

# Rail purchase moves closer to completion

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 RTC accepts recommendation to buy line, final decision expected next month

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SANTA CRUZ — Transportation leaders voted unanimously to move forward with plans to buy the 32-mile Union Pacific rail line on Thursday, paving the way to make a final decision on the purchase on May 6.

Members of the Santa Cruz County Regional Transportation Commission officially accepted the recommendation from Director George Dondero to buy the branch rail line that stretches from Davenport to Pajaro, something the commission has discussed for more than a decade. After the meeting, commission staff posted online previously confidential documents pertaining to the purchase price, environmental issues and repairs that remain to be done. A public

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hearing on the deal will be April 14.

"The only way for the community to more effectively use the branch line is through public ownership," Dondero said. He said the closure this year of Davenport's Cemex cement plant — the line's biggest freight customer — leaves the corridor in jeopardy of being carved up and sold to private or adjacent landowners if the commission does not buy it.

The Regional Transportation Commission has been negotiating with Union Pacific since 2004 over buying the line and possibly build a hiking and biking trail alongside the tracks. Finding another long, thin property through Santa Cruz County would be "prohibitively difficult and expensive," Dondero said.

The \$21 million needed to complete the deal has been promised by the state, with \$14.2 million going to buy the line and the rest to pay for maintenance and administration.

The deadline to apply for those state funds, which come mostly through a voter-approved state transportation initiative, is June 30.

According to Dondero's summary report, released Thursday:

■ Independent appraisers told the commission that after Cemex's closing, the property's "highest and best use" is to stop running trains entirely and develop the line for other purposes. Appraisers did not specify which purposes to pursue.

■ The commission's most recent property appraisal, done in March, estimated the line's worth at almost \$12.3 million. The appraiser, Sierra West Valuation, said "at either \$14.3 million or \$12.275 million, the Santa Cruz Branch Line is a bargain for the general public while meeting the requirement of 'fair and reasonable price' to be paid the railroad."

■ The commission will receive rail line revenue from real estate leases and

short line rail operations, according to a business plan completed by commission staff last month. Lease revenue has the potential to earn almost \$600,000 annually.

■ The estimated cost of long-term line improvements is \$3.9 million to \$5.4 million. A short-line rail operator would need to spend about \$370,000 each year to maintain the track. The commission has contracted with Sierra Northern Railroad to operate trains on the track.

■ If freight trains are not financially stable, the service could be dropped. However, Sierra Northern has expressed plans to run a tourist dinner train that should help keep the business profitable.

County Supervisor Mark Stone has served as a transportation commissioner since the group formally agreed to pursue the rail line purchase in 2004. He said Thursday he was "thrilled" with its progress.

"This today was a very significant event, getting the executive director's recommendation on it," Stone said. "Now the details are out. This is a significant step for us."

Micah Posner, head of alternative transportation advocacy group People Power, once hounded the commission to move forward with the purchase and criticized the time they took to work through the deal. On Thursday, he complimented the group on negotiations well done.

"You had a very careful and thorough process all these years, sometimes so thorough it grew very hard to wait," Posner said.

But longtime critic Robert Jones of Aptos, whose home backs up to the line, called the commission "fiscally irresponsible" and said the state's money could be better spent fixing potholes, repairing sidewalks or paying for a host of other transportation projects more important than buying a rail line.

"I don't know what parallel universe the RTC is living in," Jones said. "This is going to take away from much needed infrastructure in order to take care of this white elephant."