

NORTH COAST RAILROAD AUTHORITY

DRAFT STRATEGIC PLAN UPDATE

2020-2025



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CURRENT MANDATE

The legislation that created the North Coast Railroad Authority (NCRA) was signed into law in 1989, Government Code Sections 93000, et seq. The Act was intended to ensure continuation of railroad service on the Northwestern Pacific (NWP) rail line, and envisioned the railroad playing a major role in the transportation infrastructure serving the North Coast. In creating the NCRA to restore and preserve rail service, the Legislature recognized that California's North Coast region suffers from restricted access and limited transport options.

REVISED MISSION (PROPOSED)

NCRA's revised mission is to work with local, state and federal agencies to transfer NCRA freight responsibilities to the Sonoma-Marín Area Rail Transit District (SMART), the rail agency currently offering commuter service in Sonoma and Marin Counties; and , secondly, to work with local, state and federal agencies to initiate the process of "railbanking" the rail line in Mendocino, Trinity and Humboldt Counties to enable preservation of the unbroken rail corridor for possible future rail use and for creation of the Great Redwood Trail.

STRATEGIC ISSUES

SB 1029 (McGuire), effective January 1, 2019, requires the California State Transportation Agency (CalSTA) to undertake an assessment of the North Coast Railroad Authority (NCRA) to determine the most appropriate way to dissolve the NCRA and dispense with its assets and liabilities. The primary goal of the legislation is to transfer freight responsibility on the south end of the line from NCRA to the local agency currently providing commuter service in Sonoma and Marin Counties, and to begin the process of "railbanking" the northern stretch of the line in Mendocino, Trinity and Humboldt Counties, through the Eel River Canyon, for creation of the Great Redwood Trail, a multi-use trail to be enjoyed by locals and visitors worldwide.

The measure requires CalSTA to report to the legislature on plans to transfer the southern portion of the rail corridor to SMART, and requires CalSTA, in consultation with the National Resources Agency, to assess the viability of developing a trail along the rail line including options for "railbanking" designated portions of the line.

With respect to SMART's acquisition of the southern portions of the line, SB 1029 (McGuire) appropriates state funds to SMART, the existing commuter rail operator in Sonoma and Marin Counties, for the purposes of acquiring the freight rights and equipment from NCRA's current freight operator, Northwestern

Pacific Railroad Company (NWPCo.), to ensure efficient provision of goods movement in the corridor.

CURRENT NCRA STRATEGIC PRIORITIES

- 1. Complete the transfer, per SB 1029, of all assets of Northwestern Pacific Railroad Company (NWP Co.) to SMART.** NCRA owns the freight easement on SMART's right-of-way from Healdsburg south to Novato and east from Ignacio to Lombard, near the Napa River. NCRA has contracted with NWP Co. for freight service, which operates several trains per week from Petaluma, south. Details of actions taken to support this priority are below. The proposed action will allow SMART to acquire, or buy-out, the existing contract between NCRA and its current freight operator, NWP Co.

Revenue Generated for NCRA	Estimated Costs for NCRA	Schedule
\$0.00	\$16,000.00	Before December 2020

- 2. Quit Claim NCRA right-of-way in the south to SMART.** NCRA proposes to transfer approximately 21 miles of right-of-way currently under NCRA ownership to SMART. The section of rail line to be transferred from NCRA to SMART begins at mile post 68.22, near Healdsburg, and extends north to mile post 89.0 at the Sonoma-Mendocino county line, near Cloverdale. There will be no revenue collected by NCRA from this transfer of ownership.

Revenue Generated for NCRA	Estimated Costs for NCRA	Schedule
\$0.00	\$19,000.00	2020-2021

- 3. Quit Claim NCRA freight easement in the south to SMART.** NCRA also proposes to transfer the freight easement owned by NCRA to SMART. This transfer of the freight easement includes all of the rail line south of Healdsburg, down to Ignacio Blvd., near Novato, and East to the national rail interchange, South of Napa (Lombard). There will be no revenue collected by NCRA from the transfer of this freight easement.

Revenue Generated for NCRA	Estimated Costs for NCRA	Schedule
\$0.00	\$5,000.00	2020-2021

- 4. Railbank NCRA’s right-of-way in the north, in order to protect the corridor and preserve it for future railroad use.** Railbanking is a federal process regulated by the Surface Transportation Board (STB), whereby a railroad right-of-way owned in fee title or by easement, can be protected for all time, even if it is not currently in use for rail transport.

NCRA proposes to railbank the northern section of its railroad corridor, initially beginning in Willits (MP 139.5), and continuing north, through the Eel River Canyon all the way to the Port of Humboldt Bay, including the three branch lines in Humboldt County.

The railbanked portion of right-of-way will be available for future development as the Great Redwood Trail. Details on NCRA action to support this priority are below.

Revenue Generated for NCRA	Estimated Costs for NCRA	Schedule
\$0.00	\$132,000	2020 - 2021

- 5. Amend NCRA’s legislative mandate to manage trails or transfer its holdings and management responsibility to a successor agency.** NCRA is a freight railroad management agency as described in its original legislative mandate outlined in Government Code Sections 93000 et. seq. If, and when, a separate trail management agency is designated by statute to manage and develop the Great Redwood Trail, NCRA will transfer its holdings with no revenue generated from the transfer. Alternatively, NCRA could assume the trail management responsibilities under a new legislative mandate yet to be defined.

Revenue Generated for NCRA	Estimated Costs to NCRA	Schedule
\$0.00	\$15,000	2020 - 2022

- 6. Develop the Great Redwood Trail in NCRA’s railbanked corridor.** The intent of SB 1029 and NCRA’s current Board of Directors is to develop the Great Redwood Trail within the NCRA rail corridor. The mile post limits of the project are not yet defined, and planning level cost estimates will be available with the release of the SB 1029 required assessment report.

Revenue Generated for NCRA	Estimated Costs for NCRA	Schedule
\$0.00	Unknown- Pending SB 1029 Report	2020 - 2025

STRATEGIC PLAN IMPLEMENTATION

What follows is a summary of NCRA actions to date that are intended to accomplish the goals and objectives set forth in SB 1029 (McGuire).

- NCRA has worked cooperatively with CalSTA, the Department of Natural Resources, the Department of Finance and other state agencies to effectuate the orderly dissolution of NCRA and the reallocation of the assets and liabilities accumulated since NCRA was created by the state in 1989. That process continues in preparation for a full report to the legislature prepared by CALSTA in consultation with SMART, NCRA, Department of Finance and other state agencies.
- The SMART and NCRA Boards both approved Action Items in May 2020 endorsing the concept of SMART assuming the Common Carrier and Freight service provider responsibility (directly or through contract) from the Mendocino-Sonoma County line (near Cloverdale) to the national freight interchange south of Napa (Brazos Junction). These SMART and NCRA Board actions lay the groundwork for execution of all of the agreements necessary to enable SMART to acquire the freight rights and equipment from NWP Co., making SMART the only public entity responsible for both commuter and freight service south of the Sonoma-Mendocino county line (near Cloverdale). This will eliminate redundancy and ensure efficient provision of goods movement in the corridor.
- NCRA has also retained experienced “railbanking” counsel with responsibility for the development of a railbanking plan for the north end of the line from Willits to Eureka/Arcata, including the 3 Branch lines in Humboldt County. The railbanking process will require several filings with the federal Surface Transportation Board (STB), including the development of an Environmental Report and Historical Report. Under the federal railbanking process, a line is preserved intact for possible future rail activation and may be used as a trail in the interim. Because it remains under STB jurisdiction for railbanking, state law easement- extinctions or base- fee reversions are preempted. NCRA is required to seek

abandonment authority from the STB to qualify for railbanking the north end of the line, which is the key filing to be submitted to the STB. Railbanking guarantees the preservation of the historic unbroken rail corridor from the national rail interchange south of Napa, west to US 101 near Novato, and then north along US 101, all the way to the Port of Humboldt Bay.

- NCRA has worked cooperatively on the shared objective of transferring freight operations on the south end of the line to SMART, and railbanking the north end of the line for creation of the Great Redwood Trail. NCRA will continue to work with the appropriate state agencies, SMART, and the local transportation authorities to implement the goals established through the enactment of SB 1029 (McGuire).

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