

Summary of Completed and Pending Reports Santa Cruz Branch Rail Line Acquisition

Completed Reports (as of July 2004)

| Completed | Report | Brief Summary of Findings |
|------------------|---|---|
| May 1993 | <u>Santa Cruz Fixed Guideway Rail Corridor Refinement Study</u> (RTC, Parsons, Brinckerhoff, Quade & Douglas, Inc. – consultants) | Analyzed 6 alternatives – a no-build alternative, an expanded bus alternative, and 4 rail alternatives using the Santa Cruz Branch Rail Line. “It is the conclusion of the study team that this facility offers an excellent opportunity to initiate a relatively low cost (by avoiding construction of new track, costs would be considerably less than for entirely new construction) passenger rail service in the County....further review of fixed guideway/rail options in Santa Cruz County would be a worthwhile endeavor.” “One means of initiating a rail service in Santa Cruz County would be to activate a minimum “starter” system to test the viability of fixed guideway/rail service in the corridor.” |
| December 1995 | <u>Net Liquidation Value of the Track, Signals and Structures of the Santa Cruz Branch</u> (RTC, the Woodside Consulting Group – consultants) | The gross value of the track, signals and structures is \$1,852,598. The removal cost is \$909,075. The net liquidation value of the track, signals and structures is \$943,523. |
| August 1996 | <u>Intercity Recreational Rail Study</u> (RTC, Parsons Brinckerhoff Quade & Douglas – consultants) | “The introduction of <i>Intercity Recreational Rail</i> service between the Bay Area and Santa Cruz is feasible (although funding is an issue) and should be pursued on a limited basis to test the market.” The document proposes extending existing service “beyond San Jose to the City of Santa Cruz to provide service on the weekends and during special events.” “Service will probably require a public subsidy to cover operating costs....The continual expenditure of public moneys will result in a decrease in auto-related impacts – congestion, air quality problems, parking intrusion in neighborhoods, etc. – in Santa Cruz County, particularly in highly active beach areas.” |

Note: Quotations are from the identified document

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|---------------|--|---|
| March 1997 | <u>Appraisal Report Santa Cruz Branch Rail Line Davenport to Watsonville Junction as of December 31, 1995</u> (RTC, Arthur Gimmy International – consultants) | “The market value (net liquidation value) of the fee simple interest of the subject land (RTC net acquisition), as of December 31, 1995 was...\$13,600,000.” “The market value (gross liquidation value – not considering selling expenses or time) of the fee simple interest of the subject land (SP retained land), as of December 31, 1995 was...\$6,600,000.” |
| March 1997 | <u>Going Concern Value of the Santa Cruz Branch</u> (RTC, the Woodside Consulting Group – consultants) | There are 10 active shippers on the Santa Cruz Branch Line (7 in Watsonville, 2 in Santa Cruz and RMC Lonestar in Davenport). Rail shipments to and from the RMC Lonestar at 3,500 to 4,000 annual carloads dwarf those of all other shippers combined. Due to “relatively low traffic volume,”... “the value of the income stream produced from railroad operations is negative”... “The highest and best use of the Santa Cruz Branch from an economic perspective is its conversion to net liquidation value.” |
| March 1997 | <u>Preliminary Site Assessment Davenport and Santa Cruz Branch Rail Lines</u> (RTC, Geomatrix Consultants – consultants) | Historical uses and events on and along the rail line have the potential for having caused contamination to the railroad right-of-way. A Phase II Environmental Site Assessment (ESA) is recommended. A list of recommended boring locations for soil samples is provided along with recommended soil analyses. Testing of groundwater is also recommended. |
| December 1997 | <u>Project Study Report: Track and Signal Improvements, Passenger Platforms and Related Improvements to the Santa Cruz Branch Line for Intercity Weekend Rail Service between the San Francisco Bay Area and Santa Cruz County</u> (RTC) | \$9.6 million of track and signal improvements are required between Watsonville and Santa Cruz to Class III standards to allow operating speeds between 25 and 40 miles per hour. The construction of 5 station/platforms is required at a cost of \$577,000. Construction of a track storage area is required at the Santa Cruz Wye at a cost of \$140,000. A track connection between the Gilroy train station and the main Union Pacific line is required at a cost of \$250,000. |

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|-------------------|--|--|
| July 1998 | <u>Around the Bay Rail Study</u> (RTC, LS Transit Systems – consultants) | Presuming that both counties are ready to advance their programs at the same time, “a single Monterey/Santa Cruz project could be established and maintained with greater credibility and taxpayer utility than two” through a joint powers arrangement. Otherwise, “it would be in their mutual interest to advance one of the programs to demonstrate the benefits and success of passenger rail to their mutual region and to help encourage the other county’s full participation to follow.” |
| December 1998 | <u>Major Transportation Investment Study</u> (RTC, Parsons Brinckerhoff Quade & Douglas – consultants) | Analyzed various transportation alternatives for the Watsonville-Santa Cruz-UCSC corridor including three rail transit alternatives and busway alternative on the Santa Cruz Branch Line. The four alternative on the Santa Cruz Branch Line included a bicycle and pedestrian path along the rail line. All of the analyzed alternatives except the baseline and the separate Intercity Rail Service option require a sales tax measure to implement. The study resulted in a program of projects which includes, HOV lanes on Highway 1, acquisition of the Santa Cruz Branch Rail Line, construction of a coastal rail trail, and other projects. |
| September 2000 | <u>Santa Cruz Branch Line Acquisition Project Study Report</u> (RTC) | \$17 million is required to purchase the Santa Cruz Branch Rail Line between Pajaro and Davenport from Union Pacific. \$1.1 million is required for pre-acquisition expenses over a two year period. |
| April 2002 | <u>Final Initial Study and Negative Declaration for the Santa Cruz Branch Rail Line Acquisition</u> (RTC, Denise Duffy & Associates – consultants) | Purchase of the Santa Cruz Branch Rail Line will not result in any adverse environmental impacts. |

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| March 2003 | <u>Santa Cruz Branch Line Intra-County Recreational Rail Options Preliminary Analysis</u> (RTC, Hyde, Miller, Owen & Trost – consultants) | “A private operator would have advantages over a public operator.” “The operations would ideally be conducted by a short line railroad also conducting freight operations on the Branch Line.” “Capitola Village is a major visitor destination during peak seasonal periods.” “It is likely that there is demand for additional activities including visits to nearby Aptos Village and other recreational opportunities...we believe that the potential extension to Seascapes Resort, with its high-end lodging and recreational opportunities, could provide an attractive complement to this service.” “This analysis considers only the endpoints...Additional analysis of intermediate stops and related attractions and activities such as State Parks and beaches, may give further support for the viability of the service.” |
| September 2003 | <u>Preliminary Project Report for Passenger Platforms and Related Improvements to the Santa Cruz Branch Rail Line for Recreational Rail Service</u> (RTC) | To establish recreational rail service between the City of Capitola and Aptos Village with an extension to Seascapes six platform stations need to be constructed at a cost of \$880,000. \$251,000 of track work for two siding tracks and \$465,000 in equipment purchases would also be required. The siding track would permit the freight train to pass and the equipment includes train cars. |

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Pending Reports

| Status | Report | Brief Summary of Scope |
|---|--|--|
| Draft released May 20, 2004; Comments due July 21, 2004 | Environmental Impact Report for Recreational Rail Service between Capitola and Aptos with Extension to Seascapes | Analysis of impacts of the proposed recreational rail project will be provided in accordance with the California Environmental Quality Act (CEQA) and suggest mitigations for any significant impacts. |
| In Process | Santa Cruz Branch Line Business Plan | The report will provide an analysis of the costs and revenues of owning the Santa Cruz Branch Rail Line with continued freight operation and possible recreational rail operation. |

| Status | Report | Brief Summary of Scope |
|---|---|--|
| In Process | Real Estate Appraisal of Santa Cruz Branch Line ROW | The report will provide an appraisal of the value of the real estate encompassed by the Santa Cruz Branch Rail Line taking into consideration costs of removing the rail road tracks and equipment and viability of development. |
| In Process | Going Concern Valuation Appraisal of Santa Cruz Branch Line | The report will provide an analysis of the value of the freight business on the Santa Cruz Branch Rail Line. |
| In Process | Net Liquidation Valuation Appraisal of Track, Structures, Equipment, etc. of Santa Cruz Branch Line | The report will provide an analysis of the value of the railroad assets on the Santa Cruz Branch Rail Line and the cost of removing them to achieve a net liquidation value. |
| In Process | Review Appraisal of the Santa Cruz Branch Line | The report will provide an analysis of the three appraisals listed above to ensure that they conform to the approved scopes of work, Caltrans requirements, and market standards. |
| Not Yet Started | Santa Cruz Branch Rail Line Title Review | The report will provide an analysis of the title of all of the real estate parcels forming the Santa Cruz Branch Rail Line. |
| In Process – Awaiting UP right-of-entry | Phase II Environmental Site Assessment | Soil samples will be taken along the 31 mile stretch of the Santa Cruz Branch Rail Line. The soil samples will be analyzed for chemical contamination. Water will also be analyzed for contamination. |
| Not Yet Started | Structures Assessment | The report will provide an assessment of the condition of trestles and bridges on the Santa Cruz Branch Rail Line. |

Source: *Santa Cruz County Regional Transportation Commission*