

**A VALUATION STUDY  
OF THE TRACK, SIGNALS, STRUCTURES  
AND OTHER RAILROAD IMPROVEMENTS  
LOCATED ON THE  
UNION PACIFIC RAILROAD COMPANY'S  
SANTA CRUZ SUBDIVISION BETWEEN WATSONVILLE  
JUNCTION AND DAVENPORT CALIFORNIA**

**Prepared For:**

**The Santa Cruz County  
Regional Transportation Commission**

**Prepared By:**

**The Woodside Consulting Group, Inc.**

**Physical Conditions, Costs and Values  
As of March 2004  
Study Revised September 2004**

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**Summary  
Of  
The Net Liquidation Value (NLV) and In Place Depreciated Value for Alternative Rail  
Purposes for Union Pacific Railroad Company's Santa Cruz Subdivision  
Railroad Assets Located on the Subdivision Land**

**A. The Results of The Valuation Study as Prescribed by the SCCRTC**

- The estimated payment that a landowner can expect to receive from a contractor if the bridges and trestles remain in place and all other assets are salvaged. \$419,000
- The estimated payment by the landowner to the contractor if the bridges and trestles are removed by the contractor and all other assets are salvaged. \$217,000
- The estimated depreciated value of the Subdivision if the alternative rail purpose is to Operate with Class 1 Track, prescribed by FRA Track Safety Standards, Part 213. \$33,300,000
- The estimated depreciated value of the Subdivision if the alternative rail purpose is to Operate with Class 2 track, prescribed by FRA Track Safety Standards, Part 213. \$22,200,000

**B. Summary of Values and Costs for Determining the NLV**

1. Estimated Gross Value for the Landowner of the Railroad Assets (Pages 29 to 35)

- Rail and Other Track Material (OTM)	\$1,578,000
- Crossties	598,000
- Turnouts	239,000
- Roadway At-Grade Crossings	126,000
- Grade Crossing Signal Warning Systems	164,000
- Bridges, Trestles and Culverts	---
- Ballast	---
- Train Control Signal Systems	---
Total Gross Value of Assets	\$2,705,000

2. Estimated Cost to Remove Railroad Assets from the Right of Way, Sort Materials, Classify and Load Materials into Trucks or Rail Cars (Pages 35 to 39)

	<u>Cost to Remove</u>
- Remove Rail, OTM and Turnouts	\$395,000
- Remove Crossties	233,000
- Repair and Restore Roadway At-Grade Crossings and City Streets	292,000
- Cost to Remove At-Grade Roadway Crossing Signal Warning Systems	33,000
- Cost to Remove and Dispose of Ballast	<u>984,000</u>
Subtotal Cost to Remove	1,937,000
Plus Salvage Contractor's Profit for the Salvage Work	<u>349,000</u>
Total Cost to Salvage Railroad Assets with Bridges and Trestles Remaining in Place	\$2,286,000

3. Estimated Payment to the Landowner by the Contractor if Bridges and Trestles are not Removed (Page 40)

- Gross Value of Salvaged Railroad Assets for the Landowner	\$2,705,000
- Less Cost to Remove Salvaged Railroad Assets with Bridges and Trestles Remaining in Place	2,286,000
	<hr/>
Estimated Payment to the Landowner	\$419,000

4. Estimated Payment by the Landowner to the Contractor with Bridges and Trestles Removed (Pages 40 and 41)

- Estimated Cost to Remove Bridges and Trestles	\$636,000
- Estimated Payment to the Landowner with Bridges and Trestles in place	<u>419,000</u>
Estimated Payment by the Landowner to the Contractor if Bridges and Trestles are Removed	\$217,000

C. **Summary of Costs and Depreciated Values for Determining In Place Depreciated Value of the Subdivision for Alternative Railroad Purposes**

1. Estimated Cost to Replace 32.38 TM of Existing Railroad Assets with New Materials. (Pages 42 to 51)

Trackage	\$32,735,000
Grading	23,210,000
Bridges, Trestles and Culverts	<u>39,882,000</u>

Total \$95,827,000

2. The Depreciated Value of Railroad Assets Based Upon Two (2) Assumed Scenarios for Railroad Service Requirements (Pages 52 to 61)

**\$(Millions)**

(a) FRA Class 1 Track Safety Standards	\$33.3
(b) FRA Class 2 Track Safety Standards	22.2

The Detail of the Depreciated Value of Railroad Assets Shown Below is Taken From Page 60.

<u>Asset</u>	<u>Cost</u> <u>(\$ Millions)</u>	<u>Depreciated Value</u>		<u>Reference</u> <u>(See Pages)</u>
		<u>FRA Class 1</u> <u>Track</u> <u>(\$ Millions)</u>	<u>FRA Class 2</u> <u>Track</u> <u>(\$ Millions)</u>	
Track	21.9	5.6	4.0	55
Turnouts	1.5	0.7	0.5	56
Crossings and Streets	0.7	0.3	0.3	57
Crossing Warning System	8.6	3.2	2.0	58
Grading Bridges, Trestles and Culverts	23.2	9.3	4.6	59
	<u>39.9</u>	<u>14.2</u>	<u>10.8</u>	59
Total	\$95.8	\$33.3	\$22.2	