

AGENDA: May 19, 2005

TO: Regional Transportation Commission/Rail Trail Authority
FROM: Luis Pavel Mendez, Acting Deputy Director
RE: Santa Cruz Branch Rail Line Acquisition Project – Draft Updated Project
Timeline and Preliminary Title Report

RECOMMENDATIONS

The Rail Acquisition Task Force and staff recommend that the Regional Transportation Commission:

1. Approve the draft updated project timeline (Attachment 2 – printed on blue paper) for the Rail Line Acquisition project;
 2. Review the attached preliminary title report and supplemental reports (Attachment 4 enclosed separately) and memo from Kirk Trost, the RTC's rail acquisition negotiator (Attachment 5);
 3. Give the consultants and staff direction on any mapping or additional information related to the Preliminary Title Report that the Commission wants to have developed; and
 4. Direct staff to return to the June Transportation Policy Workshop meeting with the additional information.
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BACKGROUND

The RTC has been working on the acquisition of the Santa Cruz Branch Rail Line for over four years. In December 2004, the RTC approved entering into a non-binding Letter of Intent with Union Pacific to purchase the Santa Cruz Branch Rail Line for \$19 million.

A number of reports and steps must be completed before the RTC can make a final decision on acquisition of the Santa Cruz Branch Rail Line. In March, the RTC approved an updated timeline (Attachment 1) that lists the various reports and the completion of the project. Included among the reports are appraisals and a title report. Final approval for the purchase is also contingent on obtaining the necessary approvals from the corresponding funding and regulatory agencies such as the California Transportation Commission (CTC), the Coastal Conservancy (CC), Caltrans Division of Right of Way and the Surface Transportation Board (STB).

DISCUSSION

Draft Updated Timeline

The draft updated timeline reflects the current status and interaction of reports and approvals. The Projected Timeline by Task (Attachment 2) includes asterisks to indicate line items that have been updated or added. It is printed on colored paper to distinguish it from the prior version of the timeline (Attachment 1). Attachment 3 is the Projected Timeline by Month.

The Letter of Intent to purchase the rail line shows a closing date for acquisition of the Santa Cruz Branch Rail Line of September 23, 2005. Recent discussions with Union Pacific (UP) have addressed the need to change that closing date due to the status of the required reports and studies. **The updated timeline shows that the new closing date will be in November 2005.**

The draft updated timeline adjusts the timing of reports and approvals by the RTC and other agencies based on the status of work products and the target dates for approval by funding agencies. Much of the work will be done over the next few months. The timeline calls for the key documents to be presented to the RTC in June and August and key decisions by the RTC and funding agencies to be made in September and October (see the updated Projected Timeline by Month, Attachment 3).

The Rail Acquisition Task Force, consultants and staff will continue to monitor the timeline and recommend adjustments as the project progresses. Staff will continue to keep the Commission apprised of the status of reports and analyses in a written status report for each Commission meeting.

The Rail Acquisition Task Force and staff recommend that the Commission review and approve the draft Projected Timeline by Task (Attachment 2) for the Santa Cruz Branch Rail Line Acquisition Project.

Preliminary Title Report

Attachment 4 is the Preliminary Title Report produced by First American Title Company. The report includes two supplemental reports. The main title report (pages 1-71 of Attachment 4) is for the parcels composing the Santa Cruz Branch Rail Line. The first supplemental report (pages S1-1 to S1-7 of Attachment 4) is for parcels on which the spur tracks and industrial tracks are located. The second supplemental report (pages S2-1 to S2-10 of Attachment 4) includes parcels for which documentation was never recorded or for which no documentation was found. The supplemental report for the unrecorded and missing documentation will not be included in the title insurance policy. While Union Pacific owns full fee title on most of the Santa Cruz Branch Rail Line, some parcels were given to railroad uses by acts of Congress, UP has easements for the rail line for some of the other parcels, and some parcels do not have any recorded title.

Attachment 5 is a memorandum prepared by Miller, Owen and Trost to help orient readers to the report. Kirk Trost of Miller, Owen and Trost will be available at the meeting to present the

Preliminary Title Report and address questions. Attachment 6 is a summary of the title conclusions from the preliminary title report and the supplemental reports. The item numbers in this summary correspond to the numbers in the legal description section of the reports.

Staff will bring to the meeting the 40 large-scale valuation parcel maps that show the parcels referred to in the title report. The maps are too detailed and large for inquiries on specific parcels at the TPW meeting. Staff and consultants will present some options to the Commission regarding making these maps available for review by interested Commissioners and members of the public.

Because the title report is a complex document, the Commission may want to review the information at another RTC meeting, possibly with additional information such as mapping, as discussed above, or additional explanations. Staff and consultants seek your direction on the presentation of additional information. Staff suggests that the Commission schedule consideration of the additional information for the June Transportation Policy Workshop meeting.

Status of Other Santa Cruz Branch Rail Line Acquisition Tasks

Phase II Environmental Site Assessment (ESA)

The Phase II Environmental Site Assessment (ESA) is on schedule. Geomatrix Consultants completed the site reconnaissance and the soil sampling. The soils samples are currently being analyzed. It is expected that a draft report will be before the RTC at its June 16, 2005 Transportation Policy Workshop meeting.

Structures Assessment

Miller, Owen and Trost has finalized a contract with Systra Consulting, Inc. and Biggs Cardosa Associates, Inc. to produce the Structures Assessment. Once Union Pacific provides the bridge inspection reports, inspections by the consultants will begin.

Visit by Members of the California Transportation Commission

On May 10, 2005, CTC Commissioners Bob Balgenorth and R. Kirk Lindsey along with CTC Executive Director Diane Eidam and Assistant Deputy Director Annette Gilbertson visited Santa Cruz County to tour the Santa Cruz Branch Rail Line and learn more about the Santa Cruz Branch Rail Line Acquisition project. Commissioners Campos, Pirie and Stone and Commissioner Alternate Schiffirin participated in the tour.

The CTC Commissioners had questions about the current uses on the branch line, current plans for future uses, the condition of the track and structures, funding for the acquisition and potential concerns for the CTC in considering the project. The tour went well and the Commissioners seem to have responded positively to the project.

The final Proposition 116 application will be considered by the RTC at your June meeting.

SUMMARY

Staff recommends that the RTC approve the draft updated Projected Timeline and review the Preliminary Title Report for the Santa Cruz Branch Rail Line Acquisition project. Staff and consultants seek Commission direction on additional information regarding the title report.

- Attachment 1: Rail Line Acquisition Projected Timeline by Task - Approved in March 2005
- Attachment 2: Draft Updated Timeline by Task (printed on colored paper)
- Attachment 3: Draft Timeline by Month
- Attachment 4: Preliminary Title Report and Supplemental Reports (enclosed separately)
- Attachment 5: Memo Regarding Title Report
- Attachment 6: Summary of Preliminary Title Report Findings

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