

Memorandum

To: Chairman and Commissioners

Date: May 22, 2009

From: BIMLA G. RHINEHART
Executive Director

File No:
Book Item 2.1d
Action

Ref: PROPOSITION 116 RAIL PROGRAM APPLICATION, PA-09-03

RECOMMENDATION

Staff recommends that the Commission approve the attached resolution to program \$28,000,000 in Proposition 116 funds to the Sonoma-Marín Area Rail Transit (SMART) District available from PUC Section 99639(a) for a commuter rail project along the Cloverdale to Larkspur rail corridor.

Staff also recommends that the Commission waive the 5% limitation on the use of Proposition 116 funds for preliminary activities, and of the \$28,000,000 available, program \$10,000,000 for design and the remaining \$18,000,000 for right of way acquisition.

ISSUE

Should the Commission program the \$28,000,000 in Proposition 116 Bond funds available under PUC Section 99639(a) for SMART's commuter rail and bicycle/pedestrian path project?

BACKGROUND:

PUC Section 99639(a) authorizes \$28,000,000 in the Proposition 116 Rail Bond Program for the SMART District for a rail project along the Santa Rosa to Larkspur rail corridor.

In April 2009, SMART submitted an application to program the \$28,000,000 for their commuter rail and bicycle/pedestrian path project, from the existing rail station in Cloverdale, in Sonoma County, to approximately 70 miles south to the Larkspur Landing Ferry Terminal in the city of Larkspur, in Marin County.

SMART proposes to program \$10,000,000 for design and \$18,000,000 for right of way, thus requiring the Commission to waive the 5% limitation on the use of Proposition 116 funds for preliminary activities. The total estimated cost of the project is \$540 million. The other funds on the project exceed the required dollar for dollar match for the Proposition 116 funds.

Commission staff has reviewed the Proposition 116 application as well as subsequent clarifications that appear to meet all basic requirements specified in the Proposition 116 Rail Bond Program, as well as the Commission's policies and guidelines, and staff recommends approval.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

Commission Project Approval Sonoma-Marín Area Rail Transit (SMART) District Proposition 116 Application for the SMART Commuter Rail Service from Cloverdale to Larkspur

Resolution PA-09-03

- 1.1 WHEREAS, in June 1990 the voters approved the Clean Air and Transportation Improvement Act, Proposition 116, for \$1.99 billion for rail and mass transportation purposes; and
- 1.2 WHEREAS, the California Transportation Commission is designated in Proposition 116 to oversee the five grant programs over the 20-year term of the Proposition; and
- 1.3 WHEREAS, Proposition 116 calls for the Commission to establish an application process and to develop and adopt guidelines to implement those programs; and
- 1.4 WHEREAS, Proposition 116 establishes as a purpose of the application process that it "facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features"; and
- 1.5 WHEREAS, Proposition 116 requires applications to specify full and complete capital plans, financial plans, and operating plans, including schedules and funding sources, and should the project exceed the cost approved by the Commission, the increased cost shall be covered by funds other than Proposition 116; and
- 1.6 WHEREAS, in December 1990 the Commission adopted policy and application guidelines (#G-90-23) for the Proposition 116 rail program; and
- 1.7 WHEREAS, the Commission has established a Hazardous Waste Identification and Clean-up Policy (#G-91-2) that requires the local agency to have performed full due diligence in identifying the hazardous waste in the right-of-way and easements and properties as well as clean-up, and that the state has been indemnified from clean-up liability of damages, both present and future; and
- 1.8 WHEREAS, PUC Section 99639(a) authorizes \$28,000,000 to Sonoma-Marín Area Rail Transit (SMART) District for a commuter rail project along the Cloverdale to Larkspur corridor; and
- 1.9 WHEREAS, PUC Section 99665(a) requires applicants for grants pursuant to PUC Section 99639(a), to match on a dollar-for-dollar basis, the amount of the grant from other public or private sources, and to demonstrate to the satisfaction of the Commission, the availability of those other funds; and

- 1.10 WHEREAS, in April 2009, the Commission received an application from SMART requesting approval of \$28,000,000 in Proposition 116 funds for the commuter rail project along the Cloverdale to Larkspur rail corridor; and
 - 1.11 WHEREAS, the April 2009 application from SMART also requested that the Commission waive the 5% limitation on the use of Proposition 116 funds for preliminary activities, and to program \$10,000,000 for design and \$18,000,000 for right of way acquisition; and
 - 1.12 WHEREAS, the application from the SMART District, including all supplemental information, has been reviewed by Commission staff, and appears to meet all the basic requirements as specified in Proposition 116 and the Commission's policies and guidelines.
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- 2.1 NOW, THEREFORE BE IT RESOLVED, that the Commission hereby approves the application from the Sonoma-Marin Area Rail Transit District to program \$28,000,000 in Proposition 116 funds for the commuter rail project along the Cloverdale to Larkspur corridor; and
 - 2.2 BE IT FURTHER RESOLVED, that the Commission waives the 5% limitation on the use of Proposition 116 funds for preliminary activities, and of the \$28,000,000 available, programs \$10,000,000 for design and the remaining \$18,000,000 for right of way acquisition; and
 - 2.3 BE IT FURTHER RESOLVED, that Resolution PA-09-03 is hereby adopted.