

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 18-19, 2016

Reference No.: 4.17
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Bruce Roberts, Chief
Division of Rail and Mass
Transportation

Subject: AMENDMENT TO PROPOSITION 1B INTERCITY RAIL IMPROVEMENT PROGRAM
RESOLUTION ICR1B-P-1516-02, AMENDING RESOLUTION ICR1B-P-1516-01

RECOMMENDATION:

The California Department of Transportation (Department) requests the California Transportation Commission (Commission) consent to amend the Proposition 1B Intercity Rail Improvement Program (ICR1B) project list.

ISSUE:

The Department requests that the following actions be taken with the ICR1B Program project list as follows:

- Delete the Coast Daylight Track and Signal project.
- Add the Seacliff Siding project to be funded with \$21,526,000 from the deprogrammed Coast Daylight Track and Signal project.
- Add \$2.68 million of additional funding to Raymer to Bernson to backfill STIP cuts.
- Deprogram \$900,000 from the Northern California Maintenance Facility.
- Add the Wayside Power and Storage project to be funded with \$900,000 from the deprogrammed Northern California Maintenance Facility funds.
- Add the Capitalized Maintenance project for \$1,567,000.
- Add the Intercity Rail Diesel Electric Locomotive #21 to be funded with \$6,674,000 from the Passenger Equipment Acquisition Fund (PEAF).

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.

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.

The \$21,526,000 proposed to be programmed to the Seacliff project reflects, and is consistent with, the most recent project cost estimate as provided by the Union Pacific Railroad.

The Department is proposing to program the current un-programmed balance with the ICR1B program of \$1,567,000 to the Capitalized Maintenance project. As additional savings are realized, potentially through project scope refinement or closeout, it is the Departments intent to program future savings to the Capitalized Maintenance project up to the eight million dollar level.

The necessary changes are reflected in strikethrough and bold in the revised Proposition 1B Intercity Rail Projects list.

Passenger Equipment Acquisition Fund (PEAF):

Government Code, Article 4. Purchase, Sale, and Leasing of Passenger Transportation Vehicles (GC 1406014066). The Passenger Equipment Acquisition Fund is hereby created in the State Treasury. Notwithstanding Section 13340, all moneys in the fund are continuously appropriated to the department to pay the principal of, interest on, and redemption premium, if any, on equipment obligations, to pay all costs of issuance and sale of equipment obligations, to purchase new and rehabilitate existing equipment, and for passenger rail capital improvements.

PROPOSITION 1B INTERCITY RAIL IMPROVEMENT PROGRAM AMENDMENT (Proposed)

Project/Description	Corridor	Funding Request
Procurement of Locomotives, Railcars, and Install On-board Information System: ¹ Purchase bi-level intercity railcars and locomotives, and install OBIS	Capitol Corridor, Pacific Surfliner, San Joaquin	\$ 150,000,000
Commerce/Fullerton Triple Track - Segment 6: ¹ Construct third main track from MP 154.5 to MP 157.6.	Pacific Surfliner, Metrolink	\$ 31,992,000
New Station Track at LA Union Station: ¹ Build new track, platform and renovate canopies.	Pacific Surfliner, Metrolink	\$ 21,800,000
San Onofre to Pulgas Double Track Project – Phase 1: ¹ Design and environmental work for Phases 1 and 2, construction of Phase 1.	Pacific Surfliner	\$ 28,900,000
San Onofre to Pulgas Double Track Project – Phase 2: ¹ Design and engineering for Phase 2.	Pacific Surfliner	\$ 1,100,000
Northern California Maintenance Facility: ¹ Design and build storage track and maintenance facility.	Capitol Corridor, San Joaquin	\$ 19,151,000 \$ 18,251,000
Oakley to Port Chicago: ¹ Construct double track.	San Joaquin	\$ 25,450,000
Coast Daylight Track and Signal: Track and signal project to allow service to from LA to the San Francisco Bay Area.	Pacific Surfliner, Coast Daylight	\$ 25,000,000 \$ 0
Kings Park Track and Signal Improvements: ¹ Improve track and signals along San Joaquin Intercity rail line near Hanford in Kings County.	San Joaquin	\$ 3,500,000
Wireless Network for Northern California IPR Fleet: ¹ Install a wireless communication network on the Northern California IPR	Capitol Corridor, San Joaquin	\$ 2,927,000
Raymer to Bernson Double Track: ¹ Construct double track from MP 453.1 to MP 446.8 in Ventura County.	Pacific Surfliner, LAMTA	\$ 16,800,000 \$ 19,480,000
Van Nuys North Platform: ¹ Construct second platform at the Van Nuys station.	Pacific Surfliner, LAMTA	\$ 34,500,000
Santa Margarita Bridge and Double Track: ¹ Replace bridge with 2-track bridge and construct additional double track.	Pacific Surfliner	\$ 16,206,000
Emeryville Station and Track Improvements: ¹ Extend siding track with associated signal and other track.	Capitol Corridor, San Joaquin	\$ 6,151,000
Bahia Benicia Crossover: ¹ Construct crossover between two mainline tracks and additional track improvements and upgrades including frog replacement and tie tamping on the Capitol Corridor.	Capitol Corridor	\$ 3,445,000
Capitol Corridor Track, Bridge, and Signal Upgrade Project: ¹ Replace and upgrade certain elements of the track, signal and bridge infrastructure along the Capitol Corridor.	Capitol Corridor	\$ 1,305,000
SCRRA Sealed Corridor: ¹ Enhance safety of grade crossings and Railroad Right of Way.	Pacific Surfliner Metrolink	\$ 2,782,000
Ventura County Sealed Corridor: ¹ Enhance safety of grade crossings and Railroad Right of Way.	Pacific Surfliner Metrolink	\$ 218,000
Wayside Power and Storage: Installation of a wayside power at the Auburn Station and layover site.	Capitol Corridor	\$ 900,000
Seacliff Siding: New track siding in Seacliff for more control access for the Pacific Surfliner	Pacific Surfliner	\$ 21,526,000
Capitalized Maintenance Preservation of Capital Improvements (Fix It First) and Improved Operations	All Corridors	\$ 1,567,000
SUB-TOTAL ALL PROJECTS		\$ 392,000,000
Bond Issuance Costs - Loan admin costs, arbitrage rebates, etc. ²		\$ 8,000,000
Unallocated Balance		\$ 0
TOTAL RAIL BOND FUNDS		\$ 400,000,000

1. Projects with CTC allocations (full or partial).
2. Bond Issuance Cost is 2 percent of the Bond amount.

PROPOSITION 1B INTERCITY RAIL IMPROVEMENT PROGRAM AMENDMENT (Amended)

Project/Description	Corridor	Funding Request
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Bond Issuance Costs - Loan admin costs, arbitrage rebates, etc. ²		\$ 8,000,000
Unallocated Project Savings		\$ 0
TOTAL RAIL BOND FUNDS		\$ 400,000,000
Passenger Equipment Acquisition Fund (PEAF) - Option Order #21.		\$6,674,000

1. Projects with CTC allocations (full or partial).

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

CALIFORNIA TRANSPORTATION COMMISSION

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

Resolution ICR1B-P-1516-02, Amending Resolution ICR1B-P-1516-01

- 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 California Transportation Commission (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
- 1.4 WHEREAS, the guidelines state the California Department of Transportation (Department) can return to the Commission to request formal approval to modify the project list and project scope; and
- 1.5 WHEREAS, the initial Intercity Rail Proposition 1B project list was approved at February 2008 Commission meeting; 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, that the Commission does hereby provide its 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.



May 20, 2016

Malcolm Dougherty, Director
 Department of Transportation
 P.O. Box 942873, MS-49
 Sacramento, CA 94273

Re: Proposition 1B deprogramming of the Coast Daylight Track and Signal Project (\$25M)

Dear Director Dougherty:

We write on behalf of the Coast Rail Coordinating Council (CRCC), a coalition of coastal county transportation and planning agencies organized to improve passenger rail services. The primary focus of the CRCC is to improve the frequency, speed, reliability and ease of use of passenger trains on the coast route between San Francisco and Los Angeles.

We are disappointed at the recommended deprogramming proposed by Caltrans of \$25 million from the Coast Daylight Service in the Proposition 1B Intercity Rail Program on the agenda for the California Transportation Commission on May 18-19th. We recognize the difficult funding times that exist this year, but this action jeopardizes the very viability of a Central Coast rail project that we have worked together on for years. While we understand that your goal is to keep near-term rail construction projects moving forward, this action does not support the State's emphasis on rail transportation and alternatives to driving throughout California.

We hereby request a formal commitment by Caltrans and the State Transportation Agency to support, fund, negotiate with the railroad, and work as a key partner with us on emerging rail services in the Coast Corridor.

The coastal counties have dedicated thousands of hours of staff time and the project has extensive policy support from elected officials, cities and counties for this statewide project. For over twenty years we have worked in good faith with Caltrans to plan and deliver coast corridor improvements, most recently including:

- **Service Development Plan** - Partnering in the federally required Service Development Plan for the Coast Corridor (May 2013)
- **Environmental Impact Reports** - Conducting Federal and State Environmental Impact Reports for the SLO-Salinas segment on behalf of Caltrans (December 2015), Salinas-San Jose (now underway)
- **Amtrak Feasibility Study** - Completing the Amtrak Feasibility Study documenting an estimated \$3.1 million annual cost to serve the corridor with a 62% farebox ratio, adding over 124,000 new riders to an underserved corridor. (May 2016)

- **LOSSAN Business Plan** - Including future operation of a new coast corridor train in the LOSSAN Business Plan. (February 2016)

The delay in project implementation is a result of an ineffective and incoherent strategy to deal with Union Pacific Railroad. Clearly, this strategy has not produced results. Closing the gap in state-supported services along the Central Coast has been included in the State Rail Plan for over 20 years and is included in even the most conservative scenario for the 2018 Rail Plan. The market analysis done for the new Rail Plan shows a significant latent demand for rail on the Central Coast.

We understand that the CTC, CalSTA and Caltrans are facing a dire funding situation for transportation projects statewide and we appreciate the serious conundrum of cutting projects that have been in the plans for years if not decades. We believe that the STIP is misunderstood and underappreciated as a multimodal funding mechanism, as evidenced by the \$31 million cut to rail projects proposed at this CTC meeting. We hope that the transportation proposals under consideration now will include a solution for the STIP crisis.

We also argue that the proposed elimination of \$25 million to the Coast Daylight project is a question of geographic equity, as this was funding that this coalition has been counting on to implement improvements to the Coast Corridor, a historically underfunded region. This elimination will jeopardize all the success the corridor has achieved to date and put into question any improvements in the corridor for years to come. The Central Coast is facing a \$50 million STIP cut. Adding another \$25 million cut is a disproportionate cut to statewide funding coming to this region.

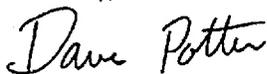
We request that Caltrans and CalSTA develop a near-term strategy to support, fund, and negotiate with the railroad to advance the goals of the coast corridor that include:

1. Providing a new state-supported through train to link the Central Coast to the Los Angeles basin and the San Francisco Bay Area;
2. Facilitating the extension of state-supported train service from San Jose to Salinas, and,
3. Providing better peak-hour service to Santa Barbara from the south on the LOSSAN corridor.

We were notified of this programming decision very late in the process. In the future we would appreciate advance notice of planned changes in funding or policy – good or bad—in order to allow the opportunity for discussion that is appropriate among public agencies.

We look forward to your response. Please do not hesitate to contact us directly, or call Pete Rodgers at 805-781-5712.

Sincerely,



Dave Potter
Chair, CRCC
Supervisor, Monterey County

Copy: Chad Edison, CalSTA
Coast Corridor Legislators
Susan Bransen, CTC

Bruce Roberts, Division of Rail and Mass Transit
Coast Corridor RTPA Executive Directors
CTC Commissioners

TAMC
TRANSPORTATION AGENCY
FOR MONTEREY COUNTY



55-B Plaza Circle, Salinas, CA 93901-2902 • Tel: (831) 775-0903 • Website: www.tamcmonterey.org

May 16, 2016

Mr. Bob Alvarado, Chair
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

Re: Opposition to Proposition 1B deprogramming of the Coast Daylight Track and Signal Project (\$25M)
California Transportation Commission on May 18-19, 2016 (Tab 58)

Dear Chair Alvarado:

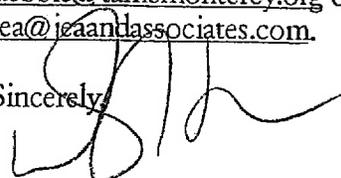
We recently became aware of the deprogramming proposed by Caltrans of \$25 million from the Coast Daylight Service in the Proposition 1B Intercity Rail Program on the agenda for the California Transportation Commission on May 18-19, 2016. **We request that the CTC deny Caltrans' request to deprogram Proposition 1B funds from the Coast Daylight project.**

This proposed programming decision was made without consulting with regional partners. This action jeopardizes several Central Coast rail projects that planning agencies and elected officials have worked on together for years. The project has been in the state rail plan for years. It is not clear how this deprogramming action supports the State's emphasis on rail transportation and alternatives to driving throughout California.

Our agency has prioritized rail improvements and rail projects enjoy strong support from the public and elected officials. We are deeply concerned that the proposed elimination of \$25 million to the Coast Daylight project is a question of geographic equity, as this was funding that we had been counting on to implement improvements to the central coast, a historically underfunded region for rail services. This elimination will jeopardize all the success the corridor has achieved to date and put into question any improvements in the corridor for years to come. Monterey County is already facing a \$16.1 million STIP cut. Adding another \$25 million cut is a disproportionate cut to statewide funding coming to this region.

We look forward to your response. Please do not hesitate to contact me at 831-775-0903 or debbie@tamcmonterey.org or our consultant John Arriaga at (916) 669-1340 or jea@jeandassociates.com.

Sincerely,


Debra L. Hale
Executive Director

Copy: Chad Edison, CalSTA
Coast Corridor Legislators

Bruce Roberts, Division of Rail and Mass Transit
Coast Corridor RTPA Executive Directors