

SANTA CRUZ

Rail deal OK'd at lower price

Transportation

85mn 1-21-11

By J.M. Brown

jbrown@santacruzsentinel.com

The California Transportation Commission granted Santa Cruz County \$14.2 million to acquire 3.2 miles of rail line from Watsonville to Davenport after a commissioner cut a surprising, last-minute deal for Union Pacific to drop its price.

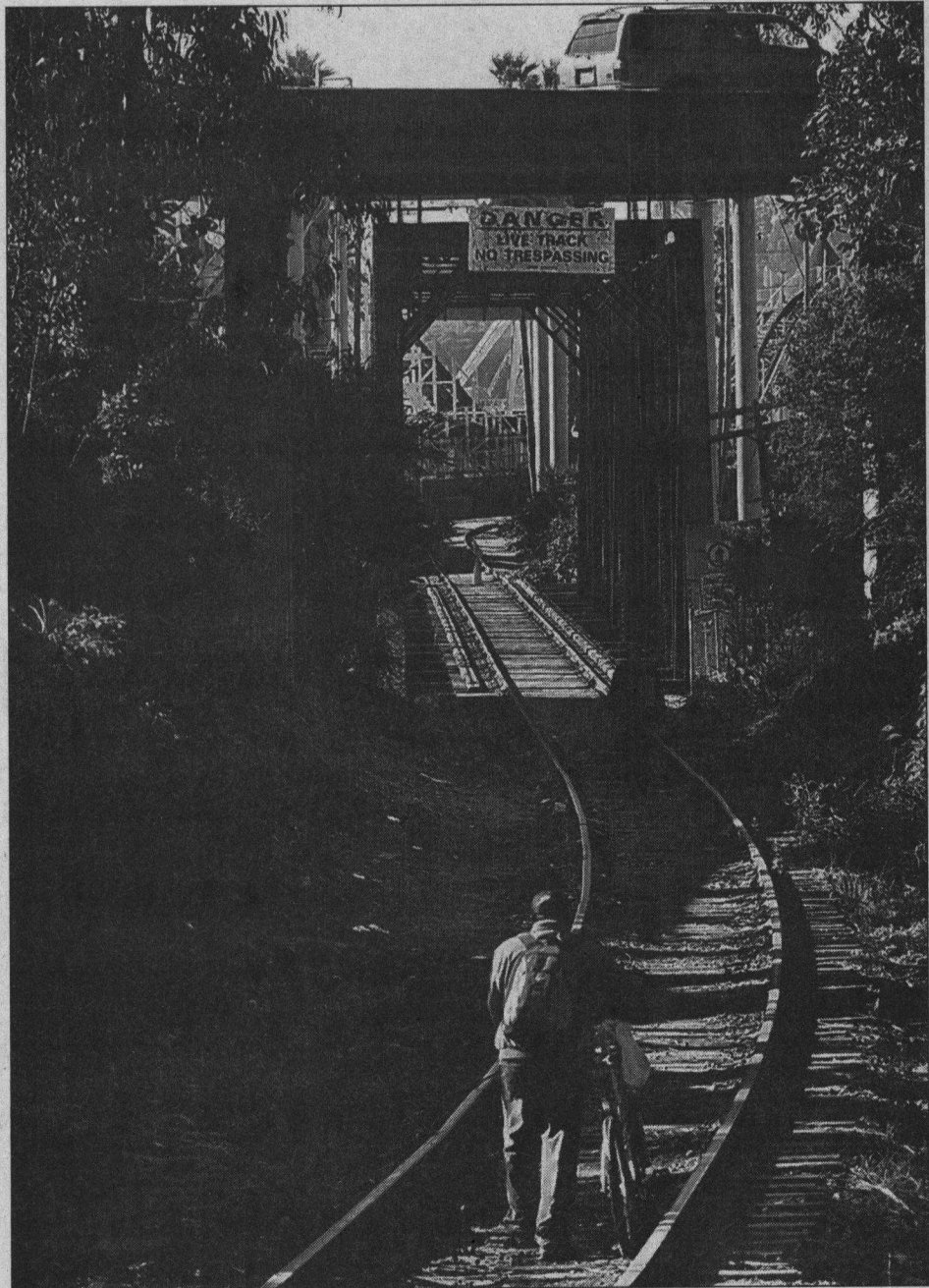
The panel voted 10-1 on Wednesday to approve county Regional Transportation Commission plans for the project in late June, but needed to take a separate vote to allocate state transportation funds. The county requested \$14.85 million to buy the rail line for \$14.2 million and cover \$650,000 in related costs.

But Commissioner Joseph Tavaglione of Riverside bartered with Union Pacific at the public meeting to drop its price by \$400,000 and asked Santa Cruz County to find another \$250,000.

Calling it a once-in-a-lifetime move, county supervisors and transportation officials said they couldn't believe the negotiated sale price, struck several years ago with the railroad, was changed in a matter of minutes.

"You could spend 20 years going to meetings and never see a negotiation like that ever," said Supervisor John Leopold, a member of the Regional Transportation Commission. "I've never seen anything like it."

Moore said he agreed to drop the price because, "There needed to be give on both sides" in order to seal the deal with commissioners.



SHMUEL THALER/SANTA CRUZ SENTINEL

Santa Cruz County signed a three-year deal in October with Sierra Northern to operate a coastal dinner train, haul freight and perform maintenance on the tracks.