

## Memorandum

To: CHAIR AND COMMISSIONERS

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Information Item

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Subject: **INTERCITY RAIL CAPITAL PROGRAM – PROPOSITION 1B BOND**

### **SUMMARY:**

Proposition 1B was passed by California voters on November 7, 2006. The Proposition called for a total of \$4 billion to be deposited in the “Public Transportation Modernization, Improvement, and Service Enhancement Account” created by the proposition. Of the \$4 billion, \$400 million was designated to be available, upon appropriation by the Legislature, for intercity rail capital projects, including \$125 million for the procurement of intercity rail cars and locomotives.

The attached document identifies the intercity rail capital projects under consideration by the California Department of Transportation (Department) for funding from the proceeds of Proposition 1B. This book item is intended to describe the proposed process by which the Department would seek concurrence of the California Transportation Commission (Commission) in both the overall intercity rail capital program and at the individual project level.

### **BACKGROUND:**

The Department’s Division of Rail uses a “Strategic Business Plan” framework to identify and prioritize rail capital projects on both an individual corridor and a statewide basis. Developed with extensive input from partners and stakeholders, the strategic business plans identify the corridor performance goals (frequency, trip times, and reliability) and the program of capital projects necessary to achieve those goals. These projects are then prioritized on an immediate-, near-, and long-term basis. Immediate-term projects are ones that should be constructed in a one to three year horizon, near-term projects are a four to eight year horizon, and long-term projects are those projects with a delivery horizon of nine years or longer.

The first of these plans was Amtrak’s 2001 “California Passenger Rail System—20 Year Improvement Plan” developed in conjunction with the Department. The Department has subsequently developed strategic business plans for the LOSSAN (Pacific Surfliner) Corridor between San Diego and Los Angeles and between Los Angeles and San Luis Obispo. The San Joaquin Corridor Strategic Business Plan is scheduled for completion in the fall of 2007. The Capitol Corridor Joint Powers Authority uses a similar process to develop its capital program. These strategic business plans are used to develop the statewide capital outlay program contained in the Department’s “Ten Year California State Rail Plan.”

Using the strategic plans as a foundation, and with input from partners and stakeholders, the Department proposes projects to be included in the biennially updated State Transportation Improvement Program (STIP). In proposing intercity rail projects for funding, not only does the Department attempt to propose projects with the greatest benefit, it also attempts to balance the needs of each of the three corridors to leverage financial and project contributions from partner agencies and maximize joint benefits for commuter and freight partners. It should be noted, however, that although an individual project may offer significant benefits, it may not be possible to propose the project because its cost far exceeds available programming capacity.

### **CURRENT STATUS:**

The passage of Proposition 1B allows the Department to undertake a number of projects that otherwise would not have been funded in the near term. The attached document identifies a list of projects under consideration for funding.

The Proposition required at least \$125 million to be used for the acquisition of rail rolling stock. To assure that adequate funds are available to acquire the equipment, the Department is proposing to reserve \$150 million for that purpose pending completion of the procurement process and execution of a contract.

In proposing the distribution of the remaining Proposition 1B intercity rail funds to projects, the Department has proposed funding high priority, high benefit projects which, because of their cost, would not otherwise be funded through the regular STIP programming process. The distribution also attempts to equalize, between Proposition 1B and prior STIPs, programming levels among the three corridors.

Projects on the Department's proposed list may also be eligible for funding from Proposition 1B's Grade Separation and Trade Corridor programs to the extent the Department can take advantage of these other funding sources, more intercity rail projects could be funded from Proposition 1B's intercity rail funds.

Proposition 1B, and its implementing legislation, was silent as to what role the Commission should play in the programming and funding of intercity rail projects. Intercity rail projects must be viewed, however, as part of the cohesive transportation program the Administration and Proposition 1B set forth to begin addressing the State's congestion and mobility issues. The Department is, therefore, proposing a two-step process to obtain the Commission's input and concurrence in the selection of intercity rail projects proposed for funding from Proposition 1B.

First, the Department will seek, at the Commission's July 2007 meeting, "Advice and Consent" in the list of projects proposed for funding. Secondly, prior to execution of a funding agreement for a Proposition 1B funded project, the Department will submit a book item to advise the Commission of its intent to enter into a funding agreement. The book item will detail the project's scope, cost, and schedule and will seek the Commission's concurrence to proceed with executing the funding agreement. The Department will report on the status of the bond funded intercity rail capital projects as part of the Department's quarterly bond reporting process.

Attachment

## Potential Intercity Rail Proposition 1B Projects

(Funding shown in millions)

Project/Description	Corridor	Funding Request	Other Funding	Total Project Cost	Cumulative Funding Request	Project Benefits
<b>Procure New Rail Cars:</b> Purchase up to 36 bi-level intercity rail cars	Capitol Corridor, Pacific Surfliner, San Joaquin	\$150.0		\$150.0	\$150.0	Reduce crowding of existing trains by expanding capacity. Allow for increased frequencies or new routes.
<b>Triple Track:</b> Construct 7 miles of triple track between Commerce/Fullerton	Pacific Surfliner, Metrolink	\$70.0		\$70.0	\$220.0	Eliminate LA - Fullerton bottleneck. Permit expansion of Surfliner and Metrolink services. Facilitate goods movement from Ports of LA and Long Beach.
<b>Rosecrans/Marquardt Grade Separation:</b> Construct grade separation	Pacific Surfliner	\$59.3	\$6.2 STIP \$4.5 BNSF \$20.0 Grade Sep Acct	\$90.0	\$279.3	Improve safety. Reduce vehicle emissions. Improve local road circulations. Facilitate heavy truck movements.
<b>San Diego Layover Facility:</b> Design, acquire ROW, and construct facilities	Pacific Surfliner	\$50.0		\$50.0	\$329.3	Shift portion of maintenance activities currently performed at depot to more compatible location. Allow for expanded fleet size.
<b>Coast Daylight:</b> Construct new track or extend sidings to connect Pacific Surfliner to Capitol Corridor	Pacific Surfliner, Capitol Corridor	\$25.0		\$25.0	\$354.3	Enable start-up of a new coastal rail service connecting Northern and Southern California. Improve mobility.
<b>Van Nuys Station:</b> Design/construct 2nd platform and track work	Pacific Surfliner, Metrolink	\$25.6		\$25.6	\$379.9	Permit two trains to serve station at same time to reduce delays, improve reliability and reduce running time.
<b>Construct New Station Track in LA Union Station:</b> Build new track, platform and renovate canopies	Pacific Surfliner, Metrolink	\$35.1	\$3.0 Metrolink	\$38.1	\$415.0	Add station capacity to allow more frequent services. Improve passenger loading.
<b>Fresno Layover Facility:</b> Design and build storage track and related facilities	San Joaquin	\$15.0		\$15.0	\$430.0	Improve fleet utilization, allow for expanded fleet size and add schedule flexibility.
<b>Sacramento Layover Facility:</b> Design and build storage track and related facilities	Capitol Corridor, San Joaquin	\$15.0		\$15.0	\$445.0	Improve fleet utilization, allow for expanded fleet size and add schedule flexibility.