

AGENDA: May 20, 2004

TO: Regional Transportation Commission Transportation Policy Workshop
FROM: Luis Pavel Mendez, Senior Transportation Planner
RE: Santa Cruz Branch Rail Line Acquisition – Phase II Environmental Site Assessment

RECOMMENDATION

Staff recommends that the Regional Transportation Commission authorize using the Santa Cruz Branch Rail Line Acquisition Federal Earmark funds for the completion of the Phase II Environmental Site Assessment.

BACKGROUND

In March 1997, Geomatrix Consultants completed a Phase I Preliminary Site Assessment of the Santa Cruz Branch Rail Line for the Regional Transportation Commission (RTC). In the 1998 Regional Transportation Improvement Program (RTIP), the RTC programmed \$450,000 in State Transportation Improvement Program (STIP) funds for environmental work on the Santa Cruz Branch Rail Line. In September 2000, the RTC entered into agreements with Denise Duffy and Associates to produce the necessary environmental review for acquisition of the Santa Cruz Branch Rail Line and with Geomatrix Consultants to produce a Phase II Environmental Site Assessment (ESA) of the Santa Cruz Branch Rail Line. Union Pacific (UP), the current owner of the Santa Cruz Branch Rail Line, granted a right of entry to produce the environmental review for acquisition of the Santa Cruz Branch Rail Line. That environmental work was completed in April 2002 with a Negative Declaration under the California Environmental Quality Act (CEQA) and a Categorical Exclusion under the National Environmental Policy Act (NEPA). UP has not provided a right of entry to produce the Phase II ESA.

DISCUSSION

Phase I Preliminary Site Assessment

A Phase I Preliminary Site Assessment is designed to identify features, historical uses and activities at the site and adjacent to a site that could be associated with impairment of soil and/or groundwater at the site. A Phase I Preliminary Site Assessment also helps to determine whether testing of soils and water will be needed and identifies the locations for the needed soil and water samples. The Phase I Preliminary Site Assessment for the Santa Cruz Branch Rail Line included review and/or observation of the entire 32 miles of right-of-way, adjacent sites, regional geology and hydrology, and historical information available from the railroad, local media, and public sources regarding chemical usage, underground storage tanks and events with the potential to release chemicals to the site. While the Phase I Preliminary Site Assessment did not conclude that contamination is likely on the Santa Cruz Branch Rail Line, it did discover that there are

historical uses and events with the potential for causing contamination to the site. Therefore; the Phase I Preliminary Site Assessment concluded that there is a need for a Phase II ESA, which includes testing of soils and water to determine whether contamination is present on the site.

If it has been determined that there is a potential for contamination at a property planned for purchase with state and/or federal funds, before clearing a property for purchase the Caltrans Right-of-Way (ROW) Division requires a completed Phase II Environmental Site Assessment. If contamination is found, Caltrans requires remediation.

Phase II Environmental Site Assessment

In September 2000, the RTC entered into an agreement with Geomatrix Consultants to produce the Phase II ESA. Since that time RTC staff has been working with consultants and UP to obtain a right of entry agreement from UP to take the necessary samples to produce the Phase II Environmental Site Assessment. UP continues to oppose granting the right of entry agreement until there is a tentative price agreement on acquisition of the Santa Cruz Branch Rail Line. However, due to spending deadlines for the STIP funds allocated to pay for this work and anticipation of a right of entry, staff asked Geomatrix Consultants to proceed with the work that could be done without a right of entry agreement.

In its proposal for the Phase II ESA, Geomatrix Consultants included the borings for soil samples and the testing of monitoring wells identified in the Phase I Preliminary Site Assessment. These are included in the contract's Scope of Work ([Attachment 1](#)). In addition, Geomatrix Consultants reviewed historical information, especially on derailments, since the completion of the Phase I Preliminary Site Assessment and comments on the initial study for the proposed recreational rail service to develop a work plan for soil and water samples and analysis. Geomatrix Consultants added 4 soil samples just below the ballast to test for creosote leaching into the soil. [Attachment 2](#) is a copy of the Phase II ESA Work Plan submitted to the Santa Cruz County Environmental Health Department.

Funding for Phase II Environmental Site Assessment

In the 1998, the RTC programmed \$450,000 in STIP funds for environmental work on the Santa Cruz Branch Rail Line. After proposals for the environmental review of the acquisition and the Phase II ESA were received, it was determined that only \$225,000 would be needed for the work. \$120,000 was dedicated to the Geomatrix Consultants contract for the Phase II ESA. On June 15, 2000, the RTC obtained an allocation for the amount needed and the remaining \$225,000 was added to other available STIP funds and reprogrammed to other projects in Santa Cruz County.

The deadline to spend the allocated STIP funds was June 30, 2002. The RTC obtained a right of entry agreement to complete environmental review for acquisition of the rail line on September 28, 2001 and completed the environmental review prior to the spending deadline. Because UP refused to grant a right of entry for the Phase II ESA, the RTC obtained the maximum extension of 20 months on spending the STIP funds allocated for this work. The extended deadline was February 29, 2004. UP continued its refusal to provide a right of entry agreement on the grounds

that UP has a policy of refusing such rights of entry until there is a tentative price agreement for the property being analyzed. As the extended spending deadline approached, RTC staff asked Geomatrix Consultants to proceed with the work that could be done without a right of entry agreement. This represents a fraction of the \$120,000 dollar contract. Geomatrix Consultants completed \$5,700 worth of work prior to the spending deadline. Therefore, \$114,300 worth of work still needs to be completed to produce the Phase II ESA.

Attachment 3 lists the funds available to the Santa Cruz Branch Rail Line Acquisition Project and other Rail/Trail Authority projects. Funds available for right-of-way (ROW) may also be used for pre-acquisition activities such as the Phase II ESA. Due to the State's budget crisis the \$10 million in STIP funds programmed for the acquisition are not currently available. The \$300,000 in Proposition 116 funds allocated to the RTC for pre-acquisition activities are being used for the appraisals, business plan, title review, and a structures assessment. The Federal Earmark funds are available and Caltrans on behalf of the Federal Highway Administration has approved the funds for use by the RTC for acquisition and other ROW work including a Phase II ESA. **Therefore, staff recommends that the RTC approve using Federal Earmark funds to complete the Phase II ESA.**

Included for your reference is a concise list of Rail/Trail Authority project documents (Attachment 4) currently being prepared or expected to be prepared.

SUMMARY

In 1997, a Phase I Preliminary Site Assessment for the Santa Cruz Branch Rail Line was completed and concluded that a Phase II Environmental Site Assessment was necessary to fully determine whether the Santa Cruz Branch Rail Line ROW is free of contamination. The RTC entered into a \$120,000 contract with Geomatrix Consultants to produce the Phase II ESA. UP has not granted the required right of entry to take the necessary soil and water samples from the property. After obtaining the maximum extension available the spending deadline for the STIP funds allocated to produce this work has expired and the remaining funds have reverted to the State. Without the right of entry Geomatrix has only been able to do a small fraction of the work. \$114,300 worth of work still remains to be done. The Federal Earmark funds allocated to the Santa Cruz Branch Rail Line Acquisition Project are available and have been approved for use by the RTC. **Staff recommends that the RTC approve using Federal Earmark funds to complete the Phase II ESA.**

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Attachment 1: Approved Scope of Work for Phase II Environmental Site Assessment
Attachment 2: Work Plan for Phase II Environmental Site Assessment
Attachment 3: Available Funding for the SCCRTC Rail/Trail Authority Capital Projects
Attachment 4: Concise List of Documents for Rail/Trail Authority Projects

Attachment 4

Summary of Documents for Rail/Trail Authority Projects

1. Capitola to Aptos with Extension to Seascapes Recreational Rail Service Environmental Impact Report (EIR)
 - a. Initial Study released in October 2003
 - b. Draft EIR planned for release May 20, 2004
 - c. Public Hearing planned for June 17, 2004
 - d. Draft EIR comments due on July 6, 2004
 - e. It is expected that the Final EIR will be presented to the RTC for consideration on September 16, 2004

2. Appraisals of the Santa Cruz Branch Rail Line right-of-way, tracks and structures, and going concern
 - a. Draft appraisals are currently being prepared
 - b. The review appraiser and Caltrans are planned to complete their review in June
 - c. Appraisals are planned to be presented to the Commission for consideration in August 2004

3. Rail Line Acquisition Business Plan
 - a. The draft of the business plan is currently being prepared

4. Phase II Environmental Site Assessment
 - a. Contract Issued in September 2000
 - b. UP refuses to issue right of entry until there is a tentative price agreement for acquisition
 - c. A work plan has been prepared and submitted to the County Environmental Health Department
 - d. The expenditure deadline for the STIP funds allocated for this work has expired
 - e. Using Federal Earmark funds for completion of the work is currently being recommended
 - f. It is expected that a Phase II Environmental Site Assessment will be available for Commission consideration in September or October

5. Coastal Rail Trail Master Plan and Environmental Impact Report
 - a. It is expected that a request for proposals for the work will be issued in the Spring of 2005
 - b. A draft of the Master Plan may be available towards the end of 2005