

Memorandum

To: Chair and Commissioners

Date: September 11, 1998

From: Robert I. Remen

File No.: Book Item 2.1e.(1)
ACTION

Ref.: **PROPOSITION 116 APPLICATION FROM THE TRANSPORTATION AGENCY FOR MONTEREY COUNTY (TAMC) FOR THE SAN FRANCISCO - MONTEREY INTERCITY RAIL SERVICE PRELIMINARY ENGINEERING AND ENVIRONMENTAL ASSESSMENT**

Issue

Should the Commission approve a Proposition 116 application from the Transportation Agency for Monterey County (TAMC) requesting \$450,000 for preliminary engineering and environmental assessment for the San Francisco - Seaside/Monterey Intercity Rail Service Project (PUC Section 99638)?

Recommendation

Commission staff has reviewed TAMC's Proposition 116 application and recommends that the Commission:

- Approve the attached resolution which would grant approval of the application for \$450,000 in Proposition 116 funds for preliminary engineering and environmental assessment.
- Direct Commission staff to transmit a letter to TAMC requesting that the following issues be addressed during the project development process and reported to the Commission prior to approval of a capital improvement Proposition 116 application for this project:
 1. Whether "full service" in this corridor will require acquisition of full fee title or whether the private railroad will allow passenger service at less than fee. For either option, at what cost?
 2. What funding sources TAMC intends to commit for short- and long-term operations of the proposed service, particularly in light of the structural shortfalls facing the funding sources currently used for existing and other projected increases in intercity rail operations.
 3. Whether the public investment required for capital improvements and operating subsidies is worthwhile and justified over the long term, solely for four-day-a-week-service, without the prospect of expanding to full seven-day-a-week-service. Also, the time frame in which service expansion is both feasible and likely?
 4. Whether sufficient capacity exists on the Caltrain Corridor (San Francisco to Gilroy) to permit both Caltrain and the Monterey service to operate initially and at ultimate "buildout" of both services and what, if any, compensation to Caltrain would be required.

Background

Proposition 116 authorizes \$17 million (PUC Section 99638) to be allocated to the TAMC for the following: (a) extension of Caltrain Service; or (b) other rail projects within Monterey County. TAMC will pursue intercity service within the corridor, as described in PUC Section 99638, subsection (a), that calls for no local match. Re-establishment of passenger rail service along the Monterey Branch Line will require identified capital improvements and estimated costs. The 16-mile Monterey Branch Line, between the Coast Line connection in Castroville and downtown Monterey at Fisherman's Wharf, is the ultimate destination point for the proposed service. The first phase of the proposed project would provide intercity rail service to the terminus in Seaside at the corner of Canyon Del Rey (State Highway 218) and Del Monte Boulevard, 14.4 miles from Castroville.

In 1992, Caltrans Division of Rail prepared a Rail Feasibility Study evaluating rail service from San Francisco to Monterey County, particularly to the Monterey Peninsula. This analysis of potential ridership indicated that a sufficient market exists to meet the required state farebox recovery ratio of 55% after six years of service for operation of intercity passenger rail service between San Francisco and Downtown Monterey.

Thus, the initial analysis of revenues and operating costs shows that the proposed service will take longer than three years allowed to meet 55% farebox recovery currently required by the Commission's Proposition 116 Guidelines. The revenues and operating cost figures were based on a daily three round-trip schedule pattern similar to that of the initial *Capitol & San Joaquin* rail service. The study also states that the farebox recovery ratios could likely be improved through an integrated marketing strategy and additional ridership from the Santa Cruz area and Fort Ord, especially with the establishment of the California State University campus.

In 1995, TAMC hired a consultant to prepare four additional studies to further define the potential rail service. The market assessment and ridership forecasts were updated in October, 1997, and the Monterey Branch Line improvements and capital cost estimates were revised in August 1997 (which incorporated comments from Amtrak, Caltrans, and the City of Salinas). In December 1997, the TAMC Board approved the *San Francisco-Monterey Intercity Rail Service Implementation Summary* that identifies the San Francisco-Seaside/Monterey service as the preferred service for beginning the passenger rail program in Monterey County.

In August 1998, the Commission received a Proposition 116 application from the Transportation Agency for Monterey County for \$450,000 for technical studies associated with environmental assessment and for preliminary engineering design work for the proposed San Francisco to Monterey passenger rail service, with initial service operating on any extended four-day weekend basis (Friday through Monday) for the foreseeable future. Preliminary Engineering will include preliminary design and cost estimates of platform and pedestrian connections to existing parking and transit service, grade crossings and signal improvements, track upgrades and the replacement of the Salinas River Bridge. Environmental studies could include National Preservation Act (Section 106) and California Historic Preservation compliance work, biological reports associated with wetlands affected by the bridge construction, geological and geotechnical reports, and noise and vibration assessments.

The proposed San Francisco-Seaside Intercity Service, according to TAMC, will provide a much needed alternative travel mode for travelers within the congested Highway 101/156/1 Corridor. The four-day extended weekend and holiday service schedule is designed to serve the tourist/intercity traveler from the San Francisco Bay Area whose destination is Monterey County and Monterey County residents wishing to travel by train to the Bay Area. Efforts are being made to connect this intercity service schedule with other existing and planned service in Northern California including the *Capitol Corridor* intercity service between San Jose and Colfax and the Altamont Commuter Express running between San Jose and Stockton.

The initial phase of this intercity rail project will identify the work needed to reinstate passenger rail service along the Monterey Branch Line. These results will provide the detailed information necessary to support a subsequent application approval and allocation prior to July 1, 2000 for the final design, property acquisition and construction of the San Francisco-Monterey Intercity Rail Project. In that subsequent application, the following items must be addressed prior to Commission approval.

1. An explanation of the provisions to acquire right-of-way and/or trackage rights to the Monterey Branch Line.
2. An identification of the funds available for the proposed service's near-term and future operating budget and plan, particularly for - weekend service and commitment.
3. An assessment describing why weekend service is viable and the necessary improvements, costs, and upgrades for future service enhancements.
4. An analysis of the capacity on the Caltrain Corridor to handle Caltrain and TAMC service, as well as agreement with Caltrain to share the line.