

## Memorandum

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** March 28-29, 2012

**Reference No.:** 4.6  
Action Item

**From:** NORMA ORTEGA  
Chief Financial Officer

**Prepared by:** William D. Bronte, Chief  
Division of Rail

**Subject:** AMENDMENT TO PROPOSITION 1B INTERCITY RAIL PROJECT LIST  
RESOLUTION ICR1B-P-1112-01, AMENDING RESOLUTION ICR1B-P-1011-05

### RECOMMENDATION:

The California Department of Transportation (Department) requests that the California Transportation Commission (Commission) provide its consent to amending Resolution ICR1B-P-0708-01 to update the Proposition 1B Intercity Rail Improvement (ICR1B) project list to revise the description of the Procure New Rail Cars project scope, to update the project budget for the Commerce-Fullerton Triple Track project and split the project into segments, and to add the Raymer to Bernson Double Track project.

### ISSUE:

The ICR1B project list includes \$392.157 million in intercity rail projects and \$7.843 million in bond issuance costs. The Department requests that this list be amended to update the scope of the Procure New Rail Cars project, to identify stand-alone segments in the Commerce-Fullerton Triple Track project in order to clarify the project's funding, scope and reporting and to add the Raymer to Bernson Double Track project.

These actions would not increase or decrease the overall amount of bond funding programmed in the ICR1B program.

#### Procure New Rail Cars

At the time of programming the original ICR1B project list, it was conservatively estimated that the available funds would allow the Department to purchase 36 railcars and 6 locomotives. As reported at the December 2011 Commission meeting, current cost estimates and the receipt of federal funds should allow the Department to purchase a total of 42 railcars and 6 locomotives.

#### Commerce/Fullerton Triple Track

The Commerce-Fullerton Triple Track ICR1B project was originally listed on the ICR1B project list as a single-phase project for \$160,102,000. The ICR1B project consists of Segment 6, Segment 7 and Segment 8, which are part of a larger overall project consisting of eight segments. The cost for Segments 6, 7 and 8 is \$108,546,875. The difference of \$51,555,125 was programmed to earlier segments of the overall project and inadvertently reported with the ICR1B

funding. Also, Segment 7 of the project received a federal grant since the initial ICR1B project list was programmed. The current project budget, revised project budget, and budgets for the three segments are shown in the table below.

<b>Funding Source</b>	<b>Current</b>	<b>Revised</b>	<b>Segment 6</b>	<b>Segment 7</b>	<b>Segment 8</b>
STIP	\$40,680,000	\$0	\$0	\$0	\$0
TCRP	\$49,422,000	\$7,991,000	\$0	\$0	\$7,991,000
Proposition 1B	\$70,000,000	\$62,500,000	\$32,000,000	\$0	\$30,500,000
Recovery Act	\$0	\$38,055,875	\$0	\$38,055,875	\$0
<b>TOTAL</b>	<b>\$160,102,000</b>	<b>\$108,546,875</b>	<b>\$32,000,000</b>	<b>\$38,055,875</b>	<b>\$38,491,000</b>

Segment 6 will construct a third main track from Milepost (MP) 154.5 to MP 157.6, which is a part of the original ICR1B project scope. Segment 8 will construct a third main track from MP 157.4 to MP 158.8, which is also a part of the original ICR1B project scope. Segment 6 and Segment 8 will be shown as separate projects in the ICR1B project list.

Segment 7 will construct third main track from MP 150.7 to MP 154.5, which is also a part of the original ICR1B project scope. However, Segment 7 received a federal grant of federal American Recovery and Reinvestment Act of 2009 (Recovery Act) funds in the amount of \$38,055,875 from the Federal Railroad Administration so ICR1B funds are no longer needed for construction of Segment 7. Segment 7 can be removed from the ICR1B project list, making \$7,500,000 of ICR1B funds available for the Raymer to Bernson Double Track project which will be added to the ICR1B project list.

Raymer to Bernson Double Track

The Raymer to Bernson Double Track project will construct approximately six miles of double tracking along the Pacific Surfliner Corridor in Ventura County. The project limits are from Control Point (CP) Raymer at MP 453.1 to CP Bernson at MP 446.8. The completed project will result in improved travel times for the Pacific Surfliner intercity passenger rail service; other project benefits include an improvement in operational reliability and on-time performance. The project will also allow for additional intercity passenger and commuter services in the future. The total project cost is \$72,955,000, of which \$7,500,000 is proposed for ICR1B funding.

These benefits are consistent with the State’s intercity passenger rail goals for the corridor. The Raymer to Bernson Double Track project fits the ICR1B program guidelines. The proposed funding is shown in the following table.

<b>Funding Source</b>	<b>PA&amp;ED</b>	<b>PS&amp;E</b>	<b>CON</b>	<b>TOTAL</b>
STIP (2012 proposed)	\$0	\$0	\$63,500,000	\$63,500,000
Proposition 1B	\$0	\$0	\$7,500,000	\$7,500,000
Local Match	\$191,000	\$200,000	\$0	\$391,000
Recovery Act	\$764,000	\$800,000	\$0	\$1,564,000
<b>TOTAL</b>	<b>\$955,000</b>	<b>\$1,000,000</b>	<b>\$71,000,000</b>	<b>\$72,955,000</b>

**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.

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

**RAIL PROPOSITION 1B BOND PROJECTS AMENDMENT (Proposed)**

<b>Project/Description</b>	<b>Corridor</b>	<b>Funding Request</b>
<b>New Projects</b>		
<b>Procure New Rail Cars:</b> <sup>2</sup> <sub>1</sub> Purchase bi-level intercity rail cars and locomotives (est. <del>36</del> <b>42</b> cars and 6 locomotives).	Capitol Corridor, Pacific Surfliner, San Joaquin	\$ 150,000,000
<b>Commerce/Fullerton Triple Track:</b> <sup>2</sup> Construct 8 miles of triple track between Commerce/ Fullerton	<del>Pacific Surfliner,</del> <b>Metrolink</b>	<del>\$ 70,000,000</del>
<b>Commerce/Fullerton Triple Track - Segment 6:</b> <sup>2</sup> <sub>1</sub> <b>Construct third main track from MP 154.5 to MP 157.6</b>	<u>Pacific Surfliner,</u> <u>Metrolink</u>	<b>\$ 32,000,000</b>
<b>Commerce/Fullerton Triple Track - Segment 8:</b> <b>Construct third main track from MP 157.4 to MP 158.8</b>	<u>Pacific Surfliner,</u> <u>Metrolink</u>	<b>\$ 30,500,000</b>
<b>New Station Track at LA Union Station:</b> <sup>2</sup> <sub>1</sub> Build new track, platform and renovate canopies.	Pacific Surfliner, Metrolink	\$ 35,100,000
<b>San Onofre to Pulgas Double Track Project - Phase 1:</b> <sup>2</sup> <sub>1</sub> Design and environmental work for Phases 1 and 2 of project, plus construction of Phase 1	Pacific Surfliner	\$ 30,000,000
<b>Sacramento Maintenance Facility:</b> Design and build storage track and maintenance facility.	Capitol Corridor, San Joaquin	\$ 4,550,000
<b>Oakley to Port Chicago:</b> <sup>2</sup> <sub>1</sub> Construct double track.	San Joaquin	\$ 25,450,000
<b>Coast Daylight Track and Signal:</b> Track and signal project to allow Pacific Surfliner extension to San Francisco Bay Area.	Pacific Surfliner, Coast Daylight	\$ 25,000,000
<b>Mid-Route Layover Facility:</b> Design and build layover facility.	San Joaquin	\$ 14,601,000
<b>Kings Park Track and Signal Improvements:</b> <sup>2</sup> <sub>1</sub> Improve track and signals along San Joaquin Intercity rail line near Hanford in Kings County.	San Joaquin	\$ 3,500,000
<b>Wireless Network for Northern California IPR Fleet:</b> <sup>2</sup> <sub>1</sub> Install a wireless communication network on the Northern California IPR fleet for passenger amenity, support of safety and security, and expand ADA compliance for on-train communications.	Capitol Corridor, San Joaquin	\$ 3,750,000
<b>Raymer to Bernson Double Track:</b> <b>Construct double track from MP 453.1 to MP 446.8 in Ventura County</b>	<b><u>Pacific Surfliner,</u></b> <b><u>Metrolink</u></b>	<b>\$ 7,500,000</b>
<b>NEW PROJECTS SUBTOTAL</b>		<b>\$ 358,201,000</b>
<b>Projects Reprogrammed from 2006 STIP</b>		
<b>Santa Margarita Bridge and Double Track:</b> <sup>2</sup> <sub>1</sub> Replace bridge with 2-track bridge and construct additional double track.	Pacific Surfliner	\$ 16,206,000
<b>Emeryville Station and Track Improvements:</b> <sup>2</sup> <sub>1</sub> Extend siding track with associated signal and other track.	Capitol Corridor, San Joaquin	\$ 6,250,000
<b>Bahia Benicia Crossover:</b> <sup>2</sup> <sub>1</sub> Construct crossover between two mainline tracks and additional track improvements and upgrades including frog replacement and tie tamping on the Capitol Corridor.	Capitol Corridor	\$ 4,750,000
<b>SCRRA Sealed Corridor:</b> <sup>2</sup> <sub>1</sub> Enhance safety of grade crossings and Railroad Right of Way.	Metrolink	\$ 3,000,000
<b>STIP Projects Subtotal</b>		<b>\$ 33,956,000</b>
<b>SUB-TOTAL ALL PROJECTS</b>		<b>\$ 392,157,000</b>
Bond Issuance Costs - Loan admin costs, arbitrage rebates, etc. <sup>1</sup>		<b>\$ 7,843,000</b>
<b>TOTAL RAIL BOND FUNDS</b>		<b>\$ 400,000,000</b>

<sup>1</sup> 2. Bond Issuance Cost is 2 percent of the Bond amount.

<sup>2</sup> 1. Projects with CTC allocations (full or partial).

**RAIL PROPOSITION 1B BOND PROJECTS AMENDMENT (Amended)**

<b>Project/Description</b>	<b>Corridor</b>	<b>Funding Request</b>
<b>Procure New Rail Cars:</b> <sup>1</sup> Purchase bi-level intercity rail cars and locomotives (est. 42 cars and 6 locomotives).	Capitol Corridor, Pacific Surfliner, San Joaquin	\$ 150,000,000
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<b>New Station Track at LA Union Station:</b> <sup>1</sup> Build new track, platform and renovate canopies.	Pacific Surfliner, Metrolink	\$ 35,100,000
<b>San Onofre to Pulgas Double Track Project – Phase 1:</b> <sup>1</sup> Design and environmental work for Phases 1 and 2 of project, plus construction of Phase 1.	Pacific Surfliner	\$ 30,000,000
<b>Sacramento Maintenance Facility:</b> Design and build storage track and maintenance facility.	Capitol Corridor, San Joaquin	\$ 4,550,000
<b>Oakley to Port Chicago:</b> <sup>1</sup> Construct double track.	San Joaquin	\$ 25,450,000
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<b>SCRRA Sealed Corridor:</b> <sup>1</sup> Enhance safety of grade crossings and Railroad Right of Way.	Metrolink	\$ 3,000,000
<b>SUB-TOTAL ALL PROJECTS</b>		<b>\$ 392,157,000</b>
Bond Issuance Costs - Loan admin costs, arbitrage rebates, etc. <sup>2</sup>		<b>\$ 7,843,000</b>
<b>TOTAL RAIL BOND FUNDS</b>		<b>\$ 400,000,000</b>

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-1112-01,  
Amending Resolution ICR1B-P-1011-05**

- 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 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 California Department of Transportation (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, that the Commission does hereby provide its advice 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.