1. Roll call

The meeting was called to order at 9:02 a.m.

Members present:

Ed Bottorff  
Jacques Bertrand  
Sandy Brown  
Greg Caput  
Cynthia Chase  
Randy Johnson  

John Leopold  
Bruce McPherson  
Patrick Mulhearn (alternate)  
Mike Rotkin  
Andy Schiffrin (alternate)

Staff present:

George Dondero  
Luis Pavel Mendez  
Yesenia Parra  
Sarah Christensen  

Cory Caletti  
Shannon Munz  
Fernanda Dias Pini

2. Additions or deletions to consent and regular agendas

Handouts were distributed for Item 3.

CONSENT AGENDA

No consent items
REGULAR AGENDA

3. Operating Agreement with Progressive Rail

George Dondero, Executive Director, presented the staff report highlighting the extensive due diligence in vetting Progressive Rail (PGR) and the phased approach to the operating agreement being negotiated. Executive Director Dondero also introduced Dave Fellon, PGR Owner and President, who presented on PGR’s philosophy, vision and goals for their potential operation on the Santa Cruz Branch Rail Line.

Commissioners Discussed: appreciation for PGR’s attendance and presentation; graffiti abatement; train noise; car storage; impact of rail service on local traffic congestion and greenhouse gasses; PGR’s plan for energy projects in the region; excursion and passenger rail services; PGR’s community involvement and development; warehouse availability and freight customers in Watsonville; how PGR would address public comments, concerns, and inputs; potential fares for passenger trains; PGR’s experience working with transit systems; the phased nature of the proposed agreement with PGR and the negotiations process; waiting for completion of the Unified Corridor Study (UCS) before deciding on a rail operator; whether the RTC or Iowa Pacific is liable for meeting freight service obligations; whether a 60-day public review period is feasible; RTC’s rail service obligations under funding agreements; RTC’s existing policy to pursue passenger rail service on the rail line and staff’s work to implement the Commission’s adopted policy; that RTC staff would change focus if the Commission adopts a different policy on rail; and that the UCS with reconsideration of that policy is the result of a compromise to ensure the passage of Measure D.

The chair opened the item to public comments.

Brian Peoples, Trail Now, inquired whether PGR would agree to a contract to only operate freight south of Lee Road and stated that any changes made to the corridor north of Lee Road should be dedicated to alleviating traffic congestion on Highway 1.

Ashley Winn, La Selva Beach resident, said that he has not received documents that he requested via a public records request which he would like to see before the Commission reaches a decision on this matter. Mr. Winn urged the Commission to allow for a 60-day public review period before the Commission makes a decision on the rail operator.

Julie Jobin, City of Scotts Valley resident, asked if it is necessary to have freight on the Santa Cruz Branch Rail Line (SCBRL).

Cathy Marino, Santa Cruz County resident, stated that it is important to preserve the rail corridor, that rail is the least expensive transit option, and that the corridor can accommodate both a rail and a trail.
Jennie Anderson, Live Oak resident, inquired how the gridlock resulting from a slow train going through the county several times a day would be addressed.

Rob Quinn, Santa Cruz County resident, discussed the safety hazards faced by bicyclists. Mr. Quinn inquired if a contract with PGR would preclude the RTC from examining other uses of the corridor, why the Commission is not waiting for the completion of the Unified Corridor Study (UCS) before making this decision, and if the negotiations with PGR are compliant with the California Environmental Quality Act (CEQA).

Commissioner Brown joined the meeting.

Jessica Evans, City of Santa Cruz resident, stated her enthusiasm for construction of Segment 7 of the Monterey Bay Sanctuary Scenic Trail (MBSST) network and urged the Commission to move forward with the contract with PGR to preserve the rail line, to fulfill contractual obligations, and to use the rail corridor for mass transit. Ms. Evans also stated that PGR might not be the partner for passenger rail, and suggested a light-rail option.

James Eggleston, La Selva Beach resident, stated that a tourist train will not benefit the community and will not assist in reducing congestion. Mr. Eggleston urged the Commission to stop negotiations with PGR until the UCS is completed.

Jack Carroll, Soquel resident, stated that the Commission should wait until the UCS is completed before deciding on an operator. Mr. Carroll asked if the freight service would be subordinate to passenger service; if there would be a required minimum level of passenger service to be provided; and if the rail operator would be allowed to abandon passenger service while retaining a license for freight service.

Brett Garrett, Campaign for Sustainable Transportation (CST), asked that sustainability be prioritized; ensuring that the rail operator would not bring fossil fuels to the county; noted that he and the CST put together a list of 20 questions for the RTC and would like responses.

Andrea Miller, Seacliff resident, spoke on cyclist safety issues and stated that PGR is specialized on freight and not passenger services.

Josh Stevens, Santa Cruz County resident, inquired how refrigerated cars would be powered, and if there is an estimate on how freight trains would lead to a reduction in truck traffic on the road.

David Van Brink, City of Santa Cruz resident, stated that he trusts the RTC to perform due diligence and select appropriate partners for its business, operational needs and obligations.
Manu Koenig, City of Santa Cruz resident and Greenway, asked for quantification of economic benefit to the area from PGR; whether a propane distribution facility in Watsonville would include a blast zone; and how rail operations would impact residential and commercial development. Mr. Koenig stated that the Greenway legal counsel advised that the rail operating agreement process with PGR is currently out of compliance with CEQA.

Gail McNulty, Greenway, asked how increased freight business throughout the county would impact the region, questioned PGR’s motivation for doing business in the county; and whether PGR would bring fossil fuels to the county.

Silvia Morales, City of Watsonville resident, spoke on the prohibitive traffic on Highway 1 and asked for greater inclusion of Watsonville residents.

Mark Mesiti-Miller, Friends of the Rail and Trail, stated that the Commission has an obligation to provide rail service and that several businesses in Watsonville are reliant on freight rail services. Mr. Mesiti-Miller inquired how much revenue and how many jobs would be generated by PGR’s operations; what would be the skill-level and pay range for the jobs created; and if PGR’s operations would require any public subsidy.

Progressive Rail’s response to public questions: the proposed agreement is for PGR to operate the whole line, as a package; trains can be scheduled to create harmony between freight and passenger service; PGR will introduce passenger service as they grow in the region; refrigerated cars are powered with diesel; every one freight rail car replaces four trucks on the road; described how PGR’s operations stimulated economic development in Lakeville, MN and used that as an example for the amount and types of jobs that PGR would bring to the area; a propane facility in Watsonville would have to follow local regulations; and PGR operations and developments would defer to Watsonville zoning regulations.

RTC responses to public questions: the rail contract is a two part agreement that takes the RTC up to the decision point after the UCS is completed, and depending on the Commission’s decision for the dispensation for the future of the rail corridor, it allows for uses other than rail of the corridor; the proposed agreement with PGR does not commit the RTC to using PGR as the operator for transit service; Proposition (Prop.) 116 funding agreement commits the RTC to providing a form of passenger rail service, for which excursion services provides an interim solution that was accepted by the California Transportation Commission (CTC) until the UCS is completed and the use of the rail corridor is decided; CTC demanded that the RTC provide freight service as part of the funding agreement (as long as it is required by the Surface Transportation Board (STB); the trains proposed for this line would be relatively short and would not cause long delays at train crossings; the RTC could have served as its own operator but the Commission decided against that possibility in 2010 when it was negotiating with Union Pacific and
conducting due diligence.

**RTC Counsel responses:**
- The RTC is cognizant of the California Environmental Quality Act (CEQA) issues and received the correspondence requesting information regarding CEQA compliance for the operating agreement with Progressive Rail (PGR). It understandably relies on a lot of assumptions, since the agreement is not currently public, it will be made public before the Commission makes a decision. The timeframes allow for appropriate CEQA review, a response will be provided to the letter.
- Federal regulations actually do apply to both the common carrier and the owner of the rail line, and are both responsible for track maintenance and compliance with federal regulations. So, to the extent that the RTC’s contractor is not doing their job, the RTC is liable under federal law, including penalties. Under the Proposition (Prop.) 116 funding resolution for the purchase of the line, the RTC committed, and is responsible as a condition of that funding, to both provide freight and to initiate passenger services on that rail line. That funding resolution is CTC resolution PA.IO.06.
- There is a remedy in the event that the RTC decides to discontinue rail service under that resolution, a non-rail option of the rail corridor is not precluded by Prop. 116 and the CTC resolution, it would require payment to the state and additional work. The current RTC resolution and what this Commission has taken action to do, is to implement the requirements of that CTC resolution and that includes both freight and passenger service.
- Preemption is established by federal law but as PGR mentioned, local land use authorities do retain a substantial amount of authority, including authority under CEQA to regulate uses that effect things beside actual operation of rail service. Preemption has a limited scope, the contract is not preempted, RTC’s ability, as the owner, to control the scope of operations is not preempted, and effects of operations that are beyond the operations of the rail are not preempted. There is a substantial amount of control that stays with the RTC and the local land use authorities.

4. Oral Communications

**Buzz Anderson,** Live Oak resident, asked for the rail plan to be halted and for the Greenway plan to be adopted. Mr. Anderson supports rail banking and stated that the MBSST is fiscally and environmentally costly, and that the Greenway plan would solve many of the transportation problems faced by the this community.

**Josh Stevens,** Santa Cruz County resident, asked the RTC to prioritize bus services and to focus on improving public transit, and to replace Iowa Pacific.

**Brett Garrett,** CST, noted that there are many valid options for the future of the rail corridor; that both excellent transit and trails can be provided; and suggested that the solution is to look at elevated rapid transit, such as the
gondola system implemented in La Paz, Bolivia. Mr. Garrett stated that the UCS is incomplete because it is not evaluating aboveground transit options.

**Manu Koenig**, City of Santa Cruz resident and Greenway, reported that there are 8,859 signers of the Greenway petition; described stories from residents who signed the petition. Mr. Koenig inquired about the proposed location for park and ride lots; how collisions with the trains would be prevented; and how the train would discourage people from using their cars.

**Jessica Evans**, Santa Cruz County resident, stated that individual transportation in any form contributes to congestion and endangers bicyclists. Public transportation does not generate profit and it should be subsidized by tax-payers, and inquired whether there are plans for improving the bicycle lane on Bay Street near Bay View School.

**Gail McNulty**, Greenway, asked for socially equitable, sustainable, feasible decisions to be made regarding the rail corridor that will be right for Santa Cruz County. Ms. McNulty stated that Measure D passed because voters desired transportation solutions.

5. Review of items to be discussed in closed session

Commissioners adjourned to closed session at 11:27 a.m.

**CLOSED SESSION**

6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8

7. CONFERENCE WITH LABOR NEGOTIATIONS pursuant to Government Code 54957.6

8. PUBLIC EMPLOYMENT: EXECUTIVE DIRECTOR AND FISCAL OFFICER pursuant to section 54957 of the Government Code

9. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 of the Government Code

**CLOSED SESSION**

10. Report on closed session

    Nothing to report.
Meeting adjourned at 12:40 p.m. Next meetings:

The next RTC meeting is scheduled for Thursday, May 3, 2018 at 9:00 a.m. at the Capitola City Council Chambers, 420 Capitola Avenue, Capitola, CA.

The next Transportation Policy Workshop meeting is scheduled for Thursday, May 17, 2018 at 9:00 a.m. at the RTC Offices, 1523 Pacific Avenue, Santa Cruz, CA.

Respectfully submitted,

Fernanda Dias Pini, Staff

Attendees:

Andrea Miller  Seacliff Resident
Ashley Winn  Santa Cruz County Resident
Bobbi Burns  Greenway
Brett Garrett  Campaign for Sustainable Transportation
Buzz Anderson  Greenway
Cathy Marino  Santa Cruz County Resident
Cliff Walters  Roaring Camp
David Van Brink  City of Santa Cruz Resident
Gail McNulty  Greenway
Gine Johnson  Santa Cruz County Resident
Howard Cohen  Santa Cruz County Resident
Jack Carroll  Soquel Resident
James Eggleston  Santa Cruz County Resident
Jennie Harris-Anderson  Greenway
Jessica Evans  Santa Cruz County Resident
Josh Stevens  Santa Cruz County Resident
Julie Jobin  City of Scotts Valley Resident
Justin Meek  City of Watsonville, Planning Division
Kevin Hill  Santa Cruz County Resident
M.T. Ragsdar  Santa Cruz County Resident
Manu Koenig  City of Santa Cruz Resident/ Greenway
Mark Mesiti-Miller  Friends of the Rail and Trail/ SC Chamber of Commerce
Mary B. Blessing  City of Scotts Valley Resident
Murray Fontes  Watsonville
Nadene Thorne  Santa Cruz County Resident
Richard Kojak  MPS
Rob Quinn  Santa Cruz County Resident/ Greenway
Silvia Morales  Santa Cruz County Resident
Tom Haid  City of Santa Cruz Resident
William Kejak  Santa Cruz County Resident