

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 13-14, 2008

Reference No.: 4.9
Action Item

From: CINDY McKIM
Chief Financial Officer

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Chief
Division of Rail

Subject: **APPROVAL OF PROPOSITION 1B INTERCITY RAIL PROJECTS LIST
RESOLUTION ICR1B-P-0708-01**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the attached Resolution ICR1B-P-0708-01 and project list, providing advice and consent on the list of intercity rail projects to be funded from Proposition 1B bond proceeds.

ISSUE:

The attached Intercity Rail Proposition 1B Project list includes \$392.2 million in intercity rail projects and \$7.8 million in bond issuance costs. This list includes \$39 million for projects that were shifted from the State Transportation Improvement Program (STIP) to Proposition 1B bond funding, consistent with the 2007-08 Allocation Strategy discussed by the Commission at its December 2007 meeting. This strategy included the recommendation to fund some intercity rail projects programmed in the 2006 STIP with Proposition 1B proceeds instead, and substitute new intercity rail projects in the 2008 STIP. The Department is requesting the Commission's approval of this list.

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 Public Transportation Modernization, Improvement, and Service Enhancement Account (Guidelines). The Guidelines included authority and purpose, program intent, intercity

passenger rail program goals, and process, and project accountability. The Guidelines also allow the Department, if necessary, to return to the Commission to request formal approval to modify the project list.

The projects are consistent with the adopted Guidelines. The projects on the Intercity Rail Proposition 1B Projects list were assessed against the program goals presented in the Guidelines. Attachment 1 is a matrix that shows the benefits of each project as they relate to the specific program goals discussed in the Guidelines. All of the projects generate benefits that relate directly to the program goals. Additionally, as shown on the project list, all but three projects are ready for allocation in 2007-08. The Coast Daylight Track and Signal and the Fresno Layover Facility projects will be ready for allocation in 2008-09, and the Sacramento Maintenance Facility will be ready for allocation in 2008-09 or later. Also, all projects are either fully funded or a complete phase of the project is fully funded. The phased projects include the Commerce Fullerton Triple Track, the Coast Daylight Track and Signal, and the SCRRA Sealed Corridor projects. Furthermore, a number of projects have funding participation from other agencies. For example, local agencies are contributing to the New Station Track at LA Union Station and the SCRRA Sealed Corridor projects, and the San Diego Association of Governments (SANDAG) is pursuing funds from the Trade Corridors Improvement Fund (TCIF) program for rail projects in the region that may leverage funding for the Track Project in San Diego County on the Proposition 1B list.

At its December 2007 meeting, the Commission also discussed an allocation strategy for 2007-08 that included the recommendation to fund intercity rail projects programmed in the STIP for 2007-08 with Intercity Rail Proposition 1B Bond funds and program substitute intercity rail projects in the 2008 STIP. These projects, totaling \$29 million, are the Bahia Benicia Crossover, the Merced Crossover, the Santa Margarita Bridge and Double Track, and the SCRRA Sealed Corridor. Also, the \$10 million Emeryville Station and Track Improvements project from the 2006 STIP (programmed in 2010-11) is included on the bond list. This high priority project is ready for construction and will benefit both the San Joaquin and Capitol Corridor routes as well as freight traffic. These five projects will be deleted from the STIP during the 2008 STIP process, and substitute projects will be funded in the outer years of the STIP when funds are projected to be available.

A draft list of Proposition 1B intercity rail projects was presented to intercity rail corridor groups for information. Letters of support for the list were received from the Santa Barbara County Association of Governments (SBCAG); the Los Angeles, San Diego, San Luis Obispo Rail Corridor Agency (LOSSAN); the Coast Rail Coordinating Council (CRCC); the Capitol Corridor Joint Powers Authority (CCJPA); and the San Luis Obispo Council of Governments (SLOCOG).

Attachments

Intercity Rail Proposition 1B Projects Goals and Benefits

Project/Description	Capital Project Goals							Project Benefits
	Increase Capacity	Reduce Travel Time	New/Updated Facilities	Increase Farebox Ratio	Expand Service	Improve Safety or Security	Improve Operation Efficiency or Mobility	
Procure New Rail Cars: Purchase bi-level intercity rail cars and locomotives (estimate 36 cars and 6 locomotives).	X	X	X	X	X	X	X	Reduce standees on existing trains by expanding capacity. Accommodate current and future rail passenger needs for increased frequencies and new service identified in the State Rail Plan.
Triple Track: Construct 7 miles of triple track between Commerce/Fullerton.	X	X	X	X	X		X	Eliminate LA - Fullerton bottleneck, permitting expansion of Surfliner and Metrolink services and increased schedule reliability/flexibility. Facilitate goods movement from Ports of LA and Long Beach.
Coast Daylight: Construct new track or extend sidings to connect Pacific Surfliner to Capitol Corridor.	X	X	X	X	X		X	Provide rail transportation link between the Pacific Surfliner and Capital Corridor closing this major gap. Improve schedule reliability/flexibility and accommodate proposed new service.
Construct New Station Track in LA Union Station: Build new track, platform and renovate canopies.	X	X	X	X	X	X	X	Add station capacity to allow more frequent services. Improve passenger loading and system efficiency.
Fresno Layover Facility: Design and build storage track and related facilities.	X		X	X	X		X	Optimize existing fleet utilization. Permit expansion and schedule flexibility to accommodate current and future needs of rail customers.
Sacramento Maintenance Facility: Design and build storage track and related facilities.	X		X	X	X		X	Optimize existing fleet utilization. Permit expansion and schedule flexibility to accommodate current and future needs of rail customers.
Track Project SD County - Sorrento- Miramar or San Onofre - Pulgas: Pending modeling to identify project with greatest time savings.	X	X	X	X	X		X	Addition of double track to increase capacity, improve travel times and overall operation efficiency.
Santa Margarita Bridge and Double Track: Replace bridge with 2-track bridge and add additional double track.	X	X	X	X	X		X	Replace bridge with double track bridge and additional double track, increasing capacity and overall efficiency within boundaries of Camp Pendleton and city of Oceanside.
Emeryville Station and Track Improvements: Extend siding track with associated signal and other track.	X	X	X	X	X		X	Extend siding track and construct signal and other track improvements. Will improve travel time as well as on time performance.

Intercity Rail Proposition 1B Projects Goals and Benefits

Project/Description	Capital Project Goals							Project Benefits
	Increase Capacity	Reduce Travel Time	New/Updated Facilities	Increase Farebox Ratio	Expand Service	Improve Safety or Security	Improve Operation Efficiency or Mobility	
Bahia Benicia Crossover: Construct crossover between two mainline tracks.	X	X	X	X	X		X	Construct crossover north of Martinez Bridge which will improve operation efficiency and mobility, reducing travel time.
Merced Crossover: Construct crossover between mainline tracks and siding.	X	X	X	X	X		X	Construct crossover between mainline tracks and siding which will improve operation efficiency and mobility, reducing travel time.
SCRRA Sealed Corridor: Enhance safety of grade crossings and Railroad Right of Way.			X			X	X	Improve safety of at-grade crossings on Metrolink system, from LA County to north San Diego County. Reduce risks from unauthorized access to the railroad right of way.

CALIFORNIA TRANSPORTATION COMMISSION

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

Resolution ICR1B-P-0708-01

- 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 Intercity Rail Proposition 1B Projects list includes \$392.2 million in intercity rail projects and \$7.8 million in bond issuance costs; and
- 1.4 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
- 1.5 WHEREAS, all projects on the attached list are consistent with the guidelines; and
- 1.6 WHEREAS, at its December meeting, the Commission discussed a 2007-08 allocation strategy that included the recommendation to fund intercity rail projects programmed for 2007-08 in the State Transportation Improvement Program (STIP) with intercity rail bond funds and program substitute intercity rail projects for the 2008 STIP; and.
- 1.7 WHEREAS, to conform to this strategy, the Department is proposing to shift four projects programmed in the STIP in 2007-08 to the Intercity Rail Proposition 1B Projects list; and
- 1.8 WHEREAS, these projects as well as one additional 2006 STIP project, for a total of \$39 million, are included on the Intercity Rail Proposition 1B Projects list; and
- 1.9 WHEREAS, the guidelines state the Department can return to the Commission to request formal approval to modify the project list and project scope.
- 2.1 NOW THEREFORE BE IT RESOLVED, the Commission does hereby provide its advice and consent to the list of Intercity Rail Proposition 1B Projects.

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.

RAIL PROPOSITION 1B BOND PROJECTS

(Dollars in millions)

<u>Project/Description</u>	<u>Corridor</u>	<u>Funding Request</u>	<u>Year Ready for Allocation</u>
<u>New Projects</u>			
Procure New Rail Cars: Purchase bi-level intercity rail cars and locomotives (estimate 36 cars and 6 locomotives).	Capitol Corridor, Pacific Surfliner, San Joaquin	\$150.0	FY 2007-08
Commerce/Fullerton Triple Track: Construct 7 miles of triple track between Commerce/Fullerton.	Pacific Surfliner, Metrolink	\$70.0	FY 2007-08
New Station Track at LA Union Station: Build new track, platform and renovate canopies.	Pacific Surfliner, Metrolink	\$35.1	FY 2007-08
Track Project SD County - Sorrento- Miramar or San Onofre - Pulgas: Pending modeling to identify project with greatest time savings.	Pacific Surfliner	\$30.0	FY 2007-08
Sacramento Maintenance Facility: Design and build storage track and maintenance facility.	Capitol Corridor, San Joaquin	\$30.0	FY 2008-09 or later
Coast Daylight Track and Signal: Track and signal project to allow Pacific Surfliner extension to San Francisco Bay area.	Pacific Surfliner, Coast Daylight	\$25.0	FY 2008-09
Fresno Layover Facility: Design and build layover facility.	San Joaquin	\$13.1	FY 2008-09
	NEW PROJECTS SUBTOTAL	\$353.2	
<u>Projects Reprogrammed from 2006 STIP</u>			
Santa Margarita Bridge and Double Track: Replace bridge with 2-track bridge and add additional double track.	Pacific Surfliner	\$16.2	FY 2007-08
Emeryville Station and Track Improvements: Extend siding track with associated signal and other track.	Capitol Corridor, San Joaquin	\$10.0	FY 2007-08
Merced Crossover: Construct crossover between mainline tracks and siding.	San Joaquin	\$5.0	FY 2007-08
Bahia Benicia Crossover: Construct crossover between two mainline tracks.	Capitol Corridor	\$4.8	FY 2007-08
SCRRA Sealed Corridor: Enhance safety of grade crossings and Railroad Right of Way.	Metrolink	\$3.0	FY 2007-08
	STIP PROJECTS SUBTOTAL	\$39.0	
		\$392.2	
	Bond Issuance Costs - Loan administration costs, arbitrage rebates, etc.¹	\$7.8	
	TOTAL RAIL BOND FUNDS	\$400.0	

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

NOTE: Projects listed in descending order of cost.