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Attachment 4

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## CALIFORNIA TRANSPORTATION COMMISSION

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October 24, 2003

Ms. Janet K Beautz, Chair  
Santa Cruz County Regional Transportation Commission  
1523 Pacific Avenue  
Santa Cruz, CA 95060

Dear Ms.Beautz:

I received your letter dated October 17, 2003, requesting clarification regarding the Proposition 116 funds which have been and will be allocated to your county.

Your first question concerning the rail service needing to be placed in service within 10-years of the allocation, and should the plan eventually fail, would the Santa Cruz County Regional Transportation Commission (SCCRTC) be liable to the State to return Proposition 116 funds? The Commission recognizes the fact that the planned rail service could fail; however, I'd like to point out that there are a couple of very viable options available to SCCRTC that could preclude the repayment of funds. For example, SCCRTC could submit an alternate operating plan to the Commission for approval, or SCCRTC could propose an alternate project that meets the criteria of the legislation. The Commission is committed to working with SCCRTC to find any viable options for a rail project within your county should the currently proposed plan cease.

To your second question regarding how long the service/line would need to be sustained. The Commission, as well as most state agencies, generally require projects that consist of state funding be kept operating for its useful life of the capital equipment, which could be between 40 to 50 years. However, we typically look at each particular project at the time we're notified that a project that included state funding will be sold or cease to exist for its intended purpose. At that time a determination is made regarding whether any payback, if any, would be necessary.

Thank you for the opportunity to clarify your concerns. Again, the Commission is committed to working with SCCRTC to make any project selected successful or choosing

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an alternate project if requested. If you have any additional questions about the Proposition 116 Rail Bond Program please contact me at (916) 654-7179 or [Kathie.Jacobs@dot.ca.gov](mailto:Kathie.Jacobs@dot.ca.gov).

Sincerely,

A handwritten signature in cursive script that reads "Kathie Jacobs".

**KATHIE JACOBS**  
Assistant Deputy Director  
California Transportation Commission

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