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CALIFORNIA
TRANSPORTATION COMMISSION

CALIFORNIA TRANSPORTATION COMMISSION
Approval of Traffic Congestion Relief Program
Project Application Amendment

RESOLUTION TAA-01-08
Amending Resolution TA-00-01

- 1.1 WHEREAS the Traffic Congestion Relief Act of 2000 (herein after referred to as "statute"), which was established by Chapters 91 (AB 2928) and 656 (SB 1662) of the Statutes of 2000, establishes the Traffic Congestion Relief Program, providing \$5.39 billion for projects throughout the State of California to reduce traffic congestion, provide for safe and efficient movement of goods, and provide system connectivity; and
- 1.2 WHEREAS in accordance with Government Code Section 14556.11 the California Transportation Commission (Commission) has adopted guidelines, in consultation with the Department of Transportation (Department) and regional agencies, to implement the Traffic Congestion Relief Program (TCRP); and
- 1.3 WHEREAS the statute and guidelines require applicants to specify full and complete project applications, including scope, cost and schedule, financial plans and funding sources; and
- 1.4 WHEREAS on September 28, 2000, the Commission passed Resolution TA-00-01 approving 31 project applications totaling \$359,100,000, including \$10,000,000 for Project #32.6 – Subparagraph (f) debt reduction, to the North Coast Railroad Authority (NCRA); and
- 1.5 WHEREAS the project approval for Project #32.6 included a list of the outstanding debts known to NCRA, as a result of loans, notes, judgments, and trade accounts; and
- 1.6 WHEREAS not all outstanding debts had been identified on the September 2000 list of debts and was subsequently updated in January 2001, to reflect a more accurate account of the outstanding debt to be paid with the \$10,000,000 in TCR funds; and
- 1.7 WHEREAS three trade creditors have not responded to NCRA's attempts in January 2001, March 2001, and April 2001, to contact and pay the creditors, and two other expenses identified on the January 2001 list are expected to be eliminated through negotiations or were deemed invalid; and
- 1.8 WHEREAS several of the contractor and trade account creditors have agreed to forgo interest payments until such time as additional funding is available from property revenues and future freight and passenger services; and
- 1.9 WHEREAS the FCM Rail, Inc judgment from 1999 was originally considered invalid for jurisdictional reasons because the judgment was not registered in California and was not included in the January 2001 creditor list; and

- 1.10 WHEREAS FCM Rail, Inc was successful in registering the judgment in California and has negotiated with NCRA for payment of that judgment for an amount of \$188,167.51, of the original amount of \$235,045.23, made available from the deferred interest payments and unclaimed debts discussed in Sections 1.7 and 1.8 above; and
- 1.11 WHEREAS the January 2001 list of creditors indicated debt in the amount of \$531,809 remained after the \$10,000,000 in TCR funds were utilized; and
- 1.12 WHEREAS since the January 2001 list, new creditors have been identified and existing debt, such as the UP car lease, continues to grow bringing the September 2001 remaining debt to \$1,279,295, after all known creditors on the list have been paid; and
- 1.13 WHEREAS the NCRA is unable to determine the additional debt that will accumulate as a result of the unpaid debt of \$1,279,295 that remains, but has indicated that all remaining debt will be addressed by funds generated by property revenues and future freight and passenger services.
- 2.1 NOW THEREFORE BE IT RESOLVED the Commission does hereby approve the following TCRP project application amendment for the North Coast Railroad Authority (NCRA) as submitted, with subsequent clarifications and revisions:
- Project #32.6 – North Coast Railroad; Sub-paragraph (f) debt reduction. Amend application to update project schedule and modify creditor list. No other changes to TCR application approval of \$10,000,000 under Resolution TA-00-01. North Coast Railroad Authority is requesting this amendment.
- 2.2 BE IT FURTHER RESOLVED that the \$188,167.51 made available from the unclaimed debt and the negotiated debt amounts shall be used to pay the FCM Rail, Inc. judgment; and
- 2.3 BE IT FURTHER RESOLVED that all remaining unpaid debt shall be paid by NCRA using funds generated from property revenues and future freight and passenger services; and
- 2.4 BE IT FURTHER RESOLVED that starting in January 2002, NCRA shall update the Commission on a quarterly basis to identify the sources, amounts and growth rate of all outstanding debt and the projected point in time when NCRA will generate enough revenues to pay down the debt; and
- 2.5 BE IT FURTHER RESOLVED that NCRA shall retain an independent auditor to conduct a final accounting of all payments upon completion of all payments or liquidation of all TCRP funds; and
- 2.6 BE IT FURTHER RESOLVED that the audit report will include identifying payments made to each creditor and identifying remaining unpaid creditors, including principal and interest payment outstanding, and descriptions of work or services rendered by the creditor; and
- 2.7 BE IT FURTHER RESOLVED that CTC Resolution TA-00-01 is hereby amended.