



MEMO

To: NCRA Board of Directors

From: Executive Director Mitch Stogner

Date: August 9, 2017

Subject: **Agenda Item E.2 – Consideration of NCRA Sponsorship of Legislation**

In 2005, the Congress enacted the 6-year Highway and Transit Reauthorization measure, SAFETEA-LU. This federal legislation, among other things, included a provision which forgave the \$12 mil. Q-Fund loan that was used to pay a portion of the acquisition costs of the Willits, Healdsburg and Lombard segments of the NWP rail line.

In anticipation of Q-Fund loan forgiveness, in 2005 NCRA sponsored legislation authored by then State Senator, Wes Chesbro, which would have reallocated the \$5.5 mil. in TCRP funds that were designated by statute to help NCRA repay the federal Q-Fund loan. That state legislation, SB 792, would have authorized NCRA to, instead, spend the \$5.5 mil. to pay for environmental clean-up and emergency maintenance, pending the resumption of freight service. The funds were to be used to address health and safety issues on NCRA's publicly-owned railroad right-of-way including strengthening of levees, repair of bridges, repair of culverts and flood-related damage, weed abatement that may present a fire hazard, repair of highway surface crossings, clean-up of debris, vandalism, and management of over 100 private crossings involving easements, leases, and other private encroachments on NCRA's property.

SB 792 was approved by both Houses of the legislature, but vetoed by Gov. Schwarzenegger in October 2005.

The following year, the California Transportation Commission (CTC) allocated \$41.2 million to the NCRA to initiate repairs for the first phase of freight service from Lombard to Windsor. With the state commitment to pay for capital repairs leading to operations on the South-end of the NWP line, NCRA again sponsored legislation, SB 861 (Wiggins), which would have reallocated the \$5.5 mil. to pay for environmental clean-up and remediation of hazardous conditions along the publicly – owned right of way from Healdsburg to Samoa.

SB 861 was approved by both Houses of the legislature, but vetoed by Gov. Schwarzenegger in October 2007.

The problem has not gone away. NCRA receives no local, state, or federal support to maintain any portion of the NWP right-of-way from Healdsburg to Samoa. Accordingly, NCRA does not have the funding required to effectively manage its public property and address health and safety concerns such as flooding, fire hazard abatement, vandalism, environmental clean-up, and emergency bridge and highway crossing issues on the rail corridor that runs adjacent to, or through, the towns of Healdsburg, Cloverdale, Hopland, Ukiah, Willits, Fortuna, Eureka, Arcata, and Samoa.

NCRA staff has now asked State Senator Mike McGuire's staff to consider authorship of legislation which would provide state funding for NCRA to address health and safety issues along the right- of-way, and effectively manage the property along this publicly-owned rail corridor.

In making that request, NCRA staff has pointed out that NCRA made a presentation to the California Transportation Commission on June 29 outlining its funding need and committing to an effort to seek legislative support for additional state funding.

Sen. McGuire's staff has agreed to work with NCRA to attempt to identify a state fund source that could be used to support NCRA's agency needs. Sen McGuire and his staff have agreed to meet with NCRA staff on August 18 in Santa Rosa to discuss possible strategies to address NCRA's funding shortfall.

Staff Recommendation: Endorse sponsorship of state legislation to provide state funding for NCRA to effectively manage its public property, and to address health and safety concerns along its publicly-owned rail corridor from Healdsburg to Samoa.

PROPOSED LEGISLATION/BACKGROUND

DATE: December 19, 2011

SPONSOR: North Coast Railroad Authority (NCRA)

NAME: Mitch Stogner, Executive Director

ORGANIZATION: NCRA

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PURPOSE OF BILL (Problem/issue requiring solution and/or problem or deficiency in existing law – attach proposed language): NCRA has the state mandated responsibility to restore and preserve freight rail service on the North Coast. NCRA has successfully repaired the track from Napa to Windsor and has hired a contractor who has operated a train on this 62 mile segment since July 2011. NCRA also has the responsibility of maintaining the track way and right-of-way from Healdsburg to Samoa in Humboldt County, approximately 250 miles.

RECOMMENDED SOLUTION: NCRA receives no local, state, or federal support to maintain any portion of the railroad right-of-way from Healdsburg to Samoa. NCRA requests an appropriation of \$500,000 annually from the Public Transportation Account (PTA) so that NCRA can effectively manage its property and address flooding, fire hazard abatement, vandalism, environmental clean-up, and emergency bridge and highway crossing issues on the rail corridor that runs adjacent to, or through, the cities of Healdsburg, Cloverdale, Hopland, Ukiah, Willits, Fortuna, Eureka, Arcata, and Samoa.

STUDIES, REPORTS, STATISTICS & FACTS (List all documented sources supporting your conclusion that there is a problem. Be *specific* and attach major sources): SB 792/Chesbro proposed to use \$5.5 mil. In TCRP funds to address this problem. SB 792 was enacted by the legislature in 2005, but vetoed by Gov. Schwarzenegger in October 2005. SB 861/Wiggins proposed to use \$5.5 mil. In TCRP funds to address these issues. SB 861 was enacted by the legislature in 2007, but was vetoed by Gov. Schwarzenegger in October 2007.

FISCAL IMPACT (How much will it cost?): The Public Transportation Account (PTA) receives funding from a 6.75% sales tax on diesel fuel. \$500,000 annually from the PTA would be sufficient to allow NCRA to begin to address the previously mentioned public health and safety issues along the NWP rail corridor.

OTHER STATES THAT HAVE ADDRESSED RESOLVED THE PROBLEM SUCESSFULLY:

Unaware of similar problems along publicly owned rail corridors in other states.

Urgency (Is there a need for speed? How fast must this matter move?)

Trains are currently operating from the national rail interchange (Napa/Lombard) to Windsor. NCRA has waited a long time for state support to safely and effectively manage its right-of-way in northern Sonoma, Mendocino, and Humboldt counties. Identifying an annual fund source in FY 2012-13 would allow NCRA to finally begin addressing health and safety issues along the rail corridor it manages from Healdsburg to Samoa.

LIKELY POSITIONS: SUPPORT OPPOSE

All cities and counties in the corridor from Healdsburg to Samoa would support this legislation.

Key Legislators (Policy/Fiscal Committee Chairs, etc.)_
Sen. Trans & Housing (De Saulnier. Chair) _____
Sen. Appropriations (Kehoe. Chair) _____
Assem. Transportation (Lowenthal. Chair) _____
Assem. Appropriations (Fuentes - Chair) _____

Department of Finance

Unknown _____

Affected State Agencies

Unknown _____

Interest Groups (State precise reason if opposed)_

All of the cities and counties along the NCRA rail corridor supported SB 792 (Chesbro) and SB 861 (Wiggins). _____

PRIOR OR SIMILAR LEGISLATION (Bill number, author, session and final disposition):

As mentioned:

SB 792 (Chesbro) approved by the legislature in 2005, and vetoed by the Gov. in October 2005.

SB 861 (Wiggins) approved by the legislature in 2007, and vetoed by the Gov. in October 2007

