

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE DIRECTOR
P.O. BOX 942873, MS-49
SACRAMENTO, CA 94273-0001
PHONE (916) 654-6130
FAX (916) 653-5776
TTY 711
www.dot.ca.gov



*Making Conservation
a California Way of Life.*

May 18, 2020

Mr. Farhad Mansourian
General Manager
Sonoma Marin Area Rail Transit
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

Dear Mr. Mansourian:

The California Department of Transportation (Caltrans) supports development of the Sonoma Marin Area Rail Transit (SMART) passenger rail corridor, including the transfer of freight rights and equipment from the North Coast Railroad Authority (NCRA) and the current short line freight rail operator, Northwestern Pacific Railroad Company (NWPCo) to SMART. To deliver this, Caltrans supports the action requested of the SMART Board to approve the Asset Transfer Agreement with NWPCo and the Baseline Agreement with the California State Transportation Agency (CalSTA).

The 2018 California State Rail Plan (Rail Plan) establishes the framework for investing in rail over the next 20-years and beyond. The Rail Plan identifies the SMART corridor as an important element of the State's interregional passenger rail system, providing reliable mobility along the congested highway-101 corridor as well as key transit connections to rural communities in the north State. Since the wildfires of 2017 and 2018, SMART has also played an increasingly critical role in emergency response and evacuation transportation, as well as providing reliable commute options for displaced residents. The SMART owned east-west corridor provides an opportunity to further expand interregional connections and improve reliability and resiliency along the highway-37 corridor and is a priority in the State rail vision.

The State has invested over \$30 million through State Rail Assistance and the Transit and Intercity Rail Capital Program to fund significant improvements and expand the SMART system. Caltrans is also working with our State partners at CalSTA, the Department of Finance, the Department of Parks and Recreation, and the Department of General Services to support SMART in the purchasing of the freight rights along both the north-south, and east-west corridors. SMART

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"

Mr. Farhad Mansourian
May 18, 2020
Page 2

ownership of the east-west corridor provides a path to connect SMART to the rest of the State network in Solano County. We are actively coordinating planning and investments with Solano County and Capitol Corridor Joint Powers Authority to deliver the benefits of seamless, integrated rail and transit connections. Additionally, the State has just awarded funding for improvements in Lake County that will be integrated with SMART as part of a larger network, specifically providing connectivity for more rural north state communities.

Caltrans is committed to partnering with SMART to pursue the expansion of the system as strategy for achieving the State's sustainability, mobility, and equity goals and improving connectivity throughout the state. We urge SMART to take the important step to accept the State's support for purchasing the freight rights and equipment on the corridor and to accept our partnership to realize the benefits of the State and regional investments that have already been made in the system.

Sincerely,



TOKS OMISHAKIN
Director



May 15, 2020

Mr. Eric Lucan, Chair
SMART Board of Directors
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

Dear Chair Lucan:

I hope this letter finds you and your family safe and healthy.

I am writing today in support of your agenda item on the NWPCo freight contract acquisition. I know how much work your Board and staff have put into this over the last couple of years and I am impressed with the progress that has been made.

There is no doubt in my mind that having the freight contract as part of the SMART portfolio is not only good public policy but also good business. And it's something the District has needed – complete control over your own right of way. Consolidating all rail operations on this line into one public entity is in the best interest of our communities and having a public board with local officials making the decisions is good for everyone.

And, according to NWPCo financials, the freight operations are currently profitable and will give SMART an alternative revenue source for operations and maintenance, even in this down economy.

Looking at the bigger picture, the state is seeking ways to fund the SMART extension to Cloverdale and has already underwritten a study to look at the feasibility of running SMART west to east, from Novato to Suisun City. Extending your right of way ownership to the north and obtaining the freight contract can only make these projects easier to achieve in the long run.

Mr. Eric Lucan, Chair
May 15, 2020
Page 2

We have worked hard in the Senate over the years to bring state dollars to SMART and will continue to do so to ensure you are made whole on this added obligation. We have been quite successful over the last couple of years in acquiring funding for the whole SB 1029 process, and that includes \$2 million up front to SMART to make infrastructure improvements related to this project. As a member of both the Senate Transportation Committee and the Senate Budget Committee, I will continue to fight to ensure SMART has the funds it needs to take care of these new assets and to continue to expand and serve our remarkable communities such as the \$20 million in state funds that were recently secured to move SMART into Windsor.

Auditors from the Department of Finance and the experts at the State Transportation Agency have gone over this deal with a fine-tooth comb and I trust them when they say the deal is worth the investment.

This contract belongs in public hands. It is an innovative and logical solution and opens alternative revenue sources for the rail district. I am grateful for the proactive leadership your board has shown through this entire process.

Thank you for your hard work and please let me know if I can answer any questions.

Warmest Regards,

A handwritten signature in black ink, appearing to be 'MIKE MCGUIRE', written in a cursive style.

MIKE MCGUIRE
Senator