

Public Transportation Modernization,
Improvement, and Service Enhancement
Account Program
Annual Legislative Report Fiscal Year 2017–18



Report to the Legislature

2018



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Executive Summary

The Public Transportation Modernization, Improvement, and Service Enhancement Account Program was created by the passage of Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion available to transportation, \$4 billion was allocated for the Public Transportation Modernization, Improvement, and Service Enhancement Account Program to the California Department of Transportation (Caltrans) for intercity rail projects and for commuter or urban rail operators, bus operators, waterborne transit operators, or other transit operators in California. The Public Transportation Modernization, Improvement, and Service Enhancement Account Program was designed to help advance the State's policy goals of providing mobility choices for all residents, reducing congestion, and protecting the environment. The \$4 billion Public Transportation Modernization, Improvement, and Service Enhancement Account Program is split into two sub programs: \$400 million to the Intercity Rail Improvement Program and \$3.6 billion to the Mass Transportation Program for Local Transit Projects.

Proposition 1B of 2006 included legislative intent language that the overall \$19.9 billion program would fund mobility, safety, and air quality improvements over the course of a decade—through 2018. For the Public Transportation Modernization, Improvement, and Service Enhancement Account Program, approximately \$3.9 billion has been allocated to projects, with about \$60 million remaining unallocated. The 2018 Budget Act (SB 840) reappropriated the remaining Public Transportation Modernization, Improvement, and Service Enhancement Account Program funds for local transit and the Intercity Rail Program which extends the deadline for allocation until June 30, 2019, and June 30, 2020, respectively.

With the Public Transportation Modernization, Improvement, and Service Enhancement Account Program approaching its anticipated conclusion, only a few specific local transit agencies and intercity rail joint power agencies have remaining unallocated balances. Caltrans has been working closely with these agencies to identify projects that are ready to receive an allocation and begin by June 30, 2019.

General obligation bond law requires the administrative agency to submit a report on the status of the program to the California State Legislature no later than January 1 each year. This requirement is found in California Government Code section 16724.4.

Background

Statutory Reference and Purpose

- California Statute: Government Code Section 16724.4 (see Appendix A)

Program Background

The Public Transportation Modernization, Improvement, and Service Enhancement Account Program was created by the passage of Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion available to transportation, \$4 billion was allocated for the Public Transportation Modernization, Improvement, and Service Enhancement Account Program to the California Department of Transportation (Caltrans) for intercity rail projects and for commuter or urban rail operators, bus operators, waterborne transit operators, or other transit operators in California. Public Transportation Modernization, Improvement, and Service Enhancement Account Program was designed to help advance the State's policy goals of providing mobility choices for all residents, reducing congestion, and protecting the environment. The \$4 billion Public Transportation Modernization, Improvement, and Service Enhancement Account Program is split into two sub programs: \$400 million to the Intercity Rail Improvement Program and \$3.6 billion to the Mass Transportation Program for Local Transit Projects.

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General obligation bond law requires the administrative agency to submit a report to the California State Legislature no later than January 1 each year. This requirement is found in California Government Code section 16724.4. In addition, this section states that the report shall contain:

- A list of all projects and their geographical location that have been funded or are required or authorized to receive funds
- The amount of funds allocated on each project
- The status of any project required or authorized to be funded

The required information for each project is listed below and in Attachment 2. Additional information can be found on the Proposition 1B Bond Accountability website from the Intercity Rail Improvement and the Public Transportation Modernization, Improvement, and Service Enhancement Account Program links at this address:

<https://bondaccountability-new.dot.ca.gov/>

Program Status/Program Accomplishments

Intercity Rail Improvement Program Proposition 1B Bond Fund

The Intercity Rail Improvement Program is a \$400 million element of the \$4 billion Public Transportation Modernization, Improvement, and Service Enhancement Account Program. At the December 2007 meeting, the California Transportation Commission approved the guidelines for Intercity Rail Improvement projects in the Public Transportation Modernization, Improvement, and Service Enhancement Account, and at its February 2008 meeting, the California Transportation Commission approved the list of Intercity Rail Improvement projects to be funded. The Intercity Rail Improvement was last amended in June 2017. Specific to the Intercity Rail Improvement Program, a minimum of \$125 million from the \$400 million is designated for procurement of additional intercity passenger railcars and locomotives.

Updated through Fiscal Year 2017-18, the Intercity Rail Improvement includes 28 project allocations. Seventeen projects are completed, seven projects are allocated but not yet complete, and four projects remain unallocated. Approximately 87 percent of the total bond funding for the Intercity Rail Improvement is allocated with two percent (\$8 million) set aside for administration costs.

Fiscal Year End Project Status of Open Intercity Rail Improvement Projects for 2017-18:

(Please refer to the table on Page 8 for additional detail)

- 1. Procurement of Locomotives and Railcars:** Provides the State with new equipment for increased reliability, service and ridership expansion. To date, \$42 million has been allocated to provide a match for federal grants for a base order railcar and locomotive purchase. This will provide the State with 49 new railcars and six locomotives. The railcar portion is five percent complete and the locomotives portion is 90 percent complete.
- 2. Option Locomotives:** The \$103 million allocation has allowed Caltrans to execute an option order for 16 additional locomotives which will be deployed into southern California to replace existing Amtrak owned equipment and will provide the State with cleaner Tier IV locomotives. This project is 70 percent complete. The first six locomotives have been delivered with final acceptance in July 2017.
- 3. Raymer to Bernson Double Track:** Raymer to Bernson closes a single-track rail gap to provide new double track through Van Nuys for the benefit of improved operational reliability and system performance with improved running times. \$6.5 million was allocated for the design phase, which is complete. \$2.7 million was added to the \$10.3 million programmed for construction and STIP funds of \$60.8 million are also programmed for this project.

4. **Van Nuys North Platform:** Van Nuys North Platform allows loading of passengers from both rail tracks. The platform will enhance the Americans with Disabilities Act access, safety and efficiency of passenger loading and provide station access for trains from the two mainline tracks. The Design phase is complete. The \$30.5 million in construction funds were allocated in January 2016. This project is 25 percent complete.
5. **Wayside Power and Storage:** This project will install wayside power at the Auburn station and layover site. The wayside power system is needed to allow shutdown of the locomotive engines during overnight layover, saving fuel and reducing emissions. \$900,000 in Intercity Rail Improvement funds were reprogrammed from the Northern California Maintenance Facility to this project for construction. The \$900,000 was allocated in May 2016. It is 82 percent complete.
6. **Seacliff Siding Pre-Construction:** Siding project on the Union Pacific Railroad Santa Barbara Subdivision in Ventura County to extend the existing siding to allow freight trains to wait for passenger trains to pass. This project improves operational reliability, increased capacity, and decreased train delays. \$21.5 million was reprogrammed from the Coast Daylight Track and Signal Project to this project; \$1 million for environmental documentation and \$20.5 million for construction. The environmental component is 35 percent complete.
7. **Seacliff Siding Construction:** Construction portion of the siding project on the Union Pacific Railroad Santa Barbara Subdivision in Ventura County to extend the existing siding to allow freight trains to wait for passenger trains to pass. \$20.5 million will be used for the construction of the project.
8. **Capitalized Maintenance:** System wide annualized maintenance on the three state-supported intercity passenger rail corridors (Capitol Corridor, Pacific Surfliner, and San Joaquin). Maintenance extends track, signal and bridge useful life, reduces downtime due to component failure, increases operating efficiency and schedule reliability. The un-programmed Intercity Rail Improvement balance of \$1 million was programed to this new project. As additional Intercity Rail Improvement savings are realized, Caltrans plans to program the savings to the Capitalized Maintenance project, up to the \$8 million level.
9. **Left Hand Turnout Project:** This project located at MP 209.2 near San Onofre will remove the existing left-hand turnout that currently allows for track speed through the turnout at 60 miles per hour. The turnout is near the end of its useful life. It will be replaced with a turnout that will allow 90 miles per hour track speed. \$1 million has been programmed to this project. This project is one percent complete.
10. **Sacramento to Roseville 3rd Track Phase 1 Project Pre-Construction:** Design and right of way acquisition to support increased rail service to the city of Roseville. \$2 million was allocated in Intercity Rail 1B bond funds for these preconstruction components. Two additional round trips per day will be added between Sacramento and Roseville when the track and facility improvements are constructed. The design is two percent complete.

- 11. Sacramento to Roseville 3rd Track Phase 1 Project Construction:** \$16.2 million is programmed for the construction to support increased rail service to the city of Roseville. Two additional round trips per day will be added between Sacramento and Roseville when the track and facility improvements are constructed.

Completed/Closed Projects in FY 2017-18:

- 12. On-Board Information System: \$5 million was allocated and is complete.** The On-Board Information System provides rail passengers with real time train status information.
- 13. Capitol Corridor Track, Bridge and Signal Upgrade:** \$1.3 million was allocated and is complete. This project includes track, bridge, and signal upgrades along the Capitol Corridor Route from San Jose to Auburn for improved system reliability and system upkeep.
- 14. Ventura County Sealed Corridor Grade Crossing Improvement Project:** \$218,000 in Proposition 1B funds were allocated for construction, which is complete. These funds along with \$7,200,000 in Public Transportation Account funds provide enhanced grade crossing vehicle safety improvements at various street crossing locations in Ventura County.

Completed/Closed Projects in Prior Fiscal Years:

- 15. Commerce/Fullerton Triple Track Segment 6:** Constructed three miles of new 3rd main track and installed signals and switches necessary for expanded services that will be achieved with the completion of the BNSF triple track projects. This is one of eight segments of triple track on BNSF Railway's main line that when complete will provide increased schedule reliability and accommodate future increased passenger and freight demand on the corridor. \$31.9 million was allocated for construction which was completed May 2013.
- 16. Kings Park Track and Signal:** \$3.5 million was allocated to construct high-priority track, signal, and crossing improvements on the San Joaquin Corridor in Kings County. This project is an element of various improvements needed for increased service frequencies on the San Joaquin Corridor. The project was completed in October 2012.
- 17. Emeryville Station and Track Improvements:** \$6.1 million allocated for station improvements that include extended the station siding track, upgraded signals, installed higher-speed switches and made roadway undercrossing improvement, and general track improvements. The project improved speed and reliability for trains in and out of the station, thereby reducing dwell time and improving overall on-time performance. The project was completed in July 2012.

18. **Bahia-Benicia Crossover and Track Improvement Project:** \$3.4 million was used to construct a crossover between the two mainline tracks along with replacement of track and signal elements. The project improves ride quality, reduces slow orders, and improves operational flexibility for improved dispatch of the passenger trains. These improvements were completed in March 2014.
19. **Southern California Regional Rail Authority Sealed Corridor:** This project utilized \$2.8 million for safety improvements to various highway-rail grade crossings along the Los Angeles–San Diego–San Luis Obispo Rail Corridor in Southern California. The work was to enhance safety, including resurfacing and installing crossing panels, as well as installation of ethernet cabling, fiber cabling, or microwave communications to complement the installation of positive train control elements to the corridor. This project was completed in March 2014.
20. **Wireless Network for Northern California Intercity Passenger Rail Fleet:** The project has been completed and expended \$2.9 million, resulting in a savings of \$823,000. This project installed hardware, wiring, and the equipment components necessary to enable the equipment fleet to be Wi-Fi enabled for the benefit of the customer's travel experience. This project was completed in June 2015.
21. **Santa Margarita Bridge and Double Track:** The project utilized \$15.7 million for the construction of a double track bridge in northern San Diego County. The new bridge replaced a 100-year-old structure and provides improved safety and system reliability to the Los Angeles–San Diego–San Luis Obispo Rail corridor. This project was closed out in July 2016.
22. **New Station Tracks at Los Angeles Union Station:** \$19.5 million was expended for the construction of new passenger platforms for the loading and unloading of passengers at dedicated intercity passenger platforms at Union Station. This project was completed in December 2015.
23. **Raymer to Bernson Double Track:** \$6.1 million was expended for the design of this double track project. This project was closed out December 2016.
24. **Van Nuys North Platform:** This pre-construction project is complete using \$3.5 million for the design of this platform. This project was closed out August 2017.
25. **Oakley to Port Chicago Double Track Segment 3:** This project is complete and used \$23 million for the construction of double track segment 3. This project was closed out August 2017.
26. **San Onofre to Pulgas Double Track Project– Project Approval and Environmental Documents, Phases 1 & 2:** \$3.1 million was expended for Project Approval and Environmental Documents. The Project Approval and Environmental Documents project component was completed May 2011.

27. **San Onofre to Pulgas Double Track Project–PS&E, Phase 2:** \$1 million was expended for Plans, Specifications, and Estimates (PS&E). The Plans, Specifications, and Estimates project component was completed February 2015.

28. **San Onofre to Pulgas Double Track Project–Construction Phase 1:** \$25.3 million was expended for Construction. The Construction project component was completed in June 2016.

*Project closeout for all San Onofre to Pulgas Double Track Project components was in June 2017.

The following table identifies open Intercity Rail Improvement 1B Bond projects and displays, the bond amount programmed, bond funding allocated, funding phase, and percentage of completion for the open projects:

Table 1 **OPEN INTERCITY RAIL IMPROVEMENT PROJECTS**

Project No.	Rail Corridor/ Service	Project Name	Bond Amount Programmed	Bond Funding Allocated	Funding Phase*	Project Status % Complete
1	Capitol Corridor, Pacific Surfliner, San Joaquin	1.1 Procurement of Railcars	\$42,000,000	\$41,318,000	Construction	5%
		1.2 Procurement of Locomotives		\$682,000	Construction	90%
2	Capitol Corridor, Pacific Surfliner, San Joaquin	Option Locomotives	\$103,000,000	\$103,000,000	Construction	70%
3	Pacific Surfliner, Los Angeles County Metropolitan Transportation Authority	Raymer to Bernson Double Track	\$12,980,000	Unallocated	Construction	-
4	Pacific Surfliner, Metrolink	Van Nuys North Platform	\$30,500,000	\$30,500,000	Construction	25%
5	Capitol Corridor	Wayside Power and Storage	\$ 900,000	\$900,000	Construction	82%
6	Pacific Surfliner	Seacliff Siding	\$1,000,000	\$1,000,000	Project Approval & Environmental Document	35%
7	Pacific Surfliner	Seacliff Siding	\$ 20,526,000	Unallocated	Construction	-
8	Capitol Corridor, Pacific Surfliner, San Joaquin	Capitalized Maintenance	\$ 1,025,000	Unallocated	Construction	-
9	Pacific Surfliner	Left Hand Turnout Project	\$ 1,000,000	\$1,000,000	Construction	-
10	Capitol Corridor	Sacramento to Roseville Third Track	\$2,026,000	\$2,026,000	Plans, Specifications & Estimates, Right of Way	2%
11	Capitol Corridor	Sacramento to Roseville Third Track	\$16,225,000	Unallocated	Construction	1%
SUBTOTAL OPEN PROJECTS:			\$231,182,000	\$180,426,000		

*Funding Phase Descriptions: PA&ED = Project Approval & Environmental Document; PS&E = Plans, Specifications, and Estimates; R/W = Right of Way; CON = Construction

The following table shows the 17 completed projects, Intercity Rail Improvement 1B expenditures, and the date of the Final Delivery Report:

Table 2 **COMPLETED/CLOSED INTECITY RAIL IMPROVEMENT PROJECTS**

Project No.	Rail Corridor/ Service	Project Name	Bond Amount Programmed	Bond Funding Allocated	Prop. 1B Expenditures	Final Delivery Report
12	Capitol Corridor, Pacific Surfliner, San Joaquin	1.3 Install On-board Information System	\$5,000,000	\$5,000,000	\$5,000,000	Feb 2018
13	Capitol Corridor	Capitol Corridor Track, Bridge and Signal Upgrade	\$1,305,000	\$1,305,000	\$1,305,000	Jan 2018
14	Pacific Surfliner	Ventura County Sealed Corridor Crossing Improvement	\$218,000	\$218,000	\$112,000	**
15	Pacific Surfliner, Metrolink	Commerce/Fullerton Triple Track–Segment 6	\$31,992,000	\$31,992,000	\$31,992,000	May 2013
16	San Joaquin	Kings Park Track and Signal Improvements	\$3,500,000	\$3,500,000	\$3,500,000	Oct 2012
17	Capitol Corridor, San Joaquin	Emeryville Station and Track Improvements	\$6,151,000	\$6,151,000	\$6,151,000	Jul 2012
18	Capitol Corridor	Bahia Benicia Crossover	\$3,445,000	\$3,445,000	\$3,445,000	Mar 2014
19	Pacific Surfliner, Metrolink	Southern California Regional Rail Authority Sealed Corridor	\$2,782,000	\$2,782,000	\$2,782,000	Mar 2014
20	Capitol Corridor San Joaquin	Wireless Network for Northern California Intercity Passenger Rail Fleet	\$3,750,000	\$3,750,000	\$2,927,000	Jun 2015
21	Pacific Surfliner	Santa Margarita Bridge and Double Track	\$16,206,000	\$16,206,000	\$15,748,000	Jul 2016
22	Pacific Surfliner, Metrolink	New Station Track at Los Angeles Union Station	\$21,800,000	\$21,800,000	\$19,453,000	Dec 2015
23	Pacific Surfliner	Raymer to Bernson Double Track	\$6,500,000	\$6,500,000	\$6,081,000	**
24	Pacific Surfliner, Metrolink	Van Nuys North Platform	\$4,000,000	\$4,000,000	\$3,532,000	**
25	Pacific Surfliner	Oakley-Port Chicago Double Track	\$25,450,000	\$25,450,000	\$23,150,000	Dec 2017
26	Pacific Surfliner	San Onofre to Plugas Double Track–Project Approval & Environmental Document Phase 1 & 2	\$3,146,000	\$3,146,000	\$3,146,000	June 2017
27	Pacific Surfliner	San Onofre to Plugas Double Track–Plans, Specifications, and Estimates;Phase 2	\$1,100,000	\$1,100,000	\$ 972,000	June 2017
28	Pacific Surfliner	San Onofre to Plugas Double Track–Construction Phase 1	\$25,754,000	\$25,754,000	\$25,284,000	June 2017
SUBTOTAL COMPLETED/CLOSED PROJECTS:			\$162,099,000	\$162,099,000	\$154,580,000	

**Pending Final Delivery Report – other funding on project

Summary Intercity Rail Improvement Program Proposition 1B Bond Fund

	Programmed	Allocated
SUB-TOTAL OPEN PROJECTS	\$231,182,000	\$180,426,000
SUB-TOTAL COMPLETED/CLOSED PROJECTS	\$162,099,000	\$162,099,000
TOTAL ALL PROJECTS	\$393,281,000	\$342,525,000
BOND ISSUANCE COST (2% of Bond)	\$6,719,000*	-
TOTAL RAIL BOND FUNDS	\$400,000,000	-

*Completed project savings will be reprogrammed to restore the bond issuance cost to \$8 million reserved for administration costs. Remaining savings will be reprogrammed to Intercity Rail Improvement projects.

Mass Transportation Program Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account Bond Fund

The Public Transportation Modernization, Improvement, and Service Enhancement Account Program provides \$3.6 billion to be allocated to transit operators over a ten-year period for local transit projects. Guidelines for the Public Transportation Modernization, Improvement, and Service Enhancement Account Program were developed through a cooperative effort with stakeholders. Eligible transit projects include:

- Rehabilitation, safety, or modernization improvements
- Capital service enhancements or expansions
- New capital projects
- Bus rapid transit improvement
- Rolling stock procurement, rehabilitation, or replacement
-

To date, the Public Transportation Modernization, Improvement, and Service Enhancement Account Program has allocated \$3.56 billion to more than 1,200 local transit projects. The program currently manages and monitors over 350 open projects. Attachment 2 is a list of all local transit projects that have received an allocation of funds. This list includes the project location, the amount allocated, and the status of the project reported as the percentage complete.

Conclusion

The combined Intercity Rail Improvement and local transit Public Transportation Modernization, Improvement, and Service Enhancement Account programs have allocated a total of approximately \$3.9 billion out of the \$4 billion allotted to projects that have been completed or are currently underway. With the Public Transportation Modernization, Improvement, and Service Enhancement Account Program approaching its anticipated conclusion, only a few specific local transit agencies and intercity rail joint power agencies have remaining unallocated balances. Caltrans has been working closely with these agencies to identify projects that are ready to receive an allocation and begin by June 30, 2019.

Appendix A. Statutory Reporting Reference

GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]

(Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 4. FISCAL AFFAIRS [16100 - 17700]

(Division 4 added by Stats. 1945, Ch. 119.)

PART 3. STATE BONDS [16650 - 16965.1]

(Part 3 added by Stats. 1945, Ch. 120.)

CHAPTER 4. State General Obligation Bonds [16720 - 16787]

(Chapter 4 added by Stats. 1953, Ch. 1698)

ARTICLE 1. General [16720 - 16727]

(Article 1 added by Stats. 1953, Ch. 1698.)

16724.4.

Any state bond measure approved by the voters on or after January 1, 2004, shall be subject to an annual reporting process, as follows:

(a) The head of the lead state agency administering the bond proceeds shall report to the Legislature and the Department of Finance no later than January 1, 2005, or the January 1 of the second year following the enactment of the bond measure, whichever is later, and at least once a year thereafter. The annual report shall contain all of the following:

- (1) A list of all projects and their geographical location that have been funded or are required or authorized to receive funds.
- (2) The amount of funds allocated on each project.
- (3) The status of any project required or authorized to be funded.

(b) Costs of the report may be included in the cost of administering the bond measure unless the measure specifically prohibits those expenses.

(Added by Stats. 2003, Ch. 770, Sec. 1. Effective January 1, 2004.)