

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 14-15, 2011

Reference No.: 2.1d
Action


From: BIMLA G. RHINEHART
Executive Director

Subject: **PROPOSITION 116 RAIL PROGRAM APPLICATION AMENDMENT**
RESOLUTION PA-11-02, AMENDING RESOLUTION PA-09-03

ISSUE

Should the Commission reprogram the \$28,000,000 in Proposition 116 Rail Program Bond funds available for the Sonoma-Marin Area Rail Transit (SMART) District?

RECOMMENDATION

Staff recommends that the Commission approve the attached resolution to reprogram \$28,000,000 of Proposition 116 funds programmed to the SMART commuter rail project. Currently, \$10,000,000 are programmed for design and \$18,000,000 for right of way acquisition. SMART requests that \$5,000,000 remain for design and that the \$23,000,000 balance be reprogrammed to construct the Initial Operating Segment (IOS) of the SMART Commuter Rail and Bicycle/Pedestrian Path project.

BACKGROUND:

PUC Section 99639(a) authorizes \$28,000,000 in Proposition 116 Bond funds for the SMART District for a commuter rail project along the Cloverdale to Larkspur rail corridor.

In June 2009, the Commission adopted Resolution PA-09-03, approving SMART's application to program the \$28,000,000 of Proposition 116 funds 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.

Due to increases in cost estimates and reduced local revenues, SMART now proposes to implement the project in phases. This amendment will make changes and program \$5,000,000 for design and \$23,000,000 for construction of the Initial Operating Segment (IOS) of the SMART Commuter Rail and Pathway project. The IOS will extend from downtown Santa Rosa, in Sonoma County, to approximately 37 miles south to downtown San Rafael, in Marin County. The segment will include from seven to ten stations and has a total estimated cost of \$397 million.

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

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

Resolution PA-11-02, amending 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, on June 11, 2009, the Commission adopted Resolution PA-09-03, programming \$10,000,000 of Proposition 116 funds for design and \$18,000,000 for right of way acquisition for the SMART commuter rail and 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; and
- 1.12 WHEREAS, in October 2011, the Commission received an amended application from SMART requesting approval to reprogram the \$28,000,000 in Proposition 116 funds to \$5,000,000 for design and \$23,000,000 to construction of the Initial Operating Segment (IOS) of the SMART Commuter Rail and Pathway project. The IOS extends south 37 miles from downtown Santa Rosa, in Sonoma County, to downtown San Rafael, in Marin County. The IOS will include from seven to ten stations and has a total estimated cost of \$397 million; and
- 1.13 WHEREAS, the amended 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.
- 2.1 NOW, THEREFORE BE IT RESOLVED, that the Commission hereby approves the amended application from the Sonoma-Marín Area Rail Transit District to program the \$28,000,000 in Proposition 116 funds for the Initial Operating Segment (IOS) of the SMART Commuter Rail and Pathway project; 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 \$5,000,000 for design and the remaining \$23,000,000 for construction; and
- 2.3 BE IT FURTHER RESOLVED, that Resolution PA-11-02 is hereby adopted.