copies will be sent to local libraries. Staff recommends scheduling a public hearing on April 1, 2010 to hear comments on both documents. Adoption of the 2010 RTP is scheduled for the Commission's May 6, 2010 meeting.

SUMMARY

The draft Regional Transportation Plan and draft Environmental Impact Report are scheduled for release on March 1, 2010, starting the 45-day review period which will end on April 15, 2010. The documents will be available on the Commission website, www.sccrtc.org/rtp.html. Notices will be sent to interested parties. Staff recommends scheduling a public hearing on the RTP for the April 1, 2010 RTC meeting, with adoption of the 2010 RTP at the May 6, 2010 RTC meeting.

Attachments:
1. Draft 2010 Regional Transportation Plan Chapter 6
Chapter 6 - GHG Emissions – Meeting the Challenge

“I say…the debate is over. We know the science. We see the threat, and we know the time for action is now.”

-Governor Arnold Schwarzenegger, June 5, 2005

Context
The passage of AB32, the California Global Warming Solutions Act of 2006, and SB 375, commonly referred to as the climate change smart growth bill, in 2008, set in motion a series of events that will change transportation and land use planning for decades to come. The actual implications of the legislation are still evolving but we do know that a statewide target of reducing greenhouse gas (GHG) levels by 2020 to 1990 levels was established. By 2050, the target is to reduce GHG emissions by another 50%, or to 80% below 1990 levels.

Introduction
California is the 12th largest emitter of carbon in the world, despite leading the nation in energy efficiency standards and environment protection law. Over the past few decades significant improvements in vehicle efficiency have been made, low-carbon fuels are gaining acceptance, and smog-forming emissions have been declining for thirty years. Yet carbon dioxide emissions, the primary agent of climate change, have been growing faster than population. Why? There are at least three major reasons. First, automobile manufacturers have been focused on designing larger and more powerful vehicles rather than on fuel efficiency. Second, land use patterns, lifestyles, and urban design principles emphasizing use of the automobile have encouraged more vehicle miles traveled (VMT) per capita. Finally, the state’s rapid population growth over the past six decades has intensified effects of the first two factors.

California’s growth in population, VMT and vehicle ownership suggest multinational trends over the next few decades. As the world’s population grows from the current 6.8 billion to a projected 9 billion people by 2040, the growth in vehicle use is expected to grow even faster. There are an estimated one billion vehicles operating on the planet today and projections indicate that by 2020 - just ten years from now - there will be approximately two billion vehicles globally¹. Numerous studies have documented that these trends are not sustainable.

¹ Sperling and Gordon, Two Billion Cars; 2009
In the next ten years, the world will consume fully one quarter of all oil consumed through its entire history\(^2\). Of all energy consumed in the US, 85% comes from fossil fuels - oil, natural gas and coal.

Transportation contributes 23% of GHG emissions worldwide, 28% nationally, 38% within California, and in Santa Cruz County nearly 50% of all GHG emissions are attributed to transportation sources. The challenge to the transportation sector is to create the changes needed for a rapid transition away from a fossil fuel based lifestyle to a sustainable economy.

\(^2\) Sperling and Gordon
Transportation

Trends, reinforced by population growth, indicate that there is much work ahead if Californians are to meet the challenge put forth in AB32. It may appear to be an impossible task. Is there a “silver bullet” that will reverse these trends and reduce the rate of emissions? To date, no one solution has been found. However, the “silver shotgun” approach is gaining wide acceptance in the transportation sector. Multiple targets need to be addressed simultaneously. To understand the options available, an analogy to a three-legged stool is often used. The three broad approaches are:

1. Transforming vehicles
2. Transforming fuels
3. Transforming mobility

A great deal of research and development is being pursued in the first two realms and significant progress is being made. For example, plug-in electric hybrid vehicles and full electric vehicles are coming on the market. Cleaner low carbon fuels made from agricultural “waste” (not corn) also have some potential. Hydrogen fuel cell technology appears to be a longer term option. Transforming mobility is the most difficult because it entails changes in land use and human behavior.

Each approach can yield significant reductions in emissions over time, but all three will be essential if we are to meet the challenge. Generally speaking the technological developments in vehicle design and clean fuels are outside the purview of the RTC. Strategies falling under the third approach - transforming mobility - are those that, as stated earlier are the most difficult, but where the RTC may have the most potential to influence change and will be the focus of this chapter.

Strategies

This section will describe some potential strategies which the RTC could use to help bend the curve of future emissions downward. Some strategies are already in place within existing RTC programs and projects. As this update is being written, the California Air Resources Board (CARB) is developing emission reduction targets for each county or region in the state. The RTC is not able to anticipate how CARB will establish targets, reporting methodologies, metrics, and other program requirements for compliance with the goals set forth in AB32 and SB375. Therefore, the tools required to measure specific RTP policies’ effectiveness towards reducing greenhouse gas are not currently available. By early 2011 it is expected that CARB will publish targets and other program requirements. There is likely to be a period of engaged public discourse over the implementation of this new program. Hopefully the dust will settle on that debate before RTC completes its next update of this Regional Transportation Plan, targeted for completion in 2012. That document will create a stronger link between emission reduction goals and policies developed for meeting state mandates.

This chapter will serve as a primer, to introduce some of the best practices which could be included in a portfolio of strategies to meet emission reduction goals in Santa Cruz County. As the region proceeds down a path toward sustainable transportation systems, it is useful to keep in mind two guiding principles. These principles were proposed by
authors Daniel Sperling and Deborah Gordon in their 2009 book, *Two Billion Cars – Driving toward sustainability*. Their vision for transportation accommodates the desire for personal mobility but with a reduced environmental and geopolitical footprint. The two overarching principles guiding the authors’ recommendations are:

- First, align consistent incentives to empower and motivate people and organizations, and
- Second, advance a broad portfolio of energy-efficient, low-carbon technologies.

To achieve the vision will require pervasive changes over a long period of time, but this optimistic goal is within our grasp.

Recent emission reduction studies have focused on advances in technology, fuels and land use strategies. Little research had been done to examine how a full range of transportation measures would influence GHG emissions, by reducing the amount of vehicle-miles traveled, reducing fuel consumption, and improving the performance of the transportation system. In July 2009 a ground-breaking new study was released to fill that gap – *Moving Cooler, an Analysis of Transportation Strategies for Reducing Greenhouse Gas Emissions*. This study was conducted by Cambridge Systematics, inc and co-sponsored by a broad group of interests including the American Public Transit Association, Environmental Defense Fund, Shell, US Environmental Protection Agency, Federal Highway Administration and the Urban Land Institute.

Fifty individual strategies are considered in *Moving Cooler* as potential ways to help reduce GHG emissions and are grouped into nine categories:
This study was not intended to result in any specific recommendations about the direction of transportation and climate change policies but it does assess the potential effectiveness of a broad variety of strategies. It also assesses implementation costs, change in vehicle costs, and equity effects. The research tested three deployment levels for each strategy: 1) expanded current practice, 2) aggressive and 3) maximum effort for the period from 2010 through 2050.

Some of these strategies are most likely to be implemented at the state or federal level, for example pricing and setting speed limits. Others are more easily initiated at the local or regional level, such as land use decisions. Some strategies will need coordinated efforts at multiple levels of jurisdiction, such as multimodal strategies. Selected strategies will be described briefly, followed by some commentary on potential application opportunities in Santa Cruz County. The full *Moving Cooler* report and supporting data is available at [http://www.uli.org/](http://www.uli.org/)

**Nonmotorized transportation strategies**
These strategies encourage increased levels of walking and bicycling as an alternative to driving, and include:

- Adoption of “complete streets” policies that help make roadways safe, attractive, and comfortable for all users, including pedestrians and bicyclists, as well as drivers.
- Provisions for bicycling, parking and bike-accessible transit; on-street bicycle accommodation to create a continuous network of routes and “bike stations” that provide services, including parking, rentals, repair, clothes-changing facilities, and information.
- Inclusion of buffered sidewalks (in all new urban development areas) with pedestrian amenities such as curb cuts, good lighting, and marked or signalized pedestrian crossing at key intersections, and
- Introduction of traffic calming measures in business districts and denser neighborhoods.

**Public transportation improvement strategies**
These strategies include:

- Lower fares and discounted passes
• Increase level of service on existing routes and improved travel times through reduced headways, signal prioritization, and limited stop service.
• Provision of new service through expanded investments in light rail, heavy rail, commuter rail, bus rapid transit, general bus service and demand response service, and
• Expansion of existing intercity bus and rail services and addition of new routes, including high-speed rail.

Regional ride-sharing, car-sharing, and commuting strategies
Regional ride-sharing and car-sharing strategies are comprised of different approaches aimed at getting drivers to use HOV lanes or to use a shared car service, such as Zipcar, as follows:

• High-occupancy vehicle (HOV) lanes would be introduced on congested expressways. Where HOV lanes are only designated as such during certain hours of the day and days of the week, full HOV designation could become permanent over time (24 hours/day, 7 days/week).
• Support to start up public, private or nonprofit car-sharing organizations. Includes public street parking, either subsidized or free, for the shared vehicles.
• Employer and government agency-based telework and compressed work-week programs would reduce the number of days employees travel back and forth to their places of work.
• On-line ride matching, vanpool services, and guaranteed ride home programs.
• Provision of monthly transit passes made available through employers at discounted rates
• Employer outreach programs to educate employees about the commute strategies available.
• Single-occupant vehicle reduction programs for employers of a certain size.

Operational and intelligent transportation system (ITS) strategies
There is a broad array of strategies and techniques that can educate and provide information to drivers, improve the operation of the transportation system to better use the existing capacity and reduce congestion and fuel lost to traffic delays. These include:

• Traveler information. Timely and accurate information is provided to travelers about roadway conditions, incidents, closures, special events, and alternate routes, transit schedules and real time status of specific routes, estimated trip times, and location of bike routes and lanes. The information may be conveyed through a 511 system (telephone and Internet) and changeable message signs.
• Freeway management. Roadway capacity can be better managed through a combination of real-time information and operational adjustments based on that information. These techniques include implementing ramp metering to regulate flow of traffic entering a freeway to maintain a desired level of service; active traffic management based on traffic conditions, to dynamically change the speed limit on roadway segments; temporarily converting shoulders to travel lanes; and use of technology to coordinate a variety of ITS strategies across multiple corridors to reduce congestion.
• **Incident management.** A variety of technologies would help identify, respond to, and clear incidents, including free cell call systems, on-call service patrols, closed-circuit TV cameras, and traffic management centers.

• **Traffic management centers.** A TMC becomes the “hub” of a regional system where information is collected and used to manage the system.

• **Arterial management.** These techniques include coordinated signal timing and variable message signs.

• **Road weather management.** Coordinated weather advisories, speed reductions, and snow and ice treatments implemented when conditions become severe.

• **“Eco-driving” training programs.** These would train drivers in techniques that can reduce fuel consumption such as avoiding rapid acceleration and braking, reducing speeds and using cruise control. The program would also provide training on proper vehicle maintenance, such as tire pressure.

Note that much of the infrastructure needed for a 511 system such as effective freeway and incident management, traffic management centers, and road weather management is common to two or more ITS strategies. For example, the roadway sensors and data collection systems needed for effective traffic management are common to building an effective 511 traveler information system. Thus, investments in one strategy can have a synergistic effect on others.

**Bottleneck or congestion relief and capacity expansion strategies**

Investments would be made to relieve existing highway bottlenecks. Cost-effective highway investment would be made to improve traffic flow and to reduce congestion and fuel lost to delay. Note that CO2 emissions are lowest when traffic flows smoothly (minimal acceleration and braking) between 35 and 55 mph.

![Figure 4: Traffic Flow: Relationship of Speed and CO2 Emissions](image)

*Source: FEHR and PEERS Transportation Consultants*
Multimodal freight strategies
Approaches could include: Modal diversion. Diversion of some freight from trucks to rail cars will reduce GHG emissions while requiring investment in new and expanded rail capacity.

Pricing strategies
This category focuses on raising the costs associated with using the transportation system in terms of the cost of vehicle miles of travel and fuel consumption. Revenues generated from pricing strategies can be reinvested in transportation infrastructure. A broad range of pricing strategies, tolls, and taxes have been considered and modeled:

- **Parking pricing.** Fees would be charged for parking in central business districts, employment areas, and retail centers to encourage “park once” behavior or to reduce single occupant trips. Other approaches include introduction of taxes or higher fees on otherwise free private parking lots and requirements for residential parking permits, as well as permits for delivery and service vehicles or visitors.
- **Congestion pricing.** Tolls would be paid for the use of congested facilities, with tolls set to achieve a desired level of service on roadway segments.
- **Intercity tolls.** All rural interstate highways or other limited access roads would be tolled on a per-mile basis.
- **Pay-as-you-drive (PAYD) insurance.** PAYD would charge drivers their insurance premium costs based in part on how many miles their vehicles are driven each year. Other risk factors would continue to apply, but all drivers would have the opportunity to save money by driving fewer miles.
- **Vehicle-miles traveled (VMT) fee.** Like PAYD, drivers would be charged based on how many miles they drive. Periodic odometer readings (either automatic or manual) would be the basis for determining the fees.
- **Motor fuel tax or carbon price.** Motor fuel taxes would be increased for carbon-based fuels. Carbon prices would be set economy wide, either as a fuel tax or as a result of a cap-and-trade system.

Land use and smart growth strategies
Well established principles of urban design are incorporated to create compact neighborhoods that include retail, residential and employment areas, allowing people to walk, bicycle or use transit more and depend less on a motor vehicle. Creating communities with a balance of jobs and housing, re-use of infill sites, and encouraging higher density development around transit stations and corridors are a few of the tools supporting this strategy. According to the 2006 report *Growing Cooler* published by the Urban Land Institute, research shows that with compact development people drive 20 to 40 percent less while reaping other health and fiscal benefits.

Regulatory strategies
This category includes measures to reduce vehicle travel and encourage more efficient driving, such as:
- Parking restrictions imposed in urban areas, capping the number of commuter spaces in a CBD, regional employment or retail center, with exceptions for carpools.
- Reducing the national speed limit with increased enforcement.
- Creation of nonmotorized zones in downtown areas, regional employment and retail centers, transforming these areas into transit malls, linear parks or other designated zones.

**Bundling Strategies**
Bundling a set of strategies can reveal synergistic relationships, such that the sum of the bundled benefits is greater than the sum of each individual strategic benefit. The emission reductions projected from these bundles range from 4% to 18% assuming aggressive deployment. Strategies found to contribute the most to GHG reductions are local and regional pricing and regulatory strategies that increase the costs of single-occupant vehicle travel, regulatory strategies that reduce and enforce speed limits, educational strategies to encourage eco-driving behavior that achieves better fuel efficiency, land use and smart growth strategies that reduce travel distances, and multimodal strategies that expand travel options. Well-designed bundles could provide both GHG reductions and improved transportation service, including changes in the travel choices available.

**Conclusion**
One of the overarching conclusions of *Moving Cooler* is that we must move beyond thinking of a specific mode or one specific strategy as a way to achieve the emission reductions needed and focus on a combination of strategies\(^3\). Certainly strengthening and expanding public transit options need to be part of the mix, yet much more will need to happen. A broad array of strategies will be needed to meet the challenge of reversing the buildup of CO2 emissions contributing to global climate change. Moving Cooler documents the need to combine strategies of engaging new vehicle technology, cleaner fuels, and operational and behavioral changes. The RTC has already proactively implemented some of these strategies. A few examples include:

- Commute Solutions rideshare program
- Freeway Service Patrol to reduce congestion
- Planning and development of HOV lanes on Highway 1
- Funding support for numerous Pedestrian, bicycle and public transit projects
- Acquisition of the Santa Cruz branch rail line for goods movement and possible passenger service
- STARS - a sustainable transportation and access rating system

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\(^3\) “This study (*Moving Cooler*) confirms that to be effective in reducing greenhouse gas emissions from the transportation sector, we must move beyond thinking about individual modes. With comprehensive and systematic changes in how we approach transportation and land use, public transit and other transportation strategies can play a significant role in addressing climate change. It is time for all of us in the transportation industry to do our part.” – William Millar, President, American Public Transportation Association. 2009
In addition, many projects included in both the Constrained/Within Projected Funds and Unconstrained/Needs New Funds project lists address a wide variety of strategies in the nine categories. As new tools for measuring the effectiveness of strategies and/or bundles of strategies in reducing GHG emissions become available, the RTC will continue to pursue opportunities for achieving GHG targets.

Transportation policy makers, planners and engineers have been challenged by the lack of available tools for assessing long term GHG emissions impacts at the project level.

The RTC is currently collaborating with the North American Sustainable Transportation Council in the development of a voluntary rating system for accessing long-term GHG emission impacts. Using the Highway 1 HOV Lanes project as a test case, RTC staff is working with staff from the Council, the existing project development team (Nolte & Associates and various sub-consultants), and a Technical Advisory Committee to develop credits and associated strategies to inform the design process and incorporate sustainable performance attributes.

The credits will become elements of the Sustainable Transportation and Access Rating System (STARS), a new comprehensive tool modeled after the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. LEED was developed by the U.S. Green Building Council (USGBC) and provides a series of standards for environmentally sustainable construction. The LEED system is being used nationwide and to date over 14,000 buildings have been certified. STARS will provide a set of rating criteria focused on improving access, benefit/cost and reducing climate pollution. This sustainability initiative will attempt to examine numerous aspects of the HOV Lanes project in a holistic, quantifiable, and cost-effective approach. The work will go beyond the required environmental analysis under existing state and federal law, to examine multiple strategies and bundles of strategies to help the RTC deliver a more sustainable and integrated project. The STARS approach could become a significant tool for the RTC’s planning and design of many future transportation projects.

Resources
http://www.movingcooler.info/
TO: Transportation Policy Workshop of the Regional Transportation Commission

FROM: Kim Shultz, Senior Transportation Planner

RE: Hwy 1 HOV Lanes Project Sustainable Transportation and Access Rating System (STARS)

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) approve development of the twelve credits identified by the STARS Technical Advisory Committee shown in Attachment 1 for evaluation and application to the Highway 1 High Occupancy Vehicle (HOV) Lanes Project.

BACKGROUND

At the January 14, 2010 meeting, the RTC approved the creation of a Technical Advisory Committee to assist in development work of the Sustainable Transportation and Access Rating System (STARS) and its potential applications to the Highway 1 HOV Lanes project. The goal of the STARS evaluation process applied to transportation projects is to:

- Improve access for the movement of people and goods
- Cut transportation climate and energy pollution
- Maximize benefit-cost

Credits developed through the STARS process will be evaluated by the Project Development Team of the Highway 1 HOV Lanes Project Development Team for input and subsequent consideration by the RTC for inclusion in the project.

DISCUSSION

Tim Burkhardt and Peter Hurley, representing the North American Sustainable Transportation Council (STC), met with staff and the STARS Technical Advisory Committee (TAC) on Friday, February 5, 2010, to identify credits for evaluating the Highway 1 HOV Lanes project. The STARS TAC received an overview of the goals and objectives of the STARS program followed by an introduction to the menu of potential credits identified to date that the STC hopes to develop over time (Attachment 2).

From the menu of potential credits the duty of the STARS TAC was to identify specific credits to be used to evaluate and enhance existing project elements and/or identify additional project elements (not currently included in the project) that could improve the ability of the HOV Lane Project to meet the region’s transportation goals. In review and selection of the credits, consideration was given to the current phase of the HOV Lane project, the travel corridor, the community, and environmental setting. Consideration was also given to cost and schedule...
implications of the STARS evaluation process and integration into the environmental review process of the HOV Lane project.

Of the menu of potential credits, it was explained that development of certain credits will require considerable amount of time and effort for the STC to develop, hence do not fit within the approved budget and schedule for the STARS development process. Examples include: Expanded Land Use Strategies (A-5) and Identify and Quantify Ecological Resources (EF-1). Certain other credits are more appropriate during the project's implementation or operations phase rather then the current preliminary design and planning phase, such as: Access Performance (A-8), Implement Climate and Energy Strategies (CE-9), and Maximize Life Cycle Benefit Cost (BC-2).

While recognizing interest in stormwater management issues within the community, the STARS TAC did not include the stormwater credits (EF-3 and EF-4) within the recommended set of evaluation measures as the environmental requirements in California already require rigorous analysis and mitigation in this area.

As a result of this assessment the STARS TAC did recommend twelve credits to be developed and applied to the HOV Lane project that fall into the following categories:

- Integrative Process
- Access
- Climate and Energy
- Benefit/Cost

Attachment 1 includes a brief description and potential strategies for each of the credits recommended by the STARS TAC. As part of this discussion, the group also identified certain credits for priority development due to the long lead time required to integrate the findings and recommendations in the project design or environmental review process, such as: Construction Materials and Methods (CE-3).

On the basis of this review, staff recommends that the RTC approve development of the twelve credits identified by the STARS TAC shown in Attachment 1 for evaluation and application to the Highway 1 HOV Lanes Project.

Following this action, the STC will develop the evaluation measures and create performance thresholds appropriate to the local area for each of these credits, including identification of performance indicators with necessary and available data. The STARS program is still in the development phase and this collaborative process will assist in the full establishment of the STARS project evaluation tool, expected by early next year. Accordingly, this exercise will not result in a STARS accreditation score, but that process is a future option the RTC may consider.

The STARS TAC will next meet in a May/June timeframe to begin review of the first few credits from the STC team. Sub-committees of the TAC may be created as necessary to focus on specific credit items, such as: benefit/cost measures, climate and energy goals, and vehicle mile reduction goals. As these credits and evaluation measures are developed, the Project Development Team for the HOV Lanes project will review the recommendations for input as to potential impacts to the project’s cost and schedule prior to their submittal to the RTC for consideration and potential integration into the HOV Lane project.
SUMMARY

Staff recommends that the Regional Transportation Commission (RTC) approve development of the twelve credits (Attachment 1) identified by the Sustainable Transportation and Access Rating System (STARS) Technical Advisory Committee (TAC) for evaluation and application to the Highway 1 High Occupancy Vehicle (HOV) Lanes Project.

Attachments:

1. Credits recommended by the STARS TAC for application to the Highway 1 HOV Lanes Project
2. List of potential credits
**Attachment 1**

STARS Project Version 0.6

**Project Name:** Santa Cruz County Regional Transportation Commission - State Route 1

**Subject:** Credits Recommended by the STARS TAC for Application to the Highway 1 HOV Lanes Project

**Version/Date:** February 5, 2010

<table>
<thead>
<tr>
<th>Proposed Credits - 12</th>
<th>Program Categories and Credit Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Integrative Process</td>
</tr>
<tr>
<td>&gt; IP 1</td>
<td>Comprehensive Project Goals &amp; Objectives - Review the Purpose and Need of the project to address the breadth of transportation issues in the community or on the corridor.</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Access</td>
</tr>
<tr>
<td>&gt; A 1</td>
<td>Establish Access Goal - Evaluate mode options (i.e. auto, bus, bike, pedestrian) for a broad range of trip purposes and needs.</td>
</tr>
<tr>
<td>&gt; A 2</td>
<td>Evaluate Expanded TDM Strategies - Transportation Demand Management strategies include ridesharing, alternative modes, flexible work schedule, and telecommuting.</td>
</tr>
<tr>
<td>&gt; A 3</td>
<td>Evaluate Expanded TSM Strategies - Transportation System Management strategies include ramp meeting, HOV By-Pass lanes, 511 travel information systems, and freeway service patrols.</td>
</tr>
<tr>
<td>&gt; A 4</td>
<td>Evaluate Expanded Transportation Options - Could include opportunities for expansion of existing systems (ex. express bus service) or new options (ex. Bus Rapid Transit) offered by the project alternatives</td>
</tr>
<tr>
<td>&gt; A 6</td>
<td>Expanded Lanes &amp; Ramps - Can include auxiliary lanes or expanded ramp storage areas to relieve arterial congestion and/or facilitate ramp metering.</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Climate + Energy</td>
</tr>
<tr>
<td>&gt; CE 1</td>
<td>Establish Climate &amp; Energy Goal - Consistent with environmental, social or economic goals and policy objectives of the region.</td>
</tr>
<tr>
<td>&gt; CE 2</td>
<td>Vehicle Mile Reduction Goals &amp; Evaluation - Identify performance indicators to evaluate the effectiveness of vehicle mile of travel reductions consistent with climate and energy goals.</td>
</tr>
<tr>
<td>&gt; CE 3</td>
<td>Construction Materials &amp; Methods Goals &amp; Evaluation - Identify the availability and effectiveness of alternative building materials and procedures that reduce climate and energy impacts</td>
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<tr>
<td>&gt; CE 4</td>
<td>Improved Flow Goal &amp; Evaluation - Optimize vehicle operating efficiencies using the facility to minimize climate and energy impacts on the corridor.</td>
</tr>
<tr>
<td>&gt; CE 5</td>
<td>Renewable Energy Goal &amp; Evaluation - Utilize material manufactured, delivered and/or operated by renewable energy sources and maximize opportunities to contribute to the production of renewable energy resources within the project limits.</td>
</tr>
<tr>
<td><strong>1</strong></td>
<td>Benefit/Cost</td>
</tr>
<tr>
<td>&gt; BC 1</td>
<td>Analyze Life Cycle Benefit Cost - Prepare a comprehensive benefit/cost assessment, recognizing the challenge of including all possible externalities, so that decision makers may make an informed decision on the short and long term financial implications.</td>
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S:\Hwy1-HOV\STARS\TAC\Feb'10\STARS_Scorecard- TAC_Recommendations-100205
<table>
<thead>
<tr>
<th>Integrate Process</th>
<th>Credit Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP 1</td>
<td>Comprehensive Project Goals &amp; Objectives (purpose &amp; need)</td>
</tr>
<tr>
<td>IP 2</td>
<td>Multi-Discipline Project Team</td>
</tr>
<tr>
<td>IP 3</td>
<td>Public Stakeholder Engagement</td>
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<table>
<thead>
<tr>
<th>Access</th>
<th>Credit Determination</th>
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<tbody>
<tr>
<td>A 1</td>
<td>Establish Access Goal</td>
</tr>
<tr>
<td>A 2</td>
<td>Evaluate Expanded TDM Strategies</td>
</tr>
<tr>
<td>A 3</td>
<td>Evaluate Expanded TSM Strategies</td>
</tr>
<tr>
<td>A 4</td>
<td>Evaluate Expanded Transportation Options</td>
</tr>
<tr>
<td>A 5</td>
<td>Evaluate Expanded Land Use Strategies</td>
</tr>
<tr>
<td>A 6</td>
<td>Expanded Lanes &amp; Ramps</td>
</tr>
<tr>
<td>A 7</td>
<td>Implement Expanded Options, TDM, TSM and Land Use Strategies</td>
</tr>
<tr>
<td>A 8</td>
<td>Access Performance</td>
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</table>

<table>
<thead>
<tr>
<th>Climate + Energy</th>
<th>Credit Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE 1</td>
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</tr>
<tr>
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<tr>
<td>CE 4</td>
<td>Improved Flow Goal &amp; Evaluation</td>
</tr>
<tr>
<td>CE 5</td>
<td>Renewable Energy Goal &amp; Evaluation</td>
</tr>
<tr>
<td>CE 6</td>
<td>Cleaner Vehicles &amp; Fuels Goals &amp; Evaluation</td>
</tr>
<tr>
<td>CE 7</td>
<td>Maintenance &amp; Preservation Goal &amp; Evaluation</td>
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<tr>
<td>CE 8</td>
<td>Carbon Offset Evaluation</td>
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<tr>
<td>CE 9</td>
<td>Implement Climate + Energy Strategies</td>
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<td>CE 10</td>
<td>Climate + Energy Performance</td>
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<table>
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<tr>
<td>EF 1</td>
<td>Identify &amp; Quantify Ecological Resources</td>
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<tr>
<td>EF 2</td>
<td>Protect and Restore Ecological Functions</td>
</tr>
<tr>
<td>EF 3</td>
<td>Stormwater Quantity and Quality Management</td>
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<tr>
<td>EF 4</td>
<td>Integrated Stormwater Management</td>
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<table>
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<tr>
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<th>Credit Determination</th>
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</thead>
<tbody>
<tr>
<td>BC 1</td>
<td>Analyze Life Cycle Benefit Cost</td>
</tr>
<tr>
<td>BC 2</td>
<td>Maximize Life Cycle Benefit Cost</td>
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<tr>
<th>Innovation</th>
<th>Credit Determination</th>
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<tr>
<td>IV 1</td>
<td>Additional Actions Resulting in More Access and/or GHG Reductions</td>
</tr>
<tr>
<td>IV 2</td>
<td>Actions Improving STARS Effectiveness</td>
</tr>
</tbody>
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RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC):

1. Review and approve with revisions as appropriate the attached revised draft uniform transit application (Attachment 1) for $10.2 million in Proposition 116 funds and $10 million in State Transportation Improvement Program (STIP) funds for acquisition of the Santa Cruz Branch Rail Line right-of-way (ROW) for corridor preservation, rail line improvements & recreational passenger rail service from Santa Cruz to Davenport;

2. Adopt the attached resolution (Attachment 2) authorizing the Executive Director to submit a Uniform Transit Application and allocation request for $10.2 million in Proposition 116 funds and $10 million in STIP funds for acquisition of the Santa Cruz Branch Rail Line ROW for corridor preservation, rail line improvements and recreational passenger rail service from Santa Cruz to Davenport;

3. Direct staff to seek letters of support from legislators, business groups, community groups, agencies and individuals in support of the above mentioned uniform transit application; and

4. Revise Regional Transportation Plan (RTP) policy 2.4.6 to state, “Retain the option of future in-county passenger rail service for when it is feasible.”

BACKGROUND

The Regional Transportation Commission (RTC) has been working on acquisition of the Santa Cruz Branch Rail Line (Branch Line) since 2001. In December 2004 the RTC entered into a non binding agreement with Union Pacific (UP) to purchase the Branch Line for $19 million. Subsequently, the parties renegotiated the purchase price to account for findings made during the initial due diligence work. In August 2008, the RTC reached a new agreement in principle with UP to purchase the Branch Line for $14.2 million with the commitment that the RTC would make $5 million in improvements to the rail line with the available funding. The RTC has completed almost all of the due diligence work necessary in connection with the acquisition of the Branch Line, and is in the final stages of negotiation with UP and Sierra Northern Railway (the shortline freight operator). Sierra Northern Railway is interested in recreational passenger rail service from Santa Cruz to Davenport and including such service
in the funding application will be very helpful in securing the funding during this very challenging funding environment.

**DISCUSSION**

At its September 2009 meeting, the RTC authorized the Executive Director to submit a uniform transit application and allocation request for purchase of the Branch Line for corridor preservation and improvements. The application was submitted and RTC staff has been meeting with California Transportation Commission (CTC) staff and Commissioners to discuss the project and ensure approval. Repeatedly, RTC staff has been informed that approval of a funding application for preservation of a rail corridor during the State’s current budget crisis will be extremely difficult and adding a passenger rail component will very significantly improve the possibility of approval.

**Revised Proposition 116 and STIP Funds Application**

In 1990 California voters approved Proposition 116, which designated $11 million for Santa Cruz County for rail projects. The RTC has secured two allocations for a total of $800,000 in Proposition 116 funds for pre-acquisition activities connected with the Rail Line. $10.2 million in Proposition 116 funds remains for rail projects. In 2000, the RTC programmed $10 million in STIP funds for rail line acquisition and improvements. This means that a total of $20.2 million is available for this project.

In 2005, working with California Transportation Commission (CTC) staff, the RTC developed and approved a uniform transit application for acquisition of the Santa Cruz Branch Rail Line for preservation of the corridor for future transportation purposes and for improvements. At that time CTC staff communicated confidence in approval of an application for corridor preservation. Five years later the CTC staff and transportation funding environment have changed very significantly. Therefore, the application approved by the RTC at its September 2009 meeting and based on the 2005 application for corridor preservation does not have much chance of being approved.

Since Sierra Northern Railway is interested in operating recreational passenger rail service from Santa Cruz to Davenport, CTC staff suggested adding the recreational passenger rail component to the application to significantly improve the possibility of approval. Attached is a revised uniform transit application that includes the recreational passenger rail service. **RTC staff recommends that the RTC review and approve, with revisions as appropriate, the attached revised draft uniform transit application (Attachment 1) for $10.2 million in Proposition 116 funds and $10 million in State Transportation Improvement Program (STIP) funds for acquisition of the Santa Cruz Branch Rail Line right-of-way (ROW) for corridor preservation, rail line improvements & recreational passenger rail service from Santa Cruz to Davenport.**

The application will be submitted to the CTC staff for further review and comments and may be revised in response to those comments to make sure that the application fully conforms to the requirements of the CTC and has the best possible chance of being approved. The
application will not be considered until the acquisition agreements have been submitted and reviewed by Caltrans and the CTC staff and the RTC has made a formal decision to purchase the rail line. Every uniform transit application must be accompanied with a resolution authorizing its submittal and making required assurances of compliance with CTC guidelines. Therefore, **RTC staff recommends that the RTC adopt the attached resolution (Attachment 2) authorizing the Executive Director to submit a Uniform Transit Application and allocations request for $10.2 million in Proposition 116 funds and $10 million in STIP funds for acquisition of the Santa Cruz Branch Rail Line ROW for corridor preservation, rail line improvements and recreational passenger rail service from Santa Cruz to Davenport. Staff also recommends that letters of support for this application be obtained.**

**Recreational Passenger Rail Service from Santa Cruz to Davenport**

Sierra Northern Railway already operates three different recreational passenger trains in northern California and desires to operate dinner train and excursion passenger rail service from Santa Cruz to Davenport which would run between the Santa Cruz Yacht Harbor and the end of the Branch Line in Davenport. Sierra anticipates investing $2 million for rolling stock, support facilities and other start-up costs. The dinner train would take passengers to Davenport and back to Santa Cruz for a fare of $50-$70. The excursion train could provide access to beaches in the north coast and would take passengers to Davenport and back to Santa Cruz for a fare of $20 - $45.

Sierra proposes to initially run service on weekends during the tourist season and eventually run service every day during the tourist season. Each train is anticipated to carry 100 passengers and initial estimated ridership is 19,000 annual passengers. It is estimated that there would initially be 70 dinner train trips and 120 excursion train trips. Sierra anticipates initial gross revenue of nearly $1 million and would be responsible for all costs associated with the recreational rail service, including start-up, operation and maintenance. Sierra would share revenue with the RTC and pay the RTC $1 for each ticket purchased.

**Environmental Review for Passenger Service**

The RTC established policy 2.4.6 in its Regional Transportation Plan (RTP) stating, “Retain the option of future in-county passenger rail service for when it is financially feasible, acceptable to the community, and only after completion of an environmental impact report.” The RTC does not have the time to complete an environmental impact report for recreational passenger rail service between Santa Cruz and Davenport prior to the expiration of the Proposition 116 funds. In addition, this passenger rail service is statutorily exempt from environmental review. Subdivision (b) of Public Resources Code section 21080 describes a series of activities that are exempt from the California Environmental Quality Act (CEQA). Subsection (b)(10) states that exempt projects include, “A project for the institution or increase of passenger or commuter service on rail or highway rights-of-way already in use, including modernization of existing stations and parking facilities.” Therefore, to ensure completion of the Santa Cruz Branch Rail Line purchase prior to the expiration (June 30, 2010) of Proposition 116 funds, RTC **staff recommends that the RTC revise RTP policy**
2.4.6 to state, “Retain the option of future in-county passenger rail service for when it is feasible.”

SUMMARY

The RTC has a total of $20.2 million remaining for purchase of the Santa Cruz Branch Rail Line. Staff recommends submitting a uniform transit application to the California Transportation Commission (CTC) for these funds to purchase and improve the rail line and to implement recreational passenger rail service between Santa Cruz and Davenport. Staff also recommends revising RTP policy 2.4.6 to remove the RTC imposed requirement of and environmental impact report for the institution of passenger rail service.

Attachments:
1. Revised draft uniform transit application for acquisition of the rail line
2. Resolution authorizing the Executive Director to submit the uniform transit application

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Section I. Application, Agency Information and Certification

Item 1. CTC Action Requested (this application)

(Please enter check mark)

Program New STIP Project
Amend Existing STIP Project
Program New Prop 116 Project
Amend Existing Prop 116 Project

AB 3090 Approval
Deprogram Completed Prop 116 Project Savings

For Prop 116 requests, cite the Public Utilities Code section authorizing project: PUC § 99640

Project Title: Santa Cruz Branch Rail Line Acquisition: Corridor Preservation, with Improvements & Recreational Service

Project Type:

Light Rail
Commuter Rail
Intercity Rail

Bus/Rolling Stock
Transit Facilities
Grade Separation

BRT

Other: Right of Way Preservation

Improvements & Recreational Service

a) Project Location: (City(s), County(s)):
Cities of Capitola, Santa Cruz, and Watsonville;

Counties of Santa Cruz and Monterey

b) Project Limits (Identify start and end points, such as cross street or milepost):
Union Pacific Railroad’s Santa Cruz Subdivision MP .43 to 31.39 (Pajaro to Davenport)

c) Project Limits (Identify start and end points, such as cross street or milepost):
Union Pacific Railroad’s Santa Cruz Subdivision MP .43 to 31.39 (Pajaro to Davenport)

d) Total Project Cost (All fund sources - state, local, federal, other):

$253,569,000

e) Total Amount of State Funding (Please show one total dollar amount):

$21,077,800

f) Total State Funds Covered By This Application (by state fund source):
Prop 116 - $10,200,000

STIP - $10,000,000

g) Application Submittal Date:

October 2009, February 2010
Item 2. Agency Information

a) APPLICANT AGENCY: Santa Cruz County Regional Transportation Commission

b) APPLICANT Address: 1523 Pacific Avenue
Santa Cruz, CA 95060

c) APPLICANT Contact Person: George Dondero, Executive Director
Phone #: (831) 460-3200 Email: gdondero@sccrtc.org

d) RECIPIENT AGENCY, if different: 

e) RECIPIENT Address: 

f) RECIPIENT Contact Person: 

Phone #: Email:

g) CO-APPLICANT AGENCY, if applicable: 

h) CO-APPLICANT AGENCY Address: 

i). CO-APPLICANT Contact Person: 

Phone #: Email:

j) To the best of my knowledge and belief, the data and information in this request are true and correct and I am authorized by my council, board, authority, commission, or ruling body to file the request on behalf of the applicant agency.

APPLICANT Name and Title: George Dondero, Executive Director
Signature (in blue ink): Date:

RECIPIENT Name and Title:
Signature (in blue ink): Date:

CO-APPLICANT Name and Title:
Signature (in blue ink): Date:
Item 3. Applicant Authority

If the applicant's policy board has delegated to the general manager, executive director or chief executive officer, by resolution, the authority to enter into legally binding commitments with the State, submit a copy of the resolution. In addition, the applicant will provide assurances that the policy board will comply with the conditions, requirements, or statements of fact by checking off the eligibility requirements on the list below:

If the applicant's representative does not have agency delegation, the agency is required to provide a board resolution assuring compliance with the eligibility requirements below: (attach copy of resolution)

a) __X_ A statement has been provided from your governing body’s legal counsel stating that your organization has the financial and institutional ability to implement the project and that your organization is empowered to: let a contract; to sue or be sued by another entity or person; and other responsibilities and duties of your agency.

b) __X_ This project will be available to the general public, or its primary purpose will be to benefit the public and does not benefit a private entity or individual. If it does not benefit the public, please explain, and attach your explanation to this application, as part of your submittal. (State funds, in most cases, may not be used for private passenger rail facilities.)

c) __X_ The matching funds required for this project are available and committed to this project. Committed funds have received necessary authorizations and the recipient agency has authority to expend the funds (a dollar-for-dollar local match is required for some Prop 116 projects as specified in Section 99665 (a) of the Public Utilities Code).

d) __X_ If the project exceeds the state funds available, the applicant agency shall use other funds to backfill the cost increases to complete the project.

e) __X_ The applicant will comply with the Commission’s Hazardous Waste Identification and Clean-up Policy for Rail Right-of-Way, including fully investigating the project to determine the absence/presence of hazardous wastes.

Applicant has also taken reasonable steps to assure full due diligence, clean-up of the site (as appropriate), and indemnifies the State of future clean-up liability or damages, as well as not seeking state funds for clean-up, damage or liability costs associated with hazardous wastes.

f) __X_ The applicant will comply with the Commission’s Timely Use of Funds Policies.

For Proposition 116 Projects, the board resolution should also confirm that:

g) __X_ The governing body has stated that no other capital funds previously programmed, planned or approved for rail purposes will be used for other than rail purposes.

h) __X_ The governing body has stated that the proposed project has no unnecessary enhancements and is not an unnecessarily elaborate alternative.

i) __X_ Unless otherwise specified in Prop 116, the governing body has stated that new or increased development fees, taxes or exactions, or permit fees have not or will not be included in the operating budget(s) for this project, or for the purpose of matching funds for Prop 116 grants.

j) _N/A_ If the Transit Integration Plan has not been completed, the governing body has stated that a plan will be completed and submitted to the Commission for review before the new transit service begins operation. Along with this assurance, a schedule shall be provided which shows the timing for the plan’s development.

k) _N/A_ The governing body has stated that a passenger safety program is in place.

l) __X_ The governing body has stated that the agency shall comply with the Prop 116 accessibility requirements for the disabled and for providing access to bicyclists.
SECTION II. Project Scope, Description, System Characteristics, Schedule, Environmental and Financial Information

Item 4. Project Scope

a) Project Name: Santa Cruz Branch Rail Line Acquisition: Corridor Preservation, Improvements & Recreational Service

b) Project Purpose: Acquisition of the Santa Cruz Branch Rail Line and improvements for preservation for transportation purposes, including continuation of existing freight and recreational rail service, potential future implementation of recreational passenger rail service from Santa Cruz to Davenport and potential bicycle and pedestrian path adjacent to the rail line where feasible.

c) Project Scope: This project will acquire the Santa Cruz Branch Rail Line, a 32-mile railroad right-of-way and convey all of the due diligence studies and negotiations associated with the purchase. The purchase includes the right-of-way, track, signal system, yard facilities, structures (including bridges), and all appurtenant facilities. This project also includes a variety of improvements as a condition of purchase and needed to ensure continued operation of existing freight and recreational rail service and to improve portions of the rail line to at least Class I. The improvements include but are not limited to drainage improvements, joint bar replacement, track replacement, structure improvements, grade crossing improvements, and safety improvements. In addition, the project includes implementation of recreational passenger rail service from Santa Cruz to Davenport.

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Activities/Tasks</th>
<th>Schedule (Month/Year)</th>
<th>Cost ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. PA&amp;ED</td>
<td>Complete environmental review and conceptual engineering work on preferred alternative, Preliminary Engineering (Major Investment Study).</td>
<td>8/2001 - 4/2002</td>
<td>$528,000</td>
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<tr>
<td>2. PS&amp;E</td>
<td>Complete Final Engineering on preferred alternative</td>
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<td></td>
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<tr>
<td>3. R/W</td>
<td>Property acquisition and associated activities including meeting conditions of purchase such as rail line improvements</td>
<td>3/2001 - 4/2004</td>
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<td>4. CON (Procurement)</td>
<td>Construction of support facilities and purchase of rolling stock and support equipment</td>
<td>04/2010 - 04/2012</td>
<td>$2,000,000</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$253,569,000</td>
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</table>

d) Total Estimated Cost of Project: $253,569,000

e) Project Start Date: 2001

f) Project End Date: 2012
g) Amendment Purpose: The purpose of this amendment is to obtain a final allocation of Proposition 116 and State Transportation Improvement Program funds to acquire the right-of-way of the Santa Cruz Branch Rail Line, and meet all the conditions of acquisition including making necessary rail line improvements and implement recreational passenger rail service from Santa Cruz to Davenport.
Item 5. Project Description

a) Provide a comprehensive overall project description in terms of the capital improvements to be made, increased level of services and performance goals to be achieved, and major activities to be accomplished.

The Santa Cruz County Regional Transportation Commission (SCCRTC) is pursuing the acquisition of the Santa Cruz Branch rail line for the purpose of preserving the rail corridor for future multi-modal uses by the public at large and to implement recreational rail service from Santa Cruz to Davenport. The purchase includes the right-of-way, track, signal system, yard facilities, structures (including bridges), and all appurtenant facilities.

The rail right-of-way proposed for acquisition extends 324 miles from Pajaro in Monterey County to Davenport in north Santa Cruz County (see map under Item 5c). The portion of the right-of-way that lies within Monterey County is about .75 miles in length. The line is the Santa Cruz Subdivision currently owned by Union Pacific Railroad (UP). The right-of-way proposed for acquisition in this project is currently being used primarily for freight service provided by Sierra Northern Railway under lease to UP. Currently, about 350 cars of freight move on the rail line annually. This keeps about 1,500 trucks off of the already congested highways and represents about 10% of the freight shipped on the rail line prior to the closure of the CEMEX cement plant in Davenport. The primary shipper has been CEMEX in Davenport with about 90% of the freight shipments. CEMEX is currently closed and it is uncertain when it will reopen. When CEMEX was in operation, UP ran approximately three round trips each week to and from CEMEX. One mile of this right-of-way is used by the Santa Cruz Big Trees and Pacific Railroad (Big Trees) to complete recreational rail service that runs from Felton to the Santa Cruz Beach Boardwalk. This is done through a year-to-year trackage rights agreement between Big Trees and Union Pacific. Asset and maintenance costs are the sole responsibility of UP and the Sierra Northern Railway; however, the UP Railroad has cooperated with local jurisdictions to share the cost of improving some at-grade crossings. UP also completed a partial tie-replacement program in 2003 and repairs to some structures in 2005.

The Santa Cruz Branch Rail Line is currently classified as FRA excepted track with the exception of the one-mile segment used by Big Trees, which is classified as Class I. This means that freight service can operate at no more than 10 miles per hour on the entire rail line and that passenger service can operate at no more than 15 miles per hour only on a one-mile segment of the 324-mile rail line. A variety of improvements are needed to ensure continued operation of the existing freight and recreational rail service and to improve portions of the rail line to at least Class I. These include but are not limited to drainage improvements, joint bar replacement, tie replacement, track replacement, structure improvements, crossing improvements, and safety improvements. These improvements are designed to facilitate the continuation of existing freight rail and existing recreational passenger rail service and to implement potential additional recreational future passenger rail service from Santa Cruz to Davenport. A negotiated condition of this railroad right-of-way purchase is that SCCRTC use at least $5 million from the available funding for this project to make improvements to the rail line.
Purpose of Application

This application is to purchase of the Santa Cruz Branch Rail Line, and to meet all of the conditions of that purchase including improvements to the rail line and implement recreational passenger rail service from Santa Cruz to Davenport. The purchase includes the 32½-mile right-of-way, underlying real estate with corresponding property rights, track, signal system, yard facilities, structures (including bridges), and all appurtenant facilities along with all relevant purchase costs including but not limited to title and other necessary insurance, escrow and other closing costs, document and filing fees, etc. Improvements to the Santa Cruz Branch Rail Line are a negotiated condition of purchase and will require that at least $5 million in funds be placed in escrow to ensure their expenditure on the negotiated improvements. Improvements include but are not limited to bridge and trestle improvements, drainage improvements, joint bar replacement, tie replacement, track replacement and improvement, at-grade crossing improvements, and safety improvements. Of the $20.2 million allocation requested with this application, $14.2 million will go to Union Pacific and the remaining $6 million will be for all relevant purchase and closing costs and for rail line improvements, which are a negotiated condition of the purchase.

In addition, after the purchase, the SCCRTC will work with Sierra Northern Railway to implement recreational passenger rail service from Santa Cruz to Davenport. Sierra Northern Railway plans to implement dinner and excursion train service from Santa Cruz to Davenport and back. Sierra Northern would provide the necessary investment in rolling stock and support facilities (estimated at $2 million) to implement the service and would pay for the operation and administration of the service. The RTC would derive a small amount of revenue of $1 per passenger boarding. It is estimated that the recreational passenger rail service will be implemented within one to two years of the purchase of the rail line and ridership is estimated at about 19,000 passengers in the first year.

With this application the Santa Cruz County Regional Transportation Commission (SCCRTC) requests that the California Transportation Commission (CTC):

1. Approve an allocation of $10,200,000 in Proposition 116 and $10,000,000 in State Transportation Improvement Program (STIP) funds for purchase of the Santa Cruz Branch Rail Line right-of-way and to meet all of the conditions of that purchase including improvements to the rail line which include but are not limited to bridge and trestle improvements, drainage improvements, joint bar replacement, track replacement and improvement, grade crossing improvements, and safety improvements;

2. Approve a waiver of Proposition 116 guidelines numbers 9 and 33 which state:

   9. The Commission shall not permit Passenger Rail and Clean Air Bond Act funds, based on state law (SB 2592, Kopp), or other state funds to be matched with CATIA (Proposition 116) funds.
33. In the event a rail right-of-way project does not result in rail transit service by the year 2000 and the property is no longer needed the Commission shall require that a liquidation plan be prepared by the grant recipient by January 31, 2000 for approval by the Commission to dispose of the property.

The waiver to Proposition 116 guideline number 9 is necessary because State Transportation Improvement Program (STIP) funds will be used to match Proposition 116 funds. The waiver to guideline number 33 is necessary because this project did not result in rail transit service by the year 2000.

According to statute, the Proposition 116 funds require a dollar for dollar match. The STIP funds and local funds will serve as the match for the requested Proposition 116 funds. In addition, to local and state funds the SCCRTC has been using federal earmark funds for this project.

Regional Transportation Plan Consistency

This project is identified in the 2005 Santa Cruz County Regional Transportation Plan as a “programmed project”. The 2005 RTP goals and policies “provide a regional vision to guide the development of project lists and funding expenditures” (2005 RTP, p. 65). This project is consistent with those policies, including the following:

1.1 Ensure that adequate support is provided to maintain and operate the existing transportation system.
1.3.11 Encourage the diversion of goods movement from truck to rail.
1.5 Preserve existing transportation corridors and facilities for current and future transportation uses.
1.5.3 Prohibit use of existing railroad rights-of-way which would prevent their use for rail or transit purposes in the future.
2.2 Implement the 1999 Watsonville-Santa Cruz-UCSC Corridor Major Transportation Investment Study program of projects at the approved funding levels: Santa Cruz Branch Rail Line right-of-way acquisition.
2.3.4 Protect the potential for future commute transit service on existing rail lines.
2.4.6 Retain the option of future in-county passenger rail service for when it is financially feasible, acceptable to the community, and only after completion of an environmental impact report that concludes that all the significant impacts can be satisfactorily mitigated.
5.4.5 Assign high priority to projects approved during the 1999 Major Transportation Investment Study decision-making process.

b) Provide right-of-way information for project, if applicable.

The Santa Cruz County Regional Transportation Commission (SCCRTC) has been in negotiations with Union Pacific since the Spring of 2001 to acquire the Santa Cruz Branch Rail Line. In August 2003, the California Transportation Commission approved a Proposition 116 application and $300,000 allocation for pre-acquisition activities in connection with this project. In 2008, the California Transportation
Commission approved an additional $500,000 in Proposition 116 funds for pre-acquisition activities. As shown in the financial plan, federal earmark, STIP, Union Pacific and TDA funds are also being used for pre-acquisition activities.

As part of that pre-acquisition and due diligence work, the Regional Transportation Commission, working with consultants, has completed a preliminary title report, completed a Phase II Environmental Site Assessment, completed environmental review for the project, negotiated a price and conditions with Union Pacific to purchase the right-of-way, completed structures assessments, completed a track inspection, conducted the necessary appraisal work, produced a business plan, produced a lease investigation and negotiated a variety of issues with Union Pacific to complete the purchase of the Santa Cruz Branch Rail Line right-of-way.

The SCCRTC reached a tentative purchase agreement with UP of $19 million in December 2004. After the completion of some due diligence work, the SCCRTC reached a new tentative purchase price agreement with UP of $14.2 million with the condition that the SCCRTC use $5 million of the available funding for the project to make improvements to the rail line.
c) Project Maps. Provide 8-1/2"x11" project site map showing simplified cross street detail and another area map showing city and county boundaries.
Item 6. **Project Benefits**

Numerous studies and rail demonstrations over the last two decades have investigated the viability of passenger service along the Santa Cruz Branch Rail Line within Santa Cruz County. These studies and equipment demonstrations have included examinations of recreational rail service between the San Francisco Bay Area and Santa Cruz, generally known as the Suntan Special. Rail service around Monterey Bay connecting Santa Cruz with Monterey has also been studied.

State Route 1 is the only highway that traverses Santa Cruz County from its northern to its southern boundary. This corridor currently experiences a level of service “F” during the weekday peaks and on the weekends. The Santa Cruz Branch Rail Line runs parallel to State Route 1 from Davenport to Watsonville. Although the SCCRTC is conducting environmental review of the addition of high occupancy vehicle (HOV) lanes to State Route 1, and implementing other improvements on State Route 1, additional options will be required to meet the county’s short and long-range transportation needs. Acquisition and improvement of the rail right-of-way preserves the option for future additional capacity that is not dependent upon the existing congested freeway and arterial street system and which could accommodate and promote a variety of non-auto dependent transportation modes.

The Santa Cruz Branch Rail Line runs through three of the four cities in Santa Cruz County, residential areas, major industrial areas, major attractions such as the Santa Cruz Beach Boardwalk and Capitola Village, nine state parks and beaches, and provides coastal access to a number of other beaches. The rail line also connects to Union Pacific’s main coast line at Pajaro in Monterey County. Currently Amtrak’s Coast Starlight passenger trains pass through Pajaro without stopping. The Transportation Agency for Monterey County (TAMC) and the Coast Rail Coordinating Council (CRCC) are working to extend Caltrain service and institute Amtrak Coast Daylight service with stops in Pajaro. Acquisition of the Santa Cruz Branch Rail Line provides the following benefits:

- Contributes to the development of a coordinated and balanced regional transportation system by preserving the rail corridor for future transportation needs;

- Provides connections to the Pajaro Station which will be developed and served by passenger rail service to the San Francisco Bay Area and the rest of the state through the extension of Caltrain service and implementation of Coast Daylight service;

- Preserves the option for future additional capacity that is not dependent upon the existing congested freeway and arterial street system and which could accommodate a variety of non-auto dependent transportation modes;
• Facilitates implementation of recreational passenger rail service from Santa Cruz to Davenport

• Keeps over 215,000 one way truck trips off the already congested state highways and local roads by ensuring that about 350 the nearly 4,000 annual carloads of freight on the rail line, when Cemex is in operation, will not be diverted to congested roadways;

• Facilitates development of a regional trail network, portions of which will be tied into the planned Monterey Bay Sanctuary Scenic Trail network, a trail between Lovers Point in Monterey County and the Davenport in Santa Cruz/San Mateo County line;

• Ensures reliable continuation of existing rail service to and from significant contributors to the Santa Cruz County economy; and

• Facilitates future expansion of freight and passenger rail service.

Santa Cruz County attracts approximately 4.5 million visitors each year. Nearly all visitors to Santa Cruz County arrive by automobile. Many visitors are attracted to more than one destination but their mobility is limited by congestion on the highways, congestion on local roads and parking limitations at individual attractions.

In addition, Santa Cruz County is a major producer of several agricultural products and is home to quarries and lumber facilities one of the largest cement plants in the west coast. These circumstances, and the fact that most visitor attractions and most of the developed area in Santa Cruz County are on the Santa Cruz Branch Rail Line, provide a great potential for increased future use of this transportation asset.
Item 7. System Characteristics – N/A

a) Describe the operating plan for this system. Indicate if this is a final or preliminary plan. If this is a preliminary plan, indicate which components of the plan require refinements, modifications or changes.

N/A Initially, Seasonal weekend recreational passenger service with dinner trains from Santa Cruz to Davenport and back and excursion trains from the Santa Cruz Beach Boardwalk to north coast beaches. Eventually, there would be daily recreational passenger rail service during the peak tourist periods.

b) Describe the fare structure for this system. Indicate if this is a final or preliminary structure. If this is a preliminary structure, indicate which components of the plan require refinements, modifications or changes.

N/A The fare for a dinner train trip would be between $50 and $70 per passenger and excursion service would have a fare of $20 to $45 per passenger.

c) Describe the assumptions and process that were used to develop the ridership projections shown in the request. Provide the estimated passenger carrying capacity for this service.

N/A Ridership projections are based on trends of existing dinner and excursion train operations in North America, characteristics of a Santa Cruz operation including great scenery and a large regional population, and the ten years of experience of Sierra Northern Railway in operating three tourist trains in California. The project assumes a train set with a carrying capacity of at least 150 with the flexibility of growing to a capacity of 200 and 300 as demand increases. Each passenger coach is estimated to have an average of 50 seats and utilization rate of 50% is projected.

d) Describe the assumptions and process for how the operating cost projections were developed.

N/A Operating costs were projected by applying Sierra Northern Railway’s operating costs on similar operations with variations for local costs in Santa Cruz County using local service providers.
### Item 7. System Characteristics (continued) N/A

<table>
<thead>
<tr>
<th></th>
<th>Current System</th>
<th></th>
<th>Improved System</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Line Year 1</td>
<td>Line Year 3</td>
<td>Line Year 1</td>
<td>Line Year 3</td>
</tr>
<tr>
<td><strong>e) Annual Operating Cost</strong></td>
<td>855,000</td>
<td>1,800,000</td>
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<tr>
<td><strong>f) Annual Revenues</strong></td>
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<td><strong>Local Sources (Total)</strong></td>
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<tr>
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<td>Sales Tax (LTF)</td>
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<td>Sales Tax (STA)</td>
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<td><strong>Federal Sources (Total)</strong></td>
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<td>Other (Specify Source)</td>
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<td><strong>g) Projected Annual Ridership</strong></td>
<td>19000</td>
<td>50,000</td>
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<td><strong>h) Average Weekday Ridership</strong></td>
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<tr>
<td><strong>i) Average Fare Per Passenger</strong></td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>j) Operating Costs Covered by Fare-box Revenue</strong></td>
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<td>1,800,000</td>
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<tr>
<td><strong>k) Actual Fare-box Ratio</strong></td>
<td>%</td>
<td>111%</td>
<td>%</td>
<td>111%</td>
</tr>
<tr>
<td>If Below TDA Requirements</td>
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<tr>
<td>Show the Subsidy Amount and Specify Source(s)</td>
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</tr>
</tbody>
</table>
Item 8. Overall Project Schedule

Indicate, as applicable, the start and completion dates for each phase of this project. (A detailed project development schedule must accompany an allocation request.) See Draft Timeline Below

Identify any significant issues that may arise and result in project delay due to environmental, litigation, relocation, right-of-way acquisition, or other pertinent issues.

<table>
<thead>
<tr>
<th>Overall Project Schedule</th>
<th>Start Work Month/Year</th>
<th>Complete Work Month/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Documentation &amp; Clearance</td>
<td>2001</td>
<td>04/2002</td>
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<tr>
<td>Preliminary Engineering</td>
<td>04/2010 N/A</td>
<td>04/2011 N/A</td>
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<tr>
<td>Final Design</td>
<td>07/2010 N/A</td>
<td>08/2011 N/A</td>
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<tr>
<td>Acquisition of Right-of-Way or Other Access Rights</td>
<td>3/2001</td>
<td>04/2021 N/A</td>
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<tr>
<td>Construction/Rehabilitation</td>
<td>03/2011 N/A</td>
<td>03/2013 N/A</td>
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<tr>
<td>Vehicle Acquisitions</td>
<td>03/2012 N/A</td>
<td>03/2014 N/A</td>
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<tr>
<td>(locomotives, cabs, trailers, LRVs, buses, other)</td>
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<td></td>
</tr>
<tr>
<td>Date Initial Service Will Begin Operation</td>
<td>05/2012 N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Date Full Service Will Begin Operation</td>
<td>05/2014 N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### ACTION

**Funding**
- CTC Allocate Prop. 116 for Pre-Acquisition Work
  - Approved August 2003
- CTC Allocate Prop. 116 for ROW Work
  - May 2008
- CTC Allocate Prop. 116 & STIP for Acquisition
  - December 2009 to April 2010

**Appraisal Work**
- Administrative Draft Appraisals and Review Appraisal
  - Completed April 2005
- Finalize Appraisals and Review Appraisal
  - October 2009 to March 2010

**Property Inspections**
- Initial Structural Assessment
  - Completed August 2005
- Finalize Structural Assessment Report
  - Completed June 2006
- Update Structural Assessment Estimates
  - March 2008
- Track and Property Inspection
  - September 2009

**Title Work**
- Title Search and Preliminary Report
  - Completed March 2005
- Revised Prelim. Title Report
  - Completed May 2005
- Finalize Title Report
  - October to February 2009
- Secure Title Insurance
  - December to April 2009

**Phase II Environmental Site Assessment**
- Draft Phase II Report Presented in Closed Session
  - Closed Session June 2005
- Final Phase II Report
  - September 2009
- Secure Hazardous Materials & Other Insurance
  - October 2009 to April 2010

**Lease Investigation Report**
- October 2009

**Complete Business & Management Plan**
- November 2009 to March 2010

**Acquisition Negotiations with Union Pacific**
- Letter of Intent
  - Approved Dec 2004
- Draft Purchase Agreement
  - October 2009
- Finalize Purchase Agreement
  - November 2009 to March 2010
- Close Escrow
  - December 2009 to April 2010

**Surface Transportation Board (STB) Filings**
- Prepare and File Application with STB
  - October 2009 to March 2010
- STB Issues Ruling
  - December 2009 to April 2010

**Shortline Freight Service**
- Draft coordination agreement with operator
  - October 2009
- Final coordination agreement with operator
  - November 2009 to March 2010

**RTC Considers Final Acquisition Decision**
- December 2009 to April 2010
### Item 9. Environmental Clearance

Please check the appropriate category and provide information on the status of the environmental clearance for the project. If applicable, provide documentation that demonstrates the requirements have been met.

<table>
<thead>
<tr>
<th>CEQA: (California Environmental Quality Act - Public Res. Code 21000 et seq.)</th>
<th>List Actual or Estimated Completion Date</th>
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<tbody>
<tr>
<td>X Categorically Exempt, cite section 15301 Code of Regulations</td>
<td>Acquisition</td>
</tr>
<tr>
<td>X Statutorily Exempt, cite section 21080(b)(10) Pub Resources Code</td>
<td>Improvements &amp; Rec Service</td>
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</table>

<table>
<thead>
<tr>
<th>NEPA: (National Environmental Policy Act - 42 USC, Sec. 4321 et seq.)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>X Categorically Excluded, cite section 23 CFR 771.117</td>
<td></td>
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</tbody>
</table>

**IF YOUR PROJECT IS NOT EXEMPT OR EXCLUDED, INDICATE THE FOLLOWING:**

<table>
<thead>
<tr>
<th>Lead Agency</th>
<th>SCCRTC</th>
<th>Responsible Agency</th>
<th>SCCRTC</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEQA (Check all that apply)</td>
<td>Acquisition</td>
<td>Improvements</td>
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<tr>
<td>X Negative Declaration</td>
<td>2002</td>
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<tr>
<td>Draft EIR</td>
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<tr>
<td>Final EIR</td>
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<tr>
<td>Supplemental EIR</td>
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<tr>
<td>Certification of EIR</td>
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<tr>
<td>Notice of Determination</td>
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</table>

**NEPA (Check all that apply)**

Finding of No Significant Impact

Draft EIS

Final EIS

Supplemental EIS

Record of Decision
Although it was not necessary, in 2002, the RTC completed environmental review for acquisition of the Santa Cruz Branch Rail Line by issuing a Negative Declaration under the California Environmental Quality Act (CEQA) and obtaining a Categorical Exclusion under the National Environmental Policy Act (NEPA). Improvements to the rail line and the institution of recreational passenger rail service are categorically and statutorily exempt from CEQA.

The categorical exemption is specified in Section 15301 (Existing Facilities) of Article 19 (Categorical Exemptions) of Chapter 3 (Guidelines for Implementation of the California Environmental Quality Act) of Division 6 (Resources Agency) of Title 14 (Natural Resources) of the California Code of Regulations which states:

“Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The types of "existing facilities" itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use.”

The statutory exemption is specified in Public Resources Code Section 21080(b)(10) which states,

“(b) This division does not apply to any of the following activities:
(10) A project for the institution or increase of passenger or commuter services on rail lines or highway rights-of-way already in use, including the modernization of existing stations and parking facilities.”

The improvements to the rail line and the institution of recreational passenger rail service is also categorically excluded from NEPA under Code of Federal Regulations number 23 (23 CFR), Section 771.117 which states,

“c. The following actions meet the criteria for CEs in the CEQ regulation (section 1508.4) and §771.117(a) of this regulation and normally do not require any further NEPA approvals by the Administration:

…
17. The purchase of vehicles by the applicant where the use of these vehicles can be accommodated by existing facilities or by new facilities which themselves are within a CE.
18. Track and railbed maintenance and improvements when carried out within the existing right-of-way.
19. Purchase and installation of operating or maintenance equipment to be located within the transit facility and with no significant impacts off the site.”
Item 10. Project Financial Information

a) Complete the attached Project Overall Funding Plan showing all sources of capital funds that will be used to finance the total project cost. Plan shall itemize the state funding sources, and the funds provided by Recipient or other funding sources, if any. (Agencies may provide their own funding plan format, provided all required information is presented.)

($ in thousands)

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Prior</th>
<th>Current</th>
<th>FY09-10</th>
<th>FY10-11</th>
<th>FY11-12</th>
<th>FY___</th>
<th>Future</th>
<th>Total</th>
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<tr>
<td><strong>State</strong></td>
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<td>Prop 116</td>
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<td>11,000</td>
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<td>SHA</td>
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<td>STP / TE (State-Administered Fed)</td>
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<td>Other: RS STIP</td>
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<td>10,000</td>
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<tr>
<td>Other: TDA_Sierra &amp; UP</td>
<td>751</td>
<td>250</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td></td>
<td>43,001</td>
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<td>1,490</td>
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<tr>
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<td>252,569</td>
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**REVENUES:**

- Proposition 116: $11,000,000
- State Transportation Improvement Program: 10,000,000
- Federal Appropriation: 1,490,250
- Local (TDA & other): 971,300
- STIP - for environmental review: 77,460
- Sierra Northern Railway: 2,000,000
- Union Pacific: 29,618

**Total:** $253,569 million
EXPENDITURES:

<table>
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<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Purchase Price</td>
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<tr>
<td>Environmental Review of Acquisition</td>
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<td>Negotiations</td>
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<td>Phase II Environmental Assessment</td>
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<td>Structures Assessment</td>
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<tr>
<td>Appraisals</td>
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<tr>
<td>Other Pre-Acquisition through Closing Costs</td>
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<td>Insurance (title and hazardous materials)</td>
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<td>Shortline Operator Selection/Contract</td>
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<td>Recreational Rail Studies</td>
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<td>Rail Line Capital Improvements (condition of purchase)</td>
<td>5,735,000</td>
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<td>Rolling Stock and start-up costs</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$253,569 Million</strong></td>
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b) Describe the assumptions and process for how the estimated capital costs were developed.

Cost estimates are based on the negotiated price and terms with Union Pacific, actual costs for work completed, contract amounts for work currently in progress, the Santa Cruz Branch Rail Line Business Plan and estimates obtained for work still to be completed.

c) Describe the prior funding commitments that your agency has obtained for this project.

All revenue sources have been committed through programming and allocations, except $10,200,000 of the Proposition 116 funds.

d) Complete the attached Project Financial Plan showing estimated expenditures and reimbursements for each project component by funding source (Agencies may provide their own financial plan format, provided all required information is presented.)
### Table: Financial Information

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RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission
On the date of February 18, 2010
On the motion of Commissioner
Duly seconded by Commissioner

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A UNIFORM
TRANSIT APPLICATION FOR $20.2 MILLION FOR ACQUISITION OF THE SANTA
CRUZ BRANCH RAIL LINE FOR CORRIDOR PRESERVATION, RAIL LINE
IMPROVEMENTS AND RECREATIONAL PASSENGER RAIL SERVICE

WHEREAS, under the Clean Air and Transportation Improvement Act of
1990 (Proposition 116), the Santa Cruz County Regional
Transportation Commission is eligible to receive up to $11 million
dollars for passenger rail projects in Santa Cruz County; and

WHEREAS, in 1999, the Regional Transportation Commission approved
acquiring the Santa Cruz Branch Rail for future transportation
purposes as part of its final decision on the Major Transportation
Investment Study of the Watsonville-Santa Cruz-UCSC Corridor; and

WHEREAS, in 2000, the Santa Cruz County Regional Transportation
Commission programmed $10 million in State Transportation
Improvement Program (STIP) for acquisition of and improvements to
the Santa Cruz Branch Rail Line; and

WHEREAS, in 2001 through SB 465, the Regional Transportation
Commission established itself as a Rail/Trail Authority to acquire
and oversee railroad rights-of-way in Santa Cruz County; and

WHEREAS, the Santa Cruz Branch Rail Line Acquisition Project is
included in the 2005 Regional Transportation Plan as a project
constrained in the Action Element; and

WHEREAS, the Regional Transportation Commission has been
negotiating with Union Pacific Railroad to acquire the Santa Cruz
Branch Rail Line; and

WHEREAS, the Regional Transportation Commission has previously
approved drafting a draft uniform transit application to acquire
the Santa Cruz Branch Rail Line;

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL
TRANSPORTATION COMMISSION THAT:

1. The Executive Director is authorized to submit a uniform
transit application for $10.2 million in Proposition 116 funds
and $10 million in State Transportation Improvement Program
funds for acquisition of the Santa Cruz Branch Rail Line right-
of-way for preservation, rail line improvements, and

...
institution of recreational passenger rail service between Santa Cruz and Davenport.

2. The Executive Director is further authorized to submit the corresponding allocation request and enter into any necessary agreements, including amendments to agreements, to obtain and use these funds.

3. SCCRTC has the financial and institutional ability to implement the project and is empowered to let a contract, sue or be sued by another entity or persons and has other responsibilities as provided pursuant to its authority under Government Code Sections 67940 and 67941.

4. When completed, the project will be available to the general public, and its primary purpose will be to benefit the public and does not exclusively benefit a private entity or individual.

5. The matching funds required for this project are available and committed to this project, and SCCRTC has the authority to expend the funds.

6. If the project exceeds the state funds available, SCCRTC shall use other funds to backfill the cost increases to complete the project.

7. SCCRTC will comply with the California Transportation Commission’s (CTC) Hazardous Waste Identification and Clean-Up Policy for Rail Rights-of-Way, as applicable, and take the following actions:
   a. Fully investigate the absence/presence of hazardous wastes on the project’s right-of-way.
   b. Take reasonable steps to assure full due diligence, clean-up of the site, as appropriate and indemnify the State of California’s future clean-up liability or damages, as well as not seeking state funds for clean-up, damage, or liability costs associated with hazardous waste.

8. SCCRTC will comply with the CTC’s Timely Use of Funds Policies.

9. No other capital funds previously programmed, planned, or approved for rail purposes will be used for other than rail purposes.

10. The project does not have unnecessary enhancements and is not an elaborate alternative.

11. No new or increased development fees, taxes, exactions, or permit fees will be included in the operating budget for the project, or for the purpose of matching Proposition 116 grants.
12. SCCRTC will comply with the Proposition 116 accessibility requirements for the disabled and for providing access to bicyclists.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

_______________________________________
Randy Johnson, Chair

ATTEST:

______________________________
George Dondero, Secretary

APPROVE AS TO FORM:

_______________________________________
County Counsel

Distribution: RTC Fiscal
California Transportation Commission
Caltrans Division of Mass Transportation

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