



Santa Cruz County Regional Transportation Commission

Santa Cruz Branch Rail Line Acquisition

Fact Sheet
February 2012

On May 6, 2010, the Santa Cruz County Regional Transportation Commission (RTC) unanimously agreed to acquire the Santa Cruz Branch Rail Line (Branch Line) right-of-way for recreational rail, preservation and future transportation uses. Future transportation uses could include passenger rail service, transit, bicycle and pedestrian facilities, and freight rail service. In October 2010 the RTC completed negotiations with Sierra Northern Railway to provide freight service, initiate recreational rail service and maintain the Branch Line. On January 19, 2011, the California Transportation Commission (CTC) approved the funding to purchase the Santa Cruz Branch Rail Line. The CTC determined that the RTC met all of the requirements for use of the voter-approved Proposition 116 funds and cleared the way for the RTC to close the purchase of the 32-mile corridor with the current property owner, Union Pacific Railroad.

In December 2011, the RTC received approval from the Surface Transportation Board (STB) to complete the purchase and on the same day Sierra Northern Railway decided that it did not want to operate on the Branch Line. In February 2012, the RTC approved releasing a request for proposals to secure a new operator for the Branch Line.

Right-of Way Description

The 135-year old transportation corridor parallels Highway 1 extending almost 32 miles from the town of Pajaro in Monterey County, to Davenport in Santa Cruz County (map on reverse). The right-of-way is generally 50 to 60 feet wide with 37 bridges and trestles, including major crossings of the Pajaro River, Highway 1, Soquel Creek, the Santa Cruz Yacht Harbor and the San Lorenzo River. Adjacent land uses include residential, commercial, industrial, agricultural and park land/open space. The corridor links major tourism and activity centers as it traverses downtown Watsonville, Aptos Village, Capitola Village and the Santa Cruz Beach area near downtown Santa Cruz. Also adjacent to the corridor are many parks and recreational facilities, including: Manresa State Beach, Seacliff State Beach, New Brighton State Park, Simpkins Swim Center, Santa Cruz Yacht Harbor, Natural Bridges State Park and Wilder Ranch State Park. The rail line provides access to the Monterey Bay National Marine Sanctuary at several key locations.

Cost of Project and Funding

After completing due diligence work to assess the condition, value and business potential of the rail corridor, the RTC and UP agreed on a purchase price of \$14.2 million with a requirement that the RTC make \$5 million in improvements to the rail line. The CTC was able to reduce the costs to the RTC by \$400,000 by getting UP to provide funds for closing and other costs. The RTC plans to use \$10 million in State Transportation Improvement Program (STIP) funds and \$11 million in Proposition 116 funds for pre-acquisition activities, the purchase, and improvements to the rail right-of-way. Proposition 116 was approved by California voters in 1990 with a 53% majority statewide and 60% majority in Santa Cruz County. The funds may only be used for rail projects. Congressman Sam Farr obtained a \$1.5 million federal earmark for the project in 2003 and the RTC has been using local funds for pre-acquisition work. In addition, Sierra Railway plans to spend up to \$2 million to implement recreational rail service from Santa Cruz to Davenport.

Due Diligence

Over the past few years, the RTC has been conducting pre-acquisition activities including appraisals, structures assessments, title reviews, hazardous materials assessments and negotiations with the property owner and shortline operator. Due diligence documents are available on the RTC website: <http://sccrtc.org/projects/rail/rail-line-purchase/#acquire>. In addition, a list of frequently asked questions regarding the project and due diligence work has been posted to the RTC website and can be found at <http://sccrtc.org/wp-content/uploads/2011/06/100504-RailLinePur-FAQ.pdf>.

For more information: Please visit the RTC web site: www.sccrtc.org or call (831) 460-3200

