

**AGENDA:** May 1, 2003

**TO:** Regional Transportation Commission  
**FROM:** Linda Wilshusen, Executive Director  
**RE:** Santa Cruz Branch Rail Line Acquisition – Public Hearing on Preferred Option(s) for Draft Uniform Transit Application for Proposition 116 Funds and Environmental Impact Report (EIR)

---

## **RECOMMENDATION**

Staff recommends that the Regional Transportation Commission;

1. Hold a public hearing to receive input from interested members of the public;
  2. Determine the recreational passenger rail service option to be included in the rail operating plan of the draft Uniform Transit Application for Proposition 116 funds for acquisition of the Santa Cruz Branch Rail Line ROW and associated capital costs of reestablishing limited recreational rail service;
  3. Determine the preferred recreational passenger rail service option to be included in the environmental impact report/environmental review process and authorize staff to release the Request for Proposals for the EIR .
- 

## **BACKGROUND**

The Regional Transportation Commission was allocated \$11 million for passenger rail service in Santa Cruz County in the Proposition 116 Clean Air and Transportation Improvement Act, approved by California voters in 1990. Over the years, Commission and California Transportation Commission (CTC) staff have been assessing Proposition 116 requirements and options for using the funds consistent with regional policies.

At your April 3, 2003 meeting, the Regional Transportation Commission authorized staff to initiate development of a draft Uniform Transit Application for Proposition 116 funds, and a draft request for proposals for an Environmental Impact Report for recreational rail service included in the operating plan for the Uniform Transit Application. The Regional Transportation Commission also determined to hold a public hearing on May 1, 2003 to provide for additional public input regarding the draft Proposition 116 application and scope of work for the Environmental Impact Report.

At your April 17, 2003 Transportation Policy Workshop meeting, the Regional Transportation Commission agreed to inform the public on public notices for the May 1, 2003 meeting that the commission is considering three recreational passenger rail alternatives and prefers the Capitola - Aptos alternative.

As additional background information, staff has included a summary of milestones in the development of the Santa Cruz Branch Rail Line Acquisition Project (Attachment 1), and an updated list of past rail studies (Attachment 2).

## **DISCUSSION**

### **Discussion of Proposition 116 Funding Application and Associated Issues**

The attached April 17, 2003 staff report for the Regional Transportation Commission's TPW meeting summarizes the Proposition 116 application and funding program as well as other issues under discussion associated with acquisition of the Santa Cruz Branch Rail Line (Attachment 3). The preliminary informational report "*Intra-County Recreational Rail Options – Preliminary Analysis*" was included with both the April 3<sup>rd</sup> and April 17<sup>th</sup> RTC staff reports and is available on the SCCRTC website ([www.sccrtc.org](http://www.sccrtc.org)).

The preliminary informational report, prepared under the direction of our rail line acquisition negotiator Kirk Trost, Hyde Miller Own & Trost, includes analysis of the following four limited recreational rail scenarios:

- Capitola Village to Aptos Village, with a possible extension to Seascapes Resort
- Santa Cruz to Capitola Village
- Santa Cruz to Davenport
- Santa Cruz – Junction of Highways 1 and 9 (not recommended for further consideration)

Staff's Rail Acquisition Staff Advisory Group reviewed the report and did not recommend further consideration of the Santa Cruz – Junction of Highways 1 and 9 option for the following reasons:

- the option would operate more as transit service
- the option does not meet the definition of recreational rail
- the option primarily uses the Santa Cruz Big Trees & Pacific line

At your April 17, 2003 TPW meeting, the Commission agreed with staff's recommendation and agreed that the first three options are under consideration, and also expressing a **preference for the Capitola – Aptos option.**

**All of the options assume that there will be no public subsidy of the recreational rail service.** It is envisioned that following acquisition of the branch line (which will include completing the Phase 2 Site Assessment, development and implementation of a complete business plan, and negotiation of the sales agreement with Union Pacific), and at the conclusion of environmental review, a Request for Proposals would be advertised to invite bids from private

operators for the service. The Commission would then fully assess the proposals for recreational rail service and select the most appropriate operator, at some time in the future.

Questions have been raised regarding **“What happens if the selected rail service is not successful – do we need to return the public funds used for the acquisition?”** Proposition 116 guidelines provide for a process to reimburse state Proposition 116 funds in the event the project for which funds were allocated does not materialize. While it is plausible, but not likely, that this condition might occur in the future, the circumstances under which it might occur cannot be envisioned at this time. Therefore, while there may in general be some risk that funds used for the acquisition of the rail line may have to be returned at some unspecified time in the future, staff believes that within the RTC’s current plan, the opportunity for success is greater than the degree of risk.

**Staff therefore recommends that the Regional Transportation Commission determine the recreational passenger rail service option to be included in the rail operating plan for inclusion in the draft Uniform Transit Application for Proposition 116 funds for acquisition of the Santa Cruz Branch Rail Line ROW and associated capital costs of reestablishing limited passenger rail service.**

#### Uniform Transit Application

Staff intends to prepare the Proposition 116 application following the May RTC meeting. As noted in earlier staff reports, there is not yet a definitive timeframe for this application process; staff will consult with California Transportation Commission staff and return to the RTC’s June meeting with an anticipated timeline. The RTC will review the final draft application and authorize its submittal to the California Transportation Commission at a future meeting.

#### Environmental Impact Report Required by RTC for Passenger Rail Service

At its April 3, 2003 meeting, the Commission approved spending \$120,000 in regional State Transportation Improvement Program (STIP) funds for the required Phase II Environmental Site Assessment and \$85,000 for an environmental impact report for the proposed recreational rail service. These STIP funds must be spent by the end of February, 2004.

At the April Commission meeting, there was limited discussion of which options to include in both the Proposition 116 application and the EIR. Staff recommended and the Commission approved including the Capitola-Aptos recreational rail option. At your April 17, 2003 meeting, the Commission discussed the merits of also considering the two remaining options: Santa Cruz - Capitola and Santa Cruz - Davenport. The Commission expressed concern that there may not be sufficient funds or willingness to include all of the recreational rail options in this environmental impact report.

The draft Request for Proposals for the EIR/environmental review process is attached (Attachment 4). **Staff recommends that the Regional Transportation Commission determine the preferred recreational passenger rail service option to be included in the**

**environmental impact report/environmental review process and authorize staff to release the Request for Proposals for the EIR.**

Addressing the Future Coastal Rail/Trail

Incorporating consideration of the proposed Coastal Rail/Trail into the recreational rail planning and EIR process is an issue. The recreational rail service plan will need to accommodate continued freight rail service on the branch line as well as the future bike and pedestrian rail/trail within the right-of-way. A rail/trail was first considered as part of the Major Transportation Investment Study (MTIS) completed in 1999. All of the MTIS rail transit options included the rail/trail along the rail line where it could be accommodated within the existing right-of-way. In sections where the rail/trail could not be accommodated within the existing right-of-way, the MTIS showed the rail/trail continuing on designated bicycle facilities along local roads, returning to the ROW as feasible.

The RTC has \$332,000 in Regional Surface Transportation Program (RSTP) funds set aside for a Master Plan and environmental review of the proposed Coastal Rail/Trail, but has not yet initiated the planning process due to the status of UP negotiations. The draft RFP for the environmental review process requires the proposers to address this issue. It may be possible to start the EIR process with the STIP funds, which have an expenditure deadline, and subsequently continue, as negotiations permit, with a fully coordinated master planning and environmental review process which includes both the rail/trail and the recreational rail service. **The Coastal Rail/Trail Master Plan process will provide more details on the possible alignment of the Trail both on and off the rail line right-of-way.**

Public Comment

This May 1, 2003, 7:00 pm meeting is for the public hearing on the proposed Proposition 116 Application for acquisition of the Santa Cruz Branch Rail Line and associated recreational rail service. Staff has received numerous written comments from interested members of the community and these are included in Attachment 5; additional comments received by noon on May 1<sup>st</sup> will be copied for distribution at the evening RTC meeting.

The comments submitted by Commissioner Tony Campos in his April 17, 2003 letter are included in this attachment. If desired by the RTC, Commissioner Campos' comments can also be addressed at the May 15, 2003 Transportation Policy Workshop meeting with relation to policy and/or technical issues, as suggested at the April 17, 2003 Transportation Policy Workshop meeting.

**SUMMARY**

The SCCRTC continues to negotiate for acquisition of the Santa Cruz Branch Rail Line with Union Pacific. Proposition 116 funds are available for the ROW acquisition if a passenger rail operating plan is included in the application. The Regional Transportation Commission authorized staff to develop a draft Proposition 116 application for acquisition of the Santa Cruz

Branch Rail Line and limited recreational rail service between Capitola Village and Aptos Village, and to develop a draft Request for Proposals for an environmental impact report/environmental review of the proposed rail service. This meeting is a public hearing to obtain public input on the project and indicate the preferred recreational rail service option for the Proposition 116 application and environmental review.

---

Attachments:

Attachment 1: Santa Cruz Branch Rail Line Right-of-Way Acquisition Milestones

Attachment 2: Chronology of Rail Related Studies

Attachment 3: Staff Report to the Regional Transportation Commission for the April 17, 2003  
Transportation Policy Workshop Meeting

Attachment 4: Draft Request for Proposals for an Environmental Impact Report for Recreational  
Passenger Rail Service Between Capitola and Aptos

Attachment 5: Written Comments from The Public

cc: Rail Line Acquisition Staff Advisory Group

S:\RTC\2003\0503\Prop116rtc503.doc

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
AND  
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

MINUTES

Thursday,  
May 1, 2003  
7:00 p.m.

Board of Supervisors Chambers  
701 Ocean Street  
Santa Cruz, CA

1. Roll Call

Members Present:      Jan Beautz                      Ellen Pirie  
                                 Tony Campos                      Emily Reilly  
                                 Tim Fitzmaurice                      Randy Johnson  
                                 Mike Keogh                      Dennis Norton  
                                 Mardi Wormhoudt                      Pat Spence

Members Absent:      Richard De La Paz      Jeff Almquist  
                                 Gregg Albright, Ex Officio

Staff Present:      Linda Wilshusen                      Pat Dellin  
                                 Sean Co                      Karena Pushnik  
                                 Luis Mendez                      Gini Pineda  
                                 Heath Maddox

2. Oral Communications

None

3. Additions or Deletions to Consent and Regular Agendas

None

4. 7:00PM Public Hearing on the Santa Cruz Branch Rail  
Line Acquisition Project - Preferred Option(s) for  
Draft Uniform Transit Application for Proposition 116  
Funds and Environmental Impact Report (EIR)

Senior Planner Luis Mendez gave the staff report  
stating that \$11 million of Proposition 116 funds were  
available to Santa Cruz County, which could be used

for the acquisition of the Santa Cruz Branch Rail Line. Mr. Mendez explained that in order to qualify for these funds, a service plan for passenger rail service had to be included and that a limited recreational rail service would satisfy this requirement.

Mr. Mendez said that at the April 3<sup>rd</sup> Regional Transportation Commission meeting, Commissioners had analyzed options for the recreational rail line and determined that the Capitola to Aptos route, with a possible extension to Seascape, was the preferred option. The Commission had then decided to hold a Public Hearing to receive comment about the specific options and the rail line acquisition in general.

Mr. Mendez said the report concluded that there would be no public subsidy for operating the recreational rail service and that an Environmental Impact Report (EIR) would be completed before any passenger rail service was implemented.

Executive Director Linda Wilshusen said that the Commission had included development of a Coastal Rail/Trail along the existing rail right of way as part of the Major Transportation Investment Study (MTIS) decision. Ms. Wilshusen added that Regional Surface Transportation Program funds had been set aside for rail/trail environmental review.

Commission Chair Jan Beautz opened the floor for the Public Hearing.

Lindy Harte, Capitola Chamber of Commerce, said the Chamber supports purchasing the Union Pacific corridor and the recreational trolley to ease congestion and attract tourists.

Jeffrey Ellis, Santa Cruz, said he doesn't see any progress on the Highway 1 widening and did not think that money should be spent on other projects. He questioned whether the recreational rail had the financial resources to operate.

Dave Wright, Aptos, strongly supports the recreational rail because it makes a bike and pedestrian trail possible. He offered to help raise money and organize volunteers to help in trail development and maintenance.

Dave Eselius, Santa Cruz, supported extending the line to Watsonville because the city has available parking and is growing. He suggested that the cities involved should submit a formal proposal explaining how each city could support rail.

Piet Canin, Santa Cruz, representing Bike to Work and the Bike Coalition, said that cyclists provide \$150 million per year in revenues. He supports the rail trail project and securing the Proposition 116 funds.

Horst Kuhlmann, La Selva Beach, said a tourist trolley is a great idea and offered to speak about alternative transportation travel in Europe.

Mike Hart, Live Oak, is the president of Sierra Railroad and supports the branch rail line acquisition and the rail/trail. He said he would like to take over freight operations and could provide passenger/excursion service. He said he might be willing to provide financial incentives.

Ron Franke, Seacliff, representing the Aptos Chamber of Commerce supports the Capitola to Aptos option and would like to extend service to Seascape.

Samantha Olden, Seacliff, lives near the railroad tracks and says the train is a serious nuisance because her house shakes and it is very loud when the train goes by. She said increased rail service will have a negative impact on her property values and was concerned about eminent domain.

Allison Kulpa, Seacliff, said using archaic railroad lines is not the answer. She quoted her husband, who is a traffic reporter, as saying that many people are struck and killed by trains. She supported a bike path but not a passenger rail line.

Jud van Gorder favors all rail line use saying the county should get control of its future traffic

destiny. He suggested a stop in Pajaro and noted that the tracks have been in place since 1876 and that homeowners had ample notice of potential increase in rail use.

Peter Scott, representing Campaign for Sensible Transportation, was pleased with the proposal and endorsed it. He noted the Heritage Trail in York, PA and Baltimore, MD as examples of successful rail/trail projects.

Mark Perez is a Santa Cruz homeowner next to the rail line and expressed concerns about maintenance and the amount of space necessary for maintenance equipment. He said there would not be enough room for a rail/trail adjacent to the tracks without resorting to eminent domain.

Katrina Rogers, Seacliff, supports a bike path but was concerned about being a parking destination for Capitola.

Barney Bricmont, Live Oak, said that the first Live Oak general plan included a rail corridor and that modern trains are not loud.

Debbie Carson, Capitola, supports the Aptos to Capitola option mainly to get a bike path. She noted that a seven-mile bike trail in Lafayette is now a big selling point for homes in the area.

Jacques Bertrand, Capitola, supports the project because he enjoys walking.

Debbie Bulgur, Santa Cruz, supports the project as an asset to the community. She noted that the City of Santa Cruz Master Transportation Committee recommends acquiring the corridor.

Sylvia Previtale lives near the rail line and opposes the plan citing concerns about contamination in the rail lines.

Ross Gibson, Santa Cruz, supports the plan saying that comparing a 30 car freight train to a single recreational car is not valid and that 120 days of usage is not so much.

Paul Elerick, Aptos, recommended to keep the eye on the prize, which is acquiring the right of way. He also said the recreational rail could draw tourists and increase occupancy taxes.

Mike Dolby, Westside Santa Cruz, said he sympathizes with homeowners near the rail line but thinks that they should share the burden of managing traffic congestion just as the residents near Mission Street have to. He said that while there are serious concerns regarding safety, there are lots of rail/trails where security has been resolved.

Jeff LaPierre, Eastside Santa Cruz, cautiously supports the rail/trail but not at the cost of increased rail use. He asked about the plan to patrol the trail and if there will be a closing time for use.

Mike Kutros, Live Oak, lives near the tracks and does not oppose the plan system but is against removing people from their homes.

Micah Posner, Santa Cruz, representing People Power, presented 80 postcards supporting the rail line acquisition and development of the rail/trail.

Rich Wills, Live Oak, lives near the tracks and offered to sell his property for \$14.5 million to the county.

Richard Hoffman, Santa Cruz, said that money should not be spent until other problems in the county are fixed.

Joy Merrel, Santa Cruz, appealed the New Brighton remodel project.

Russ Harris, Santa Cruz, from the Rails to Trails Conservancy, supported the acquisition plan saying that a 232-mile trail in Missouri is very clean and many people like it that didn't think they would.

Martin Krieg supported the acquisition saying that people need to think about the future.

Ronda Schlosser, Live Oak, said he does not oppose the plan but asked for information on feasibility studies, how many residents are impacted and who is responsible for maintenance.

Scott Graham favors the purchase of the railway saying that a rail/trail will be a mitigation for widening Highway 1.

Claude Bolender, Aptos, lives near the tracks and is concerned about liability and maintenance expenses.

John Garza, Santa Cruz, lives near the tracks and supports the right of way purchase.

Cliff Walters, Santa Cruz and Big Trees Railroad, said as an operator he has found ways to be wise and cautious and that passenger rail is lighter than freight.

Anthony Vondermuhll, Eastside Santa Cruz, would like a rail commute line near his home.

Ron Burke favors acquiring the rail/trail saying that people need to have foresight.

Alan Gott, Santa Cruz, opposes the plan citing safety concerns.

Rudy Guttebo favors the acquisition and thinks people will help fix up the corridors.

Gary Guttebo works with Big Trees Railroad and says the rail line connects many tourist places and would be a good way to connect parking lots at state beaches and other sites.

John Bush, Santa Cruz, said this is an opportunity that should not be missed and that it is unfair to compare recreational rail with freight service.

Chuck Bergtold, Live Oak, said that Union Pacific is spending money to upgrade the right of way and that a passenger special could show people how nice it is.

Commissioner Beautz read a petition from a mobile home park on 38<sup>th</sup> avenue with 75 signatures opposed to the rail line because of concerns about noise, dust, privacy and congestion on nearby streets.

The public hearing was closed.

Commissioner Wormhoudt stated that the Commission never considered eminent domain as a means to obtain right of way. Executive Director Linda Wilshusen concurred.

Commissioner Reilly said that many comments were concerned about contaminated soil and liability and asked what in the Environmental Impact Report would address these concerns.

Director Wilshusen said that a Phase 2 site assessment study would be necessary and that Union Pacific would have to clean up any contamination. Ms. Wilshusen said that liability would be addressed in the business plan before acquisition.

Commissioner Beautz said that the draft Request for Proposals is very general and the proposed scope of the EIR doesn't address concerns. Ms. Beautz said she never supported recreational rail and wants the Commission to notify people along the corridor about the planned rail service.

Commissioner Norton said that to warn residents about eminent domain was a scare tactic since the Commission never intended to use it. Mr. Norton said that the Proposition 116 funds were allocated if Santa Cruz County could establish some sort of rail service and that the funding, which could be used to purchase the right of way, would be lost if the rail service were not implemented.

Commissioner Spence was concerned that if there were not enough money to pay for liability insurance, would the Commission have to pay back the \$11 million.

Commissioner Johnson said that a lot of opinions were based on fears and that facts were needed to make informed decision.

Commissioner Reilly supported moving ahead but said the concerns brought up by adjacent homeowners needed to be addressed.

Commissioner Keogh supported the right of way for trail use but wants an incisive business plan put together for rail use.

Commissioner Wormhoudt thanked the people for attending the public hearing. Ms. Wormhoudt said she lives near the tracks and thinks the purchase of the rail line to be one of most significant things the Commission could do. She said that concerns will be addressed in the environmental review and that the rail corridor should be thought of as a place for bicyclists and pedestrians. She advised being bold in purchase and modest in rail service saying she supports Commissioner Norton's proposal to operate a recreational rail service between Capitola and Aptos.

Commissioner Campos agreed with residents who had environmental concerns and thinks that the entire environmental cleanup should be paid for within the \$22.5 million potentially allocated to the project. Mr. Campos said he supported the right of way purchase but thinks the Commission should know what it is getting. He agreed with Commissioner Wormhoudt that the purchase would be a big thing to do for the county.

Commissioner Beautz clarified that she did not mean to imply that the County was thinking about using its power of eminent domain to secure the right of way, but felt that residents should be aware that policies in the future are uncertain.

Commissioner Norton moved to approve staff recommendations to determine that the Capitola to Aptos recreational passenger rail service option is to be included in the rail-operating plan of the draft Uniform Transit Application for Proposition 116 funds for acquisition of the Santa Cruz Branch Rail Line ROW and associated capital costs of establishing limited recreational rail service and to be included in the environmental impact report/environmental review process and to authorize staff to release the Request for Proposals for the Environmental Impact Report (EIR).

Commissioner Wormhoudt seconded with the inclusion of extending the scope of the EIR to Seascape.

Commissioner Campos asked if his recommendations would be considered.

Commissioner Beautz asked to add to the motion to address Commissioner Campos' comments at the May Transportation Policy Workshop meeting.

Executive Director Wilshusen said that staff had been looking into the RFP for the EIR which was not required but which the Commission had decided to do anyway. She asked that the public notification process be included on the May TPW agenda. She said that an outline for the initial business plan would be ready in two weeks and included on a future Regional Transportation Commission meeting agenda.

The motion passed with Commissioners Campos, Fitzmaurice, Johnson, Keogh, Norton, Pirie, Reilly and Wormhoudt voting "yes" and Commissioner Beautz voting "no". Commissioner Spence was absent for the vote.

5. The meeting adjourned at 9:10 pm.

The next Transportation Policy Workshop is scheduled for Thursday, May 15, 2003 at 9:00 a.m. at the SCCRTC offices, 1523 Pacific Avenue, Santa Cruz, CA 95060.

The next regular SCCRTC meeting is scheduled for Thursday, June 5, 2003 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz CA 95060.

Respectfully submitted,

---

Gini Pineda, Staff