

Moving on down the line: RTC could buy rail line in November

by Ramona Turner

SANTA CRUZ – The Santa Cruz County Regional Transportation Commission could buy the Union Pacific rail line as soon as November.

The commission will hear a report Thursday regarding the project's progress over the years and the steps that need to be taken to wrap it up.

"The RTC is cautiously optimistic that negotiations will continue as scheduled and the acquisition will be complete this calendar year," said George Dondero, the commission's executive director. "The RTC has been working diligently to secure the Santa Cruz Branch Rail Line, an underutilized transportation corridor that spans the length of the county."

Dondero said every effort is being made to "ensure that all due diligence work is completed" and that the public is kept informed about "the condition of the property, the costs associated with ownership and the transportation opportunities that could be available to the public."

In June 1990, voters statewide approved Proposition 116, a \$2 billion transportation improvement initiative aimed at improving air quality. The county's cut was \$11 million for local rail projects.

In 1999, the RTC embarked on this 10-year trip to buy the rail line.

To reduce vehicle traffic on the county's roads, the goal was to transform the freight-focused rail line into a form of alternative transportation for commuters between Santa Cruz and Watsonville. There could be a multi-use trail built along the line for bicyclists and pedestrians.

The commission is starting work on the Monterey Bay Sanctuary Scenic Trail Network Master Plan, Dondero said. That document will discuss various trail projects along, near or connecting to the coast. Installing a trail along the rail corridor will be addressed in the document, as well, if the commission buys the rail line, he said.

Negotiations with Union Pacific began in March 2001.

PROPOSED TIME LINE

April: Draft track inspection report completed; environmental field and lab work completed.

May: Appraisal reports and lease investigation completed; RTC to consider draft freight line operator RFP for release.

June: Complete business and management plan, title report and review appraisal.

June/July: Freight line operator proposals due.

August: Submit application to Surface Transportation Board for purchase.

September: RTC to consider freight line operators; executive director submits his recommendation regarding purchase of rail line.

October: RTC considers executive director's recommendation; secure liability and hazardous materials insurance; State Transportation Board action on application for branch line purchase.

November: RTC considers rail trail purchase of branch line and contract with freight line operator.

IF YOU GO

What: Santa Cruz County Regional Transportation Commission Meeting

When: 9 a.m. Thursday

Where: Santa Cruz County Board of Supervisors Chamber, 5th floor, 701 Ocean St., Santa Cruz

What to expect: Presentation of the Rail Line Acquisition; assignment of funds from the federal stimulus package and the state; appointments to the commission's bicycle committee.

In the beginning, the purchase price for the rail line was \$19 million, plus repairs. As of August of 2008, continued haggling resulted in the price being lowered to \$14.2 million.

"Because this is a real estate deal, negotiations are taking place in closed sessions between the RTC and Union Pacific," Dondero said. "Neither party is able to provide details about the transaction."

Now, in the next seven months, the RTC expects to see the completion of the environmental site assessment, as well as writing a business and management plan.

The other reports the commission will address in the coming months include the track and roadbed inspection, lease investigation, four different appraisals and the title report, Dondero said.

The commission is also preparing to advertise that it's looking for a company to operate the freight rail service.

Applications could be accepted as soon as June and July. A decision could come in September.

At its Nov. 5 meeting, the commission could decide to buy the rail line and sign an agreement with a short line freight operator.

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