

TO: Regional Transportation Commission/Rail Trail Authority
FROM: Luis Pavel Mendez, Acting Deputy Director
RE: Santa Cruz Branch Rail Line Acquisition Project – Draft Request for Proposals for Shortline Freight Service and Appraisal Contract

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission:

1. Review the revised draft Request for Proposals (RFP) for an Operator of Rail Freight Service on the Santa Cruz Branch Rail Line (Attachment 1), consider any recommendations on the RFP from the Rail Acquisition Task Force (RATF), and approve and release the RFP;
 2. Consider options for mapping of the Santa Cruz Branch Rail Line and approve the attached resolution (Attachment 5) authorizing the Executive Director to secure the services of the County GIS Department to produce maps of the Santa Cruz Branch Rail Line at a cost not to exceed \$4,000;
 3. Approve the attached resolution (Attachment 8) amending the contract with Arthur Gimmy International to extend the term to December 31, 2005 and to add \$15,000 to the contract amount to complete the appraisal of the Santa Cruz Branch Rail Line; and
 4. Accept status information on other elements of the Santa Cruz Branch Rail Line Acquisition Project.
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BACKGROUND

The RTC has been working on the acquisition of the Santa Cruz Branch Rail Line for 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. One of those steps is securing a contract with a freight rail service operator. At its May 5, 2005 meeting the RTC reviewed and discussed a draft request for proposals (RFP) for freight rail service and directed staff to return in June with a final RFP.

At its May 19, 2005 Transportation Policy Workshop (TPW) meeting the RTC reviewed the preliminary title report and was shown how to use the title report with the existing valuation maps of the rail line. The RTC directed staff to investigate obtaining additional mapping of the rail line.

DISCUSSION

Request for Proposals for Freight Rail Service

Attachment 1 is the revised draft request for proposals (RFP) for a freight rail service operator on the Santa Cruz Branch Rail Line. Staff and consultants received comments from Commissioners at your May meeting and from Big Trees and Pacific Railway, CEMEX, and Union Pacific. Written comments are included as Attachment 2. The consultants considered all comments in revisions to the RFP.

The RFP is only for freight service and the operator is not required to provide passenger service but must be willing to cooperate with any other firms approved for passenger service by the SCCRTC. The RFP states that the SCCRTC intends to construct a bicycle and pedestrian trail along side the track and to explore potential passenger service.

The revised draft RFP does not include Attachments E, Current Union Pacific Bridge Inspection Report, and F, Current Union Pacific At-Grade Public Crossings Report, because they have not yet been provided by Union Pacific. If they are not available when the RFP is approved by the RTC, the RFP will be released without them. Attachment G, Standard Terms and Conditions for Lease, was under development when the draft RFP was presented to the RTC on May 5, 2005, but is now included.

The Rail Acquisition Task Force (RATF) will review the draft RFP and Attachment G at its June 9, 2005 meeting. Any comments or recommendations from the RATF will be presented at the June 16, 2005 TPW meeting.

The RFP was prepared by Woodside Consulting as a subconsultant to Miller, Owen and Trost. John Williams of Woodside Consulting and Kirk Trost of Miller, Owen and Trost will be available at the meeting to discuss the revised draft RFP and respond to questions about the RFP comments and revisions.

Staff recommends that the RTC review the revised draft request for proposals, consider any recommendations on the RFP from the Rail Acquisition Task Force, and approve and release the RFP.

The Rail Acquisition Task Force, consultants and staff have discussed potential participants on a selection committee to review the submitted proposals, interview candidate firms and provide a recommendation to the SCCRTC. A recommendation for membership in the selection committee will be presented at the August 4, 2005 RTC meeting.

Preliminary Title Report

The preliminary title report was discussed at the May 19, 2005 Transportation Policy Workshop (TPW) meeting. Commissioners were shown how to find the parcels listed in the title report on the valuation maps of the Santa Cruz Branch Rail Line. The valuation maps continue to be available for viewing at the Commission offices by appointment so that staff can assist

Commissioners and members of the public who wish to view the valuation maps.

At the May TPW meeting, the Commission also discussed other mapping options to better understand the corridor and decided that having the Union Pacific parcel numbers on these maps is not necessary at this time. Staff was directed to investigate the possibility of obtaining maps of the rail line from Mesiti-Miller Engineering and from the County GIS Department.

Mesiti-Miller Engineering Maps

A series of 68 maps was developed using assessor parcel information obtained from the County Assessor's Department as AutoCAD data. The maps show the parcels abutting the rail line, the width of the rail line right-of-way (ROW), highways, streets, and waterways. The set includes a map of the entire county, the rail line in six segment maps and the rail line in 68 smaller segments. The larger and smaller maps are related to each other for ease of use. The maps are in a scale of 1 inch to 200 feet. Attachment 3 is an email note from Mesiti-Miller Engineering which states what would be included in the set of maps and the cost of \$7,500.

County GIS Maps

The County Geographic Information Systems (GIS) Department can provide the Commission with maps using county GIS data. The maps would also show the ROW with abutting parcels, the width of the ROW, streets, and waterways. The County GIS department would use existing maps produced for the fire department and would customize them for the RTC needs. The County GIS maps use a scale of 1 inch to 300 feet. An example of the fire department maps is included as Attachment 4 and an example of a fire department map customized for the RTC needs will be provided at the meeting. The estimated cost for the maps produced by the County GIS Department is \$4,000.

The price difference between the two proposals results from the fact that Mesiti-Miller Engineering is using AutoCAD files to produce the maps which require significantly more work to manipulate and must be converted to a GIS format. In addition, the County GIS department will be working with existing maps that do not require as much manipulation. **Staff recommends that the RTC approve the attached (Attachment 5) resolution authorizing the Executive Director to secure the services of the County GIS Department to produce the maps of the Santa Cruz Branch Rail Line at a cost not to exceed \$4,000.**

Real Estate Appraisal Contract

In November 2003, the Regional Transportation Commission entered into a \$54,515 contract with Arthur Gimmy International to produce an appraisal of the Santa Cruz Branch Rail Line. At that time, there was indication from Union Pacific that acquisition of the Santa Cruz Branch Rail Line would proceed quickly and the term of the appraisal contract was through June 30, 2004. The contract was amended once to extend the term to June 30, 2005.

On December 6, 2004, the Regional Transportation Commission approved entering into a letter of intent with Union Pacific to purchase the Santa Cruz Branch Rail Line. In late December

2004, Arthur Gimmy International produced a draft appraisal of the Santa Cruz Branch Rail Line for review by the review appraiser, Thomas Ryland. The review appraiser has completed a draft review of the draft appraisal and the preliminary title report has also been completed. It is now necessary to incorporate the comments of the review appraiser and the title information into the draft appraisal for completion.

As illustrated in Attachment 6, the billable time spent by Arthur Gimmy International to produce the draft appraisal has far exceeded the total contract amount of \$54,515.00. Arthur Gimmy International has not invoiced beyond the contracted amount. As explained in Attachment 7, the reasons for the cost overrun are the quality of the information available regarding the Santa Cruz Branch Rail Line property and the significantly extended period of time required to produce the work. These factors are beyond the control of Arthur Gimmy International. Therefore, Arthur Gimmy International requests an additional \$15,000 to do the remaining work necessary to complete the appraisal of the Santa Cruz Branch Rail Line. This includes attending RTC meetings to provide a report on the appraisal and address questions and comments.

Staff recommends that the RTC approve the attached resolution (Attachment 8) to extend the contract with Arthur Gimmy International to December 31, 2005 and to add \$15,000 to the contract to complete the appraisal of the Santa Cruz Branch Rail Line. Sufficient funds are included in the FY 04-05 budget to cover this contract amendment.

The appraisal will be presented to the RTC in August.

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 has completed the sampling and analysis, and a draft report will be available for the Commissioners this month. The Phase II ESA work is being produced under a confidentiality agreement between the RTC and Union Pacific. Consistent with that agreement, the Phase II ESA will be available to the public, if and when the Executive Director makes a recommendation to purchase the rail line.

Structures Assessment

Systra and Biggs Cardosa have begun the structures assessment work and it is expected that a draft report will be presented to the RTC in August.

Lease Investigation

Miller, Owen and Trost has engaged the North Pacific Coast Company to produce the lease investigation.

Historical Site Investigation

Staff has been investigating the existence of historical structures on the Santa Cruz Branch Rail Line. Staff will obtain a complete list of historical buildings, sites and structures from the state registry and review it to determine whether any Santa Cruz Branch Rail Line structures are included.

Rail Acquisition Task Force

The Rail Acquisition Task Force (RATF) met on June 9th to discuss various issues including the revised draft RFP for a freight service operator. Any recommendations made by the RATF will be presented at the meeting.

SUMMARY

Staff recommends that the RTC review the revised draft request for proposals (RFP) for a freight rail service operator and consider any recommendations on the RFP from the Rail Acquisition Task Force (RATF). Staff also recommends that the RTC approve a resolution to obtain Santa Cruz Branch Rail Line maps from the County GIS Department for a maximum of \$4,000. In addition, staff recommends approval of a resolution to amend the contract with Arthur Gimmy International to extend the term and add \$15,000 to complete the Santa Cruz Branch Rail Line appraisal.

- Attachment 1: Revised Draft Request for Proposals (RFP) for a Freight Rail Service Operator
- Attachment 2: Comments on the Draft RFP for a Freight Rail Service Operator
- Attachment 3: Rail Line Mapping Estimate from Mesiti-Miller Engineering
- Attachment 4: Sample Fire Department Map Produced the County GIS Department
- Attachment 5: Resolution for Rail Line Mapping by the County GIS Department
- Attachment 6: Arthur Gimmy International Invoice Showing Cost Overrun to Produce the Draft Santa Cruz Branch Rail Line Appraisal
- Attachment 7: Letter from Arthur Gimmy International Requesting an Additional \$15,000 to Complete the Santa Cruz Branch Rail Line Appraisal.
- Attachment 8: Resolution Adding \$15,000 to the Rail Line Appraisal Contract with Arthur Gimmy International