

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 27-28, 2008

Reference No.: 4.10
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Lam Nguyen
Acting Chief
Division of Rail

Subject: **AMENDMENT TO PROPOSITION 1B INTERCITY RAIL PROJECT LIST
RESOLUTION ICR1B-P-0809-01, AMENDING RESOLUTION ICR1B-P-0708-01**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the attached Resolution ICR1B-P-0809-01 providing advice and consent to amend the list of intercity rail projects to be funded from Proposition 1B bond proceeds.

ISSUE:

The attached Intercity Rail Proposition 1B Projects list (Attachment 1) includes \$392.157 million in intercity rail projects and \$7.843 million in bond issuance costs. The Department recommends that the list be amended to expand the dollar amounts to show the full bond fund totals (rather than rounded amounts) and to add the Kings Park Track and Signal project for \$8.5 million. To fund the Kings Park project, the \$5 million Merced Crossover project is being incorporated into the Kings Park project and the Fresno Layover Facility is being reduced by \$3.5 million, from \$13.1 to \$9.6 million. The proposed changes are reflected in Attachment 1 as strikethrough and double underline.

BACKGROUND:

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by voters as Proposition 1B, provides \$400 million, upon appropriation by the Legislature, to the Department for intercity passenger rail improvement projects. A minimum of \$125 million is designated for procurement of additional intercity passenger railcars and locomotives. This \$400 million program is part of the \$4 billion Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). This account is to be used to fund public transportation projects. Pursuant to paragraph (2) of subdivision (c) of section 8879.50 of the Government Code, the Department is the administrative agency for the PTMISEA.

At its December 2007 meeting, the Commission approved the guidelines for intercity passenger rail projects in the PTMISEA. The guidelines allow the Department, if necessary, to return to the Commission to request its consent to modify the project list.

At its February 2008 meeting, the Commission approved a list of Proposition 1B intercity rail projects. Consistent with the guidelines, the Department is now requesting four modifications to the project list.

1. Add Kings Park Track and Signal project for \$8.5 million. This project is a high priority for the San Joaquin Corridor that will increase on time performance and reduce running times. This overall project was originally approved from the Traffic Congestion Relief Program (TCRP), but then deferred until funding becomes available. Due to TCRP funding constraints, the project will be segmented, with segment 1 (this project) being constructed with Proposition 1B funds and segment 2 being funded from TCRP, when funding becomes available.
2. Transfer the scope of the \$5 million Merced Crossover project to the Kings Park project.
3. Reduce the cost of the Fresno Layover Facility project to \$9.6 million by eliminating the servicing facility element, and transfer \$3.5 million to the Kings Park project.
4. Revise costs on all projects to reflect actual amounts, rather than the rounded amount. The original project list rounded the project amounts to the \$100,000 level of detail. To be consistent with allocations, the actual amounts should be shown.

The Kings Park Track project is consistent with the program goals presented in the adopted guidelines and generate benefits that relate directly to the program goals. The matrix below shows the benefits of the project as they related to the specific goals discussed in the guidelines.

Project/ Description	Capital Project Goals							Project Benefits
	Increase Capacity	Reduce Travel Time	New/ Updated Facilities	Increase Farebox Ratio	Expand Service	Improve Safety or Security	Improve Operation Efficiency or Mobility	
Kings Park Track and Signal Improvements – Improve running track and signals along San Joaquin Intercity rail line near Hanford in Kings County.	X	X		X	X	X	X	Upgrade running track and installing dispatch controlled signals will improve travel times and overall operation efficiency.

Attachments

RAIL PROPOSITION 1B BOND PROJECTS AMENDMENT

<u>Project/Description</u>	<u>Corridor</u>	<u>Funding Request</u>	
New Projects			
Procure New Rail Cars: Purchase bi-level intercity rail cars and locomotives (estimate 36 cars and 6 locomotives).	Capitol Corridor, Pacific Surfliner, San Joaquin	\$150,000,000	
Commerce/Fullerton Triple Track: Construct 8 miles of triple track between Commerce/ Fullerton - \$70M	Pacific Surfliner, Metrolink	\$70,000,000	
New Station Track at LA Union Station:² Build new track, platform and renovate canopies.	Metrolink	\$35,100,000	
San Onofre - Pulgas Track Project in San Diego County - Construct double track.	Pacific Surfliner	\$30,000,000	
Sacramento Maintenance Facility: Design and build storage track and maintenance facility.	Capitol Corridor, San Joaquin	\$30,000,000	
Coast Daylight Track and Signal: Track and signal project to allow Pacific Surfliner extension to San Francisco Bay Area.	Pacific Surfliner, Coast Daylight	\$25,000,000	
Fresno Layover Facility: Design and build layover facility.	San Joaquin	\$13,101,000 \$9,601,000	Modified
<u>Kings Park Track and Signal Improvements:</u> Improve track and signals along San Joaquin Intercity rail line near Hanford in Kings County.	<u>San Joaquin</u>	\$8,500,000	New
	PROJECTS SUBTOTAL	\$358,201,000	
Projects Reprogrammed from 2006 STIP			
Santa Margarita Bridge and Double Track:² Replace bridge with 2-track bridge and construct additional double track.	Pacific Surfliner	\$16,206,000	
Emeryville Station and Track Improvements:² Extend siding track with associated signal and other track.	Capitol Corridor, San Joaquin	\$10,000,000	
Merced Crossover: Construct crossover between mainline tracks and siding.	San Joaquin	\$5,000,000	Delete
Bahia Benicia Crossover:² Construct crossover between two mainline tracks.	Capitol Corridor	\$4,750,000	
SCRRA Sealed Corridor:² Enhance safety of grade crossings and Railroad Right of Way.	Metrolink	\$3,000,000	
	STIP PROJECTS SUBTOTAL	\$33,956,000	
		\$392,157,000	
Bond Issuance Costs - Loan admin costs, arbitrage rebates, etc.¹		\$7,843,000	
TOTAL RAIL BOND FUNDS		\$400,000,000	

1. Bond Issuance Cost is 2 percent of the Bond amount.

2. Projects with CTC allocations.

NOTE: Projects listed in descending order of cost.

CALIFORNIA TRANSPORTATION COMMISSION

Commission Advice and Consent Proposition 1B Intercity Rail Capital Program Amendment

Resolution ICR1B-P-0809-01, Amending Resolution ICR1B-P-0708-01

- 1.1 WHEREAS, Proposition 1B, passed by California voters on November 7, 2006, called for \$4 billion to be deposited into the Public Transportation Modernization, Improvement, and Service Enhancement Account; and
- 1.2 WHEREAS, of the \$4 billion, \$400 million was designated, to be available upon appropriation by the Legislature, for intercity rail capital projects, including at least \$125 million for the purchase of additional rail cars and locomotives; and
- 1.3 WHEREAS, the initial intercity rail Proposition 1B project list was approved at February 2008 California Transportation Commission (Commission) meeting; and
- 1.4 WHEREAS, the California Commission approved at its December 2007 meeting, the “Guidelines for Intercity Passenger Rail Projects in the Public Transportation Modernization, Improvement, and Service Enhancement Account”, that provide guidance on the implementation of the Proposition 1B Intercity Passenger Rail Program; and
- 1.5 WHEREAS, the guidelines state the Department can return to the Commission to request formal approval to modify the project list and project scope; and
- 1.6 WHEREAS, the amended intercity rail proposition 1B projects list includes \$392.2 million in intercity rail projects and \$7.8 million in bond issuance costs; and
- 1.7 WHEREAS, all projects on the attached amended Proposition 1B project list are consistent with the guidelines.
- 2.1 NOW THEREFORE BE IT RESOLVED, the Commission does hereby provide its advice and consent to the amended list of intercity rail proposition 1B projects; and
- 2.2 BE IT FURTHER RESOLVED that the Department shall report on a quarterly basis to the Commission on the allocation status of the Proposition 1B intercity passenger rail projects as part of the Department’s quarterly delivery report.

RAIL PROPOSITION 1B BOND PROJECTS AMENDMENT

<u>Project/Description</u>	<u>Corridor</u>	<u>Funding Request</u>
<u>New Projects</u>		
Procure New Rail Cars: Purchase bi-level intercity rail cars and locomotives (estimate 36 cars and 6 locomotives).	Capitol Corridor, Pacific Surfliner, San Joaquin	\$150,000,000
Commerce/Fullerton Triple Track: Construct 8 miles of triple track between Commerce/Fullerton - \$70M	Pacific Surfliner, Metrolink	\$70,000,000
New Station Track at LA Union Station:² Build new track, platform and renovate canopies.	Pacific Surfliner, Metrolink	\$35,100,000
San Onofre - Pulgas Track Project in San Diego County - Construct double track.	Pacific Surfliner	\$30,000,000
Sacramento Maintenance Facility: Design and build storage track and maintenance facility.	Capitol Corridor, San Joaquin	\$30,000,000
Coast Daylight Track and Signal: Track and signal project to allow Pacific Surfliner extension to San Francisco Bay Area.	Pacific Surfliner, Coast Daylight	\$25,000,000
Fresno Layover Facility: Design and build layover facility.	San Joaquin	\$9,601,000
Kings Park Track and Signal Improvements: Improve track and signals along San Joaquin Intercity rail line near Hanford in Kings County.	San Joaquin	\$8,500,000
NEW PROJECTS SUBTOTAL		\$358,201,000
<u>Projects Reprogrammed from 2006 STIP</u>		
Santa Margarita Bridge and Double Track:² Replace bridge with 2-track bridge and construct additional double track.	Pacific Surfliner	\$16,206,000
Emeryville Station and Track Improvements:² Extend siding track with associated signal and other track.	Capitol Corridor, San Joaquin	\$10,000,000
Bahia Benicia Crossover:² Construct crossover between two mainline tracks.	Capitol Corridor	\$4,750,000
SCRRA Sealed Corridor:² Enhance safety of grade crossings and Railroad Right of Way.	Metrolink	\$3,000,000
STIP PROJECTS SUBTOTAL		\$33,956,000
SUB-TOTAL ALL PROJECTS		\$392,157,000
Bond Issuance Costs - Loan admin costs, arbitrage rebates, etc.¹		\$7,843,000
TOTAL RAIL BOND FUNDS		\$400,000,000

1. Bond Issuance Cost is 2 percent of the Bond amount.

2. Projects with CTC allocations.

NOTE: Projects listed in descending order of cost.