



February 18, 2020

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director

Subject: Agreement with Union Pacific Railroad to Implement Two Additional Passenger Train Pairs

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency has programmed \$117,277,870 in funding to advance service improvement and expansion goals through investment in the Union Pacific Railroad-owned Santa Barbara subdivision. Staff has worked with the Union Pacific Railroad to develop a recommended program of capital projects necessary to implement additional service on the Santa Barbara subdivision, along the northern end of the Los Angeles – San Diego – San Luis Obispo rail corridor. In order to advance the capital investment and commensurate expanded service, staff is seeking Board of Directors approval to negotiate and execute an agreement with the Union Pacific Railroad to finalize and deliver the program of projects.

Recommendations

- A. Authorize the Managing Director to negotiate and execute an agreement between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Union Pacific Railroad for a not-to-exceed amount of \$124,600,000 to design and construct the capital improvements necessary to implement two additional roundtrips north of Los Angeles.
- B. Amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's fiscal year 2019-20 revenue and expense budget in the amount of \$35,000,000 to reflect the estimated amount of project activity through the remainder of fiscal year 2019-20.

Background

As part of the effort to advance service expansion and enhancement goals for the Pacific Surfliner service, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is managing efforts to improve the efficiency of the infrastructure, add track capacity and improve on-time

performance (OTP) along the LOSSAN rail corridor in Ventura, Santa Barbara, and San Luis Obispo counties. The Pacific Surfliner service operates over four different host railroads (Union Pacific Railroad (UPRR), Metrolink, BNSF Railway, and North County Transit District) along the 351-mile LOSSAN Rail Corridor. These host railroads are responsible for the operations and maintenance of the right-of-way, including dispatching trains.

Currently, the Pacific Surfliner operates five roundtrips north of Los Angeles, with three terminating at Goleta and two terminating in San Luis Obispo. Consistent with the LOSSAN Agency's fiscal year (FY) 2019-20 and 2020-21 Business Plan, LOSSAN Agency staff have been working with UPRR to add two additional roundtrips north of Los Angeles, with one additional roundtrip extending to San Luis Obispo and the second roundtrip operating to Goleta.

In July 2019, UPRR presented the results of the capacity modeling they had performed to evaluate the infrastructure improvements necessary to support implementing two additional roundtrips on the northern end of the corridor as described above. Since that time, the LOSSAN Agency staff have been working with UPRR to prioritize the capital projects, with the goal of implementing the first new roundtrip by the end of 2020.

Discussion

The LOSSAN Agency's 2018 Transit and Intercity Rail Capital Program (TIRCP) grant award included \$147,930,000 in funding to address many of the capital improvements necessary to implement the additional service north of Los Angeles, including construction of additional double track and siding extensions, station improvements, signals and switch upgrades, and capitalized access incentives to the UPRR for improved Pacific Surfliner reliability and OTP.

Of the \$147.9 million of TIRCP funding awarded to the LOSSAN Agency in April 2018, approximately \$78.1 million is being directed to the implementation of capital improvements along the Santa Barbara subdivision, with the remaining 2018 TIRCP funds going towards the capitalized access and OTP incentive with UPRR, expansion of the Goleta Layover Facility and improvements to the Camarillo station. The capitalized access and OTP incentive with UPRR will be covered under a separate agreement and will be brought before the Board of Directors (Board) for consideration later this year. LOSSAN Agency staff have also been coordinating with the California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT) to identify \$33.3 million in other matching funds that are being reprogrammed from unallocated Proposition 1B Intercity Rail (Prop 1B) funds and unallocated 2016 TIRCP funds which were originally awarded to the LOSSAN Agency for the purchase of Talgo equipment. Approximately \$5.9 million in proposed future

State Rail Assistance (SRA) funds is also assumed. The future SRA funds will be included in any Capital Improvement Program updates and funding requests brought to the Board. The revenue and expenses for the entire program of projects will be included in the LOSSAN Agency's FY 2020-21 and FY 2021-22 annual business plan and FY 2020-21 Budget, which will be brought to the Board by June 15, 2020, for final approval. Funding to cover the remaining \$7.3 million is actively being sought in cooperation with Caltrans DRMT and the California State Transportation Agency. The table below summarizes the programmed sources of funding.

Funding Source	Funding Amount
2018 TIRCP	\$78,059,870
2016 TIRCP	\$6,860,000
Proposition 1B	\$26,500,000
State Rail Assistance	\$5,858,000
Subtotal of Programmed Funding	\$117,277,870
Remaining Funding Needed	\$7,332,130
Total Budget for UPRR Capital Program	\$124,600,000

The agreement with UPRR covers the capital improvement and infrastructure enhancement projects necessary to implement the two additional roundtrips north of Los Angeles and is broken into two phases. In order to be able to implement the first additional roundtrip to San Luis Obispo by the end of 2020, UPRR has indicated work on the Phase 1 projects must begin by the end of the third quarter of FY 2019-20. While LOSSAN Agency staff continue to pursue sources to cover the \$7.2 million of additional funding to fully fund all the capital improvements identified in the agreement, the available funds are enough to fully address the capital improvements necessary for Phase 1.

Phase 1 comprises the capital improvements and infrastructure enhancements necessary to support one additional roundtrip to San Luis Obispo, which includes:

- Replacement of two bridges that are a century old and removing the speed restrictions that are currently imposed on these bridges
- Upgrade of track infrastructure at key locations, some of which is over 70 years old
- Power up and upgrade seven sidings north of Goleta
- Install centralized traffic control (CTC) along 105 miles of the Santa Barbara subdivision, north of Goleta

Phase 2 comprises the capital improvements and infrastructure enhancements necessary to support a second roundtrip to Goleta, which includes:

- A second track and platform (with a grade separated pedestrian crossing) at the Carpinteria station
- Corridor hardening projects, such as slope stabilization and additional safety fencing
- Completion of track infrastructure upgrades

The agreement will also help to improve overall corridor reliability through the construction of the identified capital improvements. Due in part by the extensive single track, lack of CTC along the majority of the subdivision, and the number of hand-thrown switches that still control access to passing sidings, the reliability of the Pacific Surfliner service along the Santa Barbara Subdivision continues to fall short of the 90 percent OTP metric required by the State of California. The agreement will allow for the implementation of capital improvements and infrastructure enhancements to help improve operational reliability, while at the same time reduce overall travel time.

UPRR, working in coordination with LOSSAN Agency staff, have prepared a draft agreement that defines the process for implementing the projects and for achieving the service goals defined in the TIRCP grant award, the 2018 California State Rail Plan and the LOSSAN Agency FY 2019-20 and 2020-21 Business Plan. The term of the agreement is five years, contingent on the availability of funding, with a termination date of December 31, 2025.

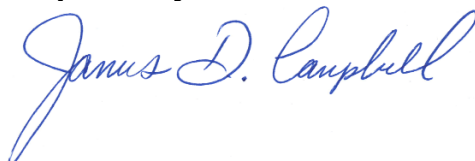
Summary

Staff has been working with the Union Pacific Railroad to draft an agreement defining a program of capital improvements that will be required to operate two additional roundtrips for the Pacific Surfliner north of Los Angeles. This service expansion is consistent with the 2018 California State Rail Plan and the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency fiscal year 2019-20 and 2020-21 Business Plan. The capital improvements included in the agreement will also help to improve the overall reliability of the rail corridor. Staff is seeking Board of Directors' approval to negotiate and execute the agreement with the Union Pacific Railroad. Staff is also seeking Board of Directors' approval to amend the fiscal year 2019-20 budget to reflect the anticipated expenditures and associated funding revenues for implementing these capital improvements.

Attachment

None.

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