

repairs amount to \$33.7 Million (2021\$), excluding the Capitola Trestle. The replacement of the 150-foot-single span wrought iron bridge (MP 15.89c) over Soquel Creek is not recommended for freight loading, and the timber trestles of the Capitola Trestle warrant a complete rehabilitation at a minimum. The Capitola Trestle work alone represents another \$15 Million - \$30 Million of expenses. The ACL Agreement does not impose an absolute requirement on RTC to make the "initial" repairs noted above. Instead, the relevant language in Section 5.1 of the ACL Agreement states that if RTC does not make improvements to the section of the track north of MP 7 and through MP 31.39, SPPR's obligation to provide transportation service (i.e. excursion train service as distinguished from mass transit or commuter service) is extended accordingly. It is possible that RTC might not be able to fund and complete the repairs prior to the expiration of the ACL Agreement in 2028.

The Measure D expenditure plan provides 8% of revenue (approximately \$2 Million annually) for Rail Corridor infrastructure preservation and analysis of options, representing RTC's only dedicated funding source for the preservation of the rail corridor. RTC staff has pursued grant funding for short line freight operations and continues to seek ways to leverage additional State and Federal government funds for repairs. RTC was successful on one grant application to leverage local funds to pay for repairs of the Pajaro railroad bridge in Watsonville (See Item #8 on today's agenda), where there is freight traffic, but there are limited opportunities for future freight rail grants on a line with no freight service beyond Watsonville.

At this time staff believes that abandonment of the freight easement in association with termination of the ACL Agreement (at least as it applies north of Watsonville or MP 3.0) and railbanking will facilitate RTC's ability to deliver a trail in conjunction with other regional priority projects specified in the RTC's Regional Transportation Plan (RTP). These actions would:

- 1) eliminate ownership constraints related SCCRTC's use of railroad easements for a trail;
- 2) eliminate, for the duration of railbanking, the need to complete expensive repairs on the SCBL that would be necessary for freight rail service, deferring the need to divert discretionary funds from other projects or implement a new dedicated local funding source to pay for the repairs;
- 3) preserve the rail corridor in a manner that would provide local control and flexibility on decision making, until such time that RTC or another