

AMENDED IN ASSEMBLY JUNE 20, 2018

AMENDED IN SENATE MAY 25, 2018

AMENDED IN SENATE APRIL 30, 2018

AMENDED IN SENATE APRIL 16, 2018

AMENDED IN SENATE APRIL 5, 2018

AMENDED IN SENATE MARCH 15, 2018

SENATE BILL

No. 1029

Introduced by Senator McGuire

February 8, 2018

An act to add Chapter 4 (commencing with Section 93030) to Title 12 of, and to add and repeal Section 14533.4 of, the Government Code, to add Chapter 14 (commencing with Section 5880) to Division 5 of the Public Resources Code, and to amend Sections 105001, 105003, 105012, 105020, and 105095 of, to add Sections 105032.5 and 105088 to, and to repeal Sections 105104, 105105, and 105180 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1029, as amended, McGuire. North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marin Area Rail Transit District.

(1) Existing law creates the North Coast Railroad Authority with various powers and duties relating to rail service in the north coast area of the state, including the authority to acquire, own, operate, and lease real and personal property reasonably related to the operation and maintenance of railroads.

Existing law establishes in state government the California Transportation Commission with specified powers and duties relative to the programming of transportation capital improvement projects and other related matters.

This bill would require the commission to conduct an assessment of the authority's preexisting liabilities related to debt, litigation, or contractual obligations and report that information to the Legislature before July 1, 2019.

This bill would require the authority, before April 1, 2019, to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to ~~both its right-of-way south of a point in the City of Willits mile post 142.5, its licenses and certificates of public convenience and necessity, common carrier obligations held by the authority or an associated freight operator,~~ and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District, and would require the authority, before July 1, 2019, to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its right-of-way north of ~~that point in the City of Willits mile post 142.5~~ to the Great Redwood Trail Agency. The bill would abolish the authority after those transfers are made.

This bill would create the Great Redwood Trail Agency, and provide for the appointment of its board of directors. The bill would, to the extent funding is available, require the agency ~~to to, among other things, inventory any parcel parcel, easement, or contract related to the northern portion of the right-of-way, complete an environmental assessment of the conditions of the northern portion of the right-of-way, create plan, construct, operate, and maintain a trail in, or next to, the northern portion of the right-of-way, and complete the a railbanking process on a portion of the northern right-of-way, and authorize the agency to contract with an operator to operate freight or excursion rail service on the remaining portion of the northern right-of-way, as specified. process,~~ if and where appropriate. The bill would also provide that the agency has certain enumerated rights and powers, including to fix and collect fees, make grants, acquire interests in real property, and to enter into contracts and joint powers agreements.

This bill would create the Great Redwood Trail Program Fund, and would require certain moneys to be deposited into the fund and to be available for certain purposes.

(2) Existing law creates, within the Counties of Sonoma and Marin, the Sonoma-Marín Area Rail Transit District, which is governed by a 12-member board of directors, with specified duties and powers. Existing law requires the district to work with specified authorities to achieve a safe, efficient, and compatible system of passenger and freight rail service and authorizes the district to own, operate, manage, and maintain a passenger rail system within the territory of the district.

This bill would authorize the district to consider the need and financing for employee workforce housing, and would add a member to the district's board of directors, to be appointed by the Mendocino County Board of Supervisors. The bill would require the district to conduct a freight rail study incorporating the southern *portion of the right-of-way* transferred to the district as described in paragraph ~~(1)~~ (1), and would require the district to create and maintain a trail that begins at mile post 142.5, runs in, or parallel to, the southern portion of the right-of-way, as appropriate, and connects to the district's bicycle and pedestrian pathways to the extent feasible. The bill would also make various conforming changes to the district's provisions relating to the abolishment of the North Coast Rail Authority. The bill would repeal the requirement that the district obtain coverage for itself and its employees under certain federal laws.

(3) Because this bill would impose new requirements on local entities, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. This bill shall be known, and may be cited, as
- 2 the Great Redwood Trail Act.
- 3 SEC. 2. It is the intent of the Legislature to do all of the
- 4 following:

1 (a) Create a systemwide hiking, biking, and riding trail along
2 or parallel to the North Coast Railroad Authority's railroad tracks
3 on the north-east coast, which will be known as the Great
4 Redwood Trail.

5 (b) Ascertain all liabilities, debts, contractual obligations, and
6 leasehold interests held by the Northwestern Pacific Railroad
7 Company, and other legal obligations of the North Coast Railroad
8 Authority, transfer the authority's assets and the right-of-way as
9 provided for in this act, and abolish the North Coast Railroad
10 Authority, which was established by statute in 1989.

11 (c) (1) Transfer the North Coast Railroad Authority's real
12 property, rail assets, rail easements, licenses and certificates of
13 public convenience and necessity, common carrier obligations,
14 and right-of-way south of mile post 142.5 in Willits, California,
15 to the Sonoma-Marín Area Rail Transit District.

16 (2) *To the extent funding is available from nonlocal sources,*
17 *the Sonoma-Marín Area Rail Transit District will be responsible*
18 *for creating and maintaining a trail that begins at mile post 142.5,*
19 *runs in, or parallel to, the southern portion of the right-of-way,*
20 *as appropriate, and connects to the district's bicycle and pedestrian*
21 *pathways to the extent feasible.*

22 (d) (1) Create the Great Redwood Trail Agency, which will
23 be responsible for constructing and maintaining a hiking, biking,
24 and riding trail in, or parallel to, the northern portion of the
25 right-of-way, from mile post 142.5 to mile post 300.5.

26 (e)

27 (2) Transfer the northern portion of the North Coast Railroad
28 Authority's right-of-way, from mile post 142.5 to mile post 300.5,
29 to the Great Redwood Trail Agency.

30 (3) *Authorize the Great Redwood Trail Agency to work with*
31 *landowners and fishing organizations to locate and provide*
32 *appropriate fishing access sites along the northern portion of the*
33 *right-of-way.*

34 (f)

35 (e) Ensure each portion of the right-of-way not used for rail is
36 railbanked or otherwise used as a trail.

37 (g)

38 (f) Ensure each portion of the right-of-way used for rail also has
39 a trail created and maintained in, or next parallel to, it.

40 (h) (1) Provide

1 (g) *As the right-of-way runs through working ranch lands and*
2 *farms, much of it very remote, the Sonoma-Marín Area Rail Transit*
3 *District and the Great Redwood Trail Agency should take special*
4 *concern to work with landowners and businesses to mitigate*
5 *concerns raised by the changes to the right-of-way.*

6 (h) *For the portion of the right-of-way from mile post 85 at the*
7 *Cloverdale Depot to mile post 300.5:*

8 (1) *Provide for the creation of the trail the Great Redwood Trail*
9 *as a multiuse trail wherever practical, provide a safe, ~~continuous~~*
10 *contiguous alignment with appropriate and flexible design*
11 *standards for site conditions, and support the intended uses of the*
12 *trail. To the extent possible, trail alignments should promote*
13 *connectivity between communities adjacent, or in close proximity,*
14 *to established ~~right-of-ways~~ rights-of-way in order to link*
15 *populations and population centers and to provide enhanced*
16 *recreation and commuter opportunities. As such, it is the intent of*
17 *the Legislature to authorize the applicable ~~successor agencies~~*
18 *entities to identify nodes that promote connectivity along the route.*

19 (2) *Provide for the specific trail use types, including hiking,*
20 *biking, and equestrian uses, to be determined by site specific*
21 *studies and a broad community engagement process.*

22 SEC. 3. Section 14533.4 is added to the Government Code, to
23 read:

24 14533.4. (a) The commission shall conduct an assessment of
25 the North Coast Railroad Authority's preexisting liabilities related
26 to debt, litigation, or contractual obligations and report that
27 information to the Legislature before July 1, 2019.

28 (b) *The commission may request the Department of Finance,*
29 *or contract with another entity, to perform the work the commission*
30 *deems necessary to carry out the duties described in subdivision*
31 *(a).*

32 ~~(b)~~

33 (c) (1) The report to be submitted pursuant to subdivision (a)
34 shall be submitted in compliance with Section 9795.

35 (2) Pursuant to Section 10231.5, this section is repealed on
36 January 1, 2023.

37 SEC. 4. Chapter 4 (commencing with Section 93030) is added
38 to Title 12 of the Government Code, to read:

CHAPTER 4. ABOLISHMENT

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93030. Before April 1, 2019, the authority shall transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to ~~both its right-of-way south of mile post 142.5 in the City of Willits, 142.5,~~ including any associated real property, rail easements, and branch or spur lines, *its* licenses and certificates of public convenience and necessity, common carrier ~~obligations, obligations held by the authority or an associated freight operator,~~ and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District created pursuant to Section 105010 of the Public Utilities Code.

93030.5. In making the transfer pursuant to Section 93030, it is the intent of the legislature to make the Sonoma-Marin Area Rail Transit District the exclusive holder of the right to restart or operate freight service along that portion of the right-of-way and that no third party shall acquire that right.

93031. (a) Before July 1, 2019, the authority shall transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its right-of-way north of mile post ~~142.5 in the City of Willits, 142.5,~~ including any associated branch or spur lines, to the Great Redwood Trail Agency created pursuant to Section 5880 of the Public Resources Code.

(b) The transfer made pursuant to subdivision (a) shall not affect or negate any rights under Memorandum of Agreement 1991-2324, which was filed on January 31, 1991, with the county clerk-recorder's office for the County of Humboldt.

93032. In making the transfers pursuant to Sections 93030 and 93031, the authority shall transfer all of its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to any right-of-way.

~~93032.5. The transfers made pursuant to this chapter shall not effect or negate rights under the Memorandum of Agreement 1991-2324, which was filed on January 31, 1991, with the county clerk-recorder's office for the County of Humboldt.~~

93033. Upon making all of the transfers described in this chapter, the authority shall be abolished.

1 SEC. 5. Chapter 14 (commencing with Section 5880) is added
2 to Division 5 of the Public Resources Code, to read:

3
4 CHAPTER 14. GREAT REDWOOD TRAIL AGENCY

5
6 5880. (a) The Great Redwood Trail Agency is hereby created.

7 (b) *The goal of this chapter is for the agency to use the existing*
8 *right-of-way, or paths parallel to the right-of-way, to plan, design,*
9 *construct, operate, and maintain the northern portion of the Great*
10 *Redwood Trail in, or parallel to, the right-of-way.*

11 5881. For purposes of this chapter, the following definitions
12 shall apply:

13 (a) "Agency" means the Great Redwood Trail Agency.

14 (b) "Board" means the agency's board of directors described in
15 Section 5882.

16 (c) *"Northern portion of the Great Redwood Trail" means the*
17 *trail planned, designed, constructed, operated, and maintained in,*
18 *or parallel to, the right-of-way pursuant to paragraph (4) of*
19 *subdivision (a) of Section 5883.*

20 (e)

21 (d) "Right-of-way" means the entire length of the right-of-way
22 transferred to the agency pursuant to Section 93031 of the
23 Government Code.

24 5882. (a) The agency shall be governed by a board of
25 directors, composed as follows:

26 (a)

27 (1) The Governor shall appoint two board members, one
28 representing the Department of Transportation and one representing
29 the Natural Resources Agency, who are knowledgeable about
30 trails, parks, railroads, or rivers.

31 (b)

32 (2) The Senate Committee on Rules shall appoint one board
33 member who is knowledgeable about trails, parks, railroads, or
34 rivers.

35 (c)

36 (3) The Speaker of the Assembly shall appoint one board
37 member who is knowledgeable about trails, parks, railroads, or
38 rivers.

39 (d)

1 (4) The Board of Supervisors of the County of Mendocino may
2 appoint one of its members to serve as a board member.

3 (e)

4 (5) The Board of Supervisors of the County of Humboldt may
5 appoint one of its members to serve as a board member.

6 (f) _____ may appoint one board member.

7 (6) *The Redwood Empire Division of the League of California*
8 *Cities, or its successor, may appoint one member who is a mayor,*
9 *or city council member, of a city or town on the right-of-way in*
10 *the County of Mendocino or Humboldt.*

11 (b) (1) *Each member of the board shall serve a term of four*
12 *years, except that the term of a member appointed pursuant to*
13 *paragraph (4), (5), or (6) of subdivision (a) shall cease if the*
14 *member no longer serves as a member of the specified board of*
15 *supervisors or specified city council, or as the mayor of the*
16 *specified city.*

17 (2) *Notwithstanding paragraph (1), each member shall serve*
18 *on the board until his or her successor has been appointed.*

19 5883. Upon receiving the North Coast Railroad Authority's
20 rights, privileges, and responsibilities, excluding any preexisting
21 liability related to debt, litigation, or contractual obligations,
22 relating to the authority's right-of-way north of mile post 142.5 in
23 the City of Willits, 142.5, including any associated branch or spur
24 lines, pursuant to Section 93031, the agency shall do both of the
25 following as soon as possible, to the extent funding is available:
26 both of the following subdivisions shall become effective:

27 (a) *To the extent funding is available, the agency shall do all*
28 *of the following:*

29 (a)

30 (1) *Inventory any ~~parcel~~ parcel, easement, or contract related*
31 *to the right-of-way.*

32 (b)

33 (2) *Complete an environmental assessment of the ~~right-of-way.~~*
34 *conditions of the right-of-way for purposes of trail development.*

35 (3) *If and where appropriate to further the goal of this chapter,*
36 *initiate and complete the federal Surface Transportation Board's*
37 *railbanking process.*

38 (4) *Plan, design, construct, operate, and maintain a trail in, or*
39 *parallel to, the right-of-way.*

1 (5) Conduct a thorough community engagement process that
2 includes landowners, trail advocates, environmental groups, and
3 the community at large. Items to be discussed during this process
4 include, but are not limited to, trail configurations parallel to the
5 right-of-way, including those on public lands, connecting the
6 northern portion of the Great Redwood Trail to existing trails,
7 and rail-crossing fees.

8 (6) Honor existing trail licenses and work with local and state
9 governments and community groups to expeditiously provide new
10 trail license agreements that meet the goal of this chapter.

11 (7) Utilize the services of the California Conservation Corps,
12 wherever feasible, for projects related to trails, environmental
13 enhancements and restoration, and other improvement projects.

14 (8) Utilize the services of conservation organizations, wherever
15 feasible, for projects related to fishing access, fish passage barrier
16 restoration, and other environmental enhancement, restoration,
17 and improvement projects.

18 (9) Prepare a master plan for the northern portion of the Great
19 Redwood Trail, including any environmental analysis required
20 pursuant to the California Environmental Quality Act (Division
21 13 (commencing with Section 21000)).

22 (10) Before January 1, 2020, and annually thereafter, submit
23 a report to the Legislature, in compliance with Section 9795 of
24 the Government Code, describing the agency's progress towards
25 fulfilling the requirements and goal relating to the right-of-way.

26 (11) Restrict public access to each segment of the right-of-way
27 until the construction of the trail segment is completed, as
28 determined by the agency.

29 (b) To the extent funding is available, the agency may do any
30 of the following:

31 (1) Contract with a trail manager or organization to meet the
32 requirements of this section.

33 (2) Contract with an operator to operate freight or excursion
34 rail service except that the service shall not interfere with or harm
35 the northern portion of the Great Redwood Trail.

36 (3) Work with landowners and fishing organizations to locate
37 and provide appropriate fishing access sites along the right-of-way.
38 In doing so, the agency shall seek to discourage and prevent
39 trespassing on private property.

1 5885. The agency shall do all of the following, to the extent
2 funding is available:

3 (a) For the portion of the right-of-way between mile post 142.5
4 and mile post 284, including any associated branch or spur lines,
5 the agency shall complete the railbanking process on, and create
6 and maintain a trail in, or next to, that portion of the right-of-way.
7 The agency may contract with a trail manager or organization to
8 meet the requirements of this subdivision.

9 (b) For the portion of the right-of-way between mile post 284
10 and mile post 300.5, including any associated branch or spur lines,
11 the agency shall create and maintain a trail in, or next to, that
12 portion of the right-of-way, and may contract with a trail manager
13 or organization to meet these requirements. The agency may
14 contract with an operator to operate freight or excursion rail service
15 on this portion of the right-of-way, except that the service shall
16 not interfere with or harm the agency's trail.

17 (c) Before January 1, 2020, and annually thereafter, submit a
18 report to the Legislature, in compliance with Section 9795 of the
19 Government Code, describing its progress towards fulfilling the
20 requirements and goals relating to the right-of-way.

21 (d) Utilize the services of the California Conservation Corps
22 wherever possible on projects related to trails, environmental
23 enhancements and restoration, and other improvement projects.

24 5884. Upon the completion of the planning, design, and
25 construction of the northern portion of the Great Redwood Trail,
26 the agency may transfer the responsibility of performing the acts
27 described in this chapter to a more appropriate permanent
28 operating entity for the operation and maintenance of the northern
29 portion of the Great Redwood Trail.

30 5885. (a) The Great Redwood Trail Program Fund is hereby
31 created. Moneys in the fund shall accrue interest and be available
32 for the purposes of this chapter.

33 (b) All revenue, including fee revenue, received pursuant to this
34 chapter shall be deposited in the fund.

35 5886. The agency shall have and may exercise all rights and
36 powers, expressed or implied, necessary to carry out the purposes
37 and intent of this chapter, including, but not limited to, to enter *all*
38 *of the following:*

1 (a) To enter into and perform all necessary contracts pursuant
2 to Article 53.5 (commencing with Section 20815) of Chapter 1 of
3 Part 3 of Division 2 of the Public Contract Code.

4 (b) To fix and collect fees for the use of any land owned or
5 controlled, or for any service provided, by the agency.

6 (c) To make grants.

7 (d) To acquire interests in real property.

8 (e) To lease, rent, sell, exchange, or transfer interests in real
9 property.

10 (f) To undertake or fund projects and programs implementing
11 this chapter or relating to the northern portion of the Great
12 Redwood Trail.

13 (g) To provide for the management of the right-of-way and the
14 northern portion of the Great Redwood Trail.

15 (h) To apply for and accept grants, gifts, donations of money
16 and property, subventions, rents, royalties, or other assistance
17 from public or private sources.

18 (i) To recruit and coordinate volunteers and experts to conduct
19 interpretive and recreational programs and to assist with
20 construction projects and the maintenance of facilities.

21 (j) To enter into contracts and joint powers agreements.

22 (k) To sue and be sued.

23 5887. The agency shall be subject to the Ralph M. Brown Act
24 (Chapter 9 (commencing with Section 54950) of Part 1 of Division
25 2 of Title 5 of the Government Code) and the California Public
26 Records Act (Chapter 3.5 (commencing with Section 6250) of
27 Division 7 of Title 1 of the Government Code).

28 SEC. 6. Section 105001 of the Public Utilities Code is amended
29 to read:

30 105001. It is the intent of the Legislature in enacting this part
31 to provide for a unified, comprehensive institutional structure for
32 the ownership and governance of a passenger rail system within
33 the Counties of Sonoma and Marin and a freight service that
34 operates upon the same rail line and serves the Counties of
35 Humboldt, Marin, Mendocino, Napa, and Sonoma.

36 SEC. 7. Section 105003 of the Public Utilities Code is amended
37 to read:

38 105003. As used in this part, the following terms have the
39 following meanings:

1 (a) “District” means the Sonoma-Marín Area Rail Transit
2 District.

3 (b) “Rail transit” means the transportation of passengers and
4 their incidental baggage by rail and provision of freight service by
5 rail.

6 (c) “Rail transit works” or “rail transit facilities” means any or
7 all real and personal property, equipment, rights, or interests owned
8 or to be acquired by the district for rail transit service purposes,
9 including ancillary bicycle and pedestrian pathways that provide
10 connections between and access to station sites.

11 (d) “Board of directors,” “board,” or “directors” means the board
12 of directors of the district.

13 (e) “Public agency” includes the state, and any county, city and
14 county, city, district, or other political subdivision or public entity
15 of, or organized under the laws of, this state, or any department,
16 instrumentality, or agency thereof.

17 SEC. 8. Section 105012 of the Public Utilities Code is amended
18 to read:

19 105012. (a) Upon the dissolution of the Sonoma-Marín Area
20 Rail Transit Commission and the Northwestern Pacific Railroad
21 Authority, the district shall succeed to any or all of the powers,
22 duties, rights, obligations, liabilities, indebtedness, bonded and
23 otherwise, immunities, and exemptions of the commission and its
24 board of commissioners and the authority and its board of directors.

25 (b) Upon the dissolution of the Sonoma-Marín Area Rail Transit
26 Commission and the Northwestern Pacific Railroad Authority, the
27 district shall assume the rights and obligations of the commission
28 and the authority under any contract to which the commission or
29 the authority is a party and that is to be performed, in whole or in
30 part, on or after the date of dissolution of the Sonoma-Marín Area
31 Rail Transit Commission and the Northwestern Pacific Railroad
32 Authority.

33 (c) All real and personal property owned by the Sonoma-Marín
34 Area Rail Transit Commission and the Northwestern Pacific
35 Railroad Authority may be transferred to the district.

36 (d) Upon the dissolution of the Sonoma-Marín Area Rail Transit
37 Commission, the district shall assume, without any condition
38 whatsoever, all responsibilities and obligations previously assumed
39 by the commission with respect to its fund transfer agreement with

1 the Department of Transportation for the funding of the
2 Sonoma-Marín Area Rail Transit Project.

3 (e) On and after the date of dissolution of the Sonoma-Marín
4 Area Rail Transit Commission and the Northwestern Pacific
5 Railroad Authority, any reference in any provision of law or
6 regulation to the commission or the authority shall be deemed to
7 refer to the district.

8 SEC. 9. Section 105020 of the Public Utilities Code is amended
9 to read:

10 105020. The government of the district shall be vested in a
11 board of directors, which shall consist of 12 or 13 members,
12 appointed as follows:

13 (a) Two members of the Sonoma County Board of Supervisors,
14 each of whom shall also serve on the Board of Directors of the
15 Sonoma County Transportation Authority, appointed by the
16 Sonoma County Board of Supervisors.

17 (b) Two members of the Marin County Board of Supervisors,
18 appointed by the Marin County Board of Supervisors.

19 (c) Three members, each of whom shall be a mayor or council
20 member of a city or town within the County of Sonoma, appointed
21 by the Sonoma County Mayors and Council Members Association
22 or its successor, provided the following conditions are met:

23 (1) At least two members are also city representatives for the
24 Sonoma County Transportation Authority.

25 (2) All of the members are from cities on the rail line in Sonoma
26 County.

27 (3) No city has more than one member.

28 (d) The member of the City Council of the City of Novato who
29 also serves on the Marin County Congestion Management Agency,
30 appointed by the Marin County Congestion Management Agency
31 or its successor.

32 (e) The member of the City Council of the City of San Rafael
33 who also serves on the Marin County Congestion Management
34 Agency, appointed by the Marin County Congestion Management
35 Agency or its successor.

36 (f) One member, who shall be a mayor or council member of a
37 city or town within the County of Marin and a member of the
38 Marin County Congestion Management Agency, appointed by the
39 Marin County Council of Mayors and Council Members or its
40 successor.

1 (g) Two members of the Golden Gate Bridge, Highway and
2 Transportation District, neither of whom shall be a member of the
3 Marin or Sonoma County Boards of Supervisors, appointed by the
4 Golden Gate Bridge, Highway and Transportation District or its
5 successor.

6 (h) One member, who shall be a member of the Mendocino
7 County Board of Supervisors, appointed by the Mendocino County
8 Board of Supervisors, if it chooses to do so.

9 SEC. 10. Section 105032.5 is added to the Public Utilities
10 Code, to read:

11 105032.5. The board may consider the need and financing for
12 employee workforce housing.

13 SEC. 11. Section 105088 is added to the Public Utilities Code,
14 to read:

15 105088. Upon receiving the North Coast Railroad Authority's
16 rights, privileges, and responsibilities relating to the authority's
17 right-of-way south of mile post 142.5 ~~in the City of Willits~~ pursuant
18 to Section 93030 of the Government Code, and upon receiving
19 ~~funding, funding from nonlocal sources~~, the district shall do all of
20 the following:

21 (a) Conduct a freight rail study incorporating the portion of the
22 right-of-way between mile post 0.0 and mile post 142.5.

23 (b) *Create and maintain a trail that begins at mile post 142.5,*
24 *runs in, or parallel to, the southern portion of the right-of-way,*
25 *as appropriate, and connects to the district's bicycle and pedestrian*
26 *pathways to the extent feasible. This trail shall be the southern*
27 *portion of the Great Redwood Trail.*

28 (c) *Conduct a thorough community engagement process that*
29 *includes landowners, trail advocates, environmental groups, and*
30 *the community at large. Items to be discussed during this process*
31 *include, but are not limited to, trail configurations parallel to the*
32 *southern portion of the right-of-way, including those on public*
33 *lands, connecting the southern portion of the right-of-way to*
34 *existing trails, and rail-crossing fees.*

35 ~~(b)~~

36 (d) Create or assign the positions of trail manager and freight
37 rail manager.

38 ~~(e)~~

39 (e) Before January 1, 2020, and annually thereafter, submit a
40 report to the Legislature, in compliance with Section 9795 of the

1 Government Code, describing its progress towards fulfilling the
2 requirements and goals relating to the *southern portion of the*
3 *right-of-way*.

4 SEC. 12. Section 105095 of the Public Utilities Code is
5 amended to read:

6 105095. The district may provide a rail transit system for the
7 transportation of passengers and their incidental baggage by rail
8 and provision of freight service by rail.

9 SEC. 13. Section 105104 of the Public Utilities Code is
10 repealed.

11 SEC. 14. Section 105105 of the Public Utilities Code is
12 repealed.

13 SEC. 15. Section 105180 of the Public Utilities Code is
14 repealed.

15 SEC. 16. If the Commission on State Mandates determines
16 that this act contains costs mandated by the state, reimbursement
17 to local agencies and school districts for those costs shall be made
18 pursuant to Part 7 (commencing with Section 17500) of Division
19 4 of Title 2 of the Government Code.

O

Date of Hearing: June 25, 2018

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 1029 (McGuire) – As Amended June 20, 2018

SENATE VOTE: 36-0

SUBJECT: North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marín Area Rail Transit District

SUMMARY: Dissolves the North Coast Railroad Authority (NCRA) and transfers its responsibilities for its southern portion to the Sonoma-Marín Area Rail Transit District (SMART); also creates and transfers its responsibilities to the Great Redwood Trail Agency (GRTA) in order to construct and manage a trail network on the northern end of NCRA's right-of-way. Specifically, **this bill:**

- 1) Creates GRTA and establishes its governing Board of Directors as follows:
 - a) Two Governor's appointees, one from the Department of Transportation (Caltrans) and one from the Natural Resources Agency;
 - b) One Senate appointee and one Assembly appointee;
 - c) One Mendocino County appointee and one Humboldt County appointee;
 - d) One mayor or city council member from a community along the right of way appointed by the Redwood Empire Division of the League of California Cities.
- 2) Requires NCRA to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, to SMART for right-of-way south of Willits by April 1, 2019.
- 3) Requires NCRA to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, to GRTA for right-of-way north of Willits by July 1, 2019.
- 4) Abolishes NCRA upon completion of the transfers.
- 5) Assigns GRTA the following responsibilities, to the extent funding is available:
 - a) Inventory every parcel, easement, or contract related to its right-of-way;
 - b) Complete an environmental assessment of the conditions of the right-of-way for purposes of trail development;
 - c) Complete the federal railbanking process where appropriate;
 - d) Plan, construct, operate, and maintain a trail in, or parallel to, the right-of-way;
 - e) Conduct a thorough community engagement process;

- f) Honor existing trail licenses and work to provide new agreements;
 - g) Utilize the California Conservation Corps and other conservation organizations;
 - h) Prepare a master plan for the trail, including any environmental analysis required pursuant to the California Environmental Quality Act; and,
 - i) Report to the Legislature annually beginning January 1, 2020.
- 6) Authorizes GRTA to exercise all rights and powers necessary to carry out its purpose, including, but not limited to:
- a) Entering into and performing all necessary contracts, suing or being sued;
 - b) Fixing and collecting fees for the use of any land owned or controlled, or for any service provided by the agency;
 - c) Making grants or acquiring interests in real property;
 - d) Leasing, renting, selling, exchanging, or transferring interests in real property;
 - e) Undertaking or finding projects and programs related to the trail;
 - f) Providing for the management of the right-of-way and the trail;
 - g) Applying for and accepting grants, donations, or other assistance from public or private sources; and,
 - h) Recruiting and coordinating volunteers and experts to assist with the trail.
- 7) Requires the California Transportation Commission (CTC) to conduct an assessment of NCRA's preexisting liabilities related to debt, litigation, or contractual obligations and report that information to the Legislature prior to July 1, 2019.

EXISTING LAW:

- 1) Establishes NCRA, which traverses the Counties of Humboldt, Mendocino, Sonoma, and Trinity, intended to provide passenger and freight rail service to the north coast area.
- 2) Establishes a governing Board of Directors and grants NCRA the authority to acquire real and personal property and operate passenger and freight rail services, as specified.
- 3) Provides NCRA financing authority to carry out the abovementioned duties.
- 4) Creates SMART, within the Counties of Marin and Sonoma, for potential freight and transit services and to operate and maintain a passenger rail system within its territory.
- 5) Establishes CTC and directs CTC to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state.

FISCAL EFFECT: Unknown

COMMENTS: NCRA was formed in 1989 by the Legislature under the North Coast Railroad Authority Act. At that time, the Act was intended to ensure continuation of railroad service in Northwestern California and envisioned the railroad playing a significant role in the transportation infrastructure serving a part of the State that faced transportation challenges due to restricted access and limited transport options. The approximate 300 mile rail line is broken down into two sections: the southern Russian River Division (from Lombard in Napa County to Willits in Mendocino County) and the northern Eel River Division (north of Willits to Samoa in Humboldt County).

From 1991 through 2008, CTC provided NCRA with an estimated \$63 million through various grant programs for purchasing right-of-way, rolling stock, equipment, and making repairs to the existing rail line. Additionally, in 2006, NCRA entered into an agreement with the Northwestern Pacific Railroad Company (NWPCo) to operate service on the NCRA rail line. Currently, NWPCo is the exclusive contract freight operator for NCRA. NWPCo runs minimal and limited freight rail service, operating up to two trains a week with several cars on each run, from the Lombard Interchange into Windsor California, approximately 62 miles in distance.

Since its inception, NCRA has been unable to secure stable and/or ongoing funding and also has struggled to provide adequate service along the rail line. In June of 2017, NCRA testified at a CTC hearing informing commissioners that NCRA has never been financially self-sufficient, operates with an annual loss, is routinely unable to pay its obligations, and possesses outstanding debts due to legal fees from environmental lawsuits. NCRA further testified that it was having difficulty maintaining and expanding rail service and that it was in the process of selling excess property to pay its debt obligations. Overall, NCRA does not generate sufficient revenue from its operating contract with NWPCo to cover its expenditures. Additionally, since 2011, NCRA has annually held anywhere from an estimated \$7 million to \$10.6 million in debt obligations while simultaneously operating with significant cash flow constraints. CTC requested that NCRA develop a strategic plan and return to the Commission to explain how NCRA was going to continue.

In a follow-up presentation to CTC in January of this year, NCRA provided an overview of its strategic plan. NCRA proposed to accomplish several key objectives, including railbanking a 120-mile segment of right-of-way to raise necessary funding to retire debt, and working toward obtaining grant and private funding required to complete phased improvements and restore freight service. CTC indicated that the plan did not present sufficient information for the Legislature and other stakeholders to make informed decisions concerning the future of NCRA, noting specifically that plans for railbanking and establishing the freight belt line and tourist train around Humboldt Bay did not include information on cost, schedule, partnerships, and other necessary requirements. In summary, CTC concluded that NCRA could not be expected to continue as it is, and suggested a legislative solution was the only remedy to the problem.

According to the author, he introduced this bill “to proactively replace the nearly defunct NCRA, a state-created agency, with a solution that will benefit all of California and the North Coast for generations to come. With an annual deficit, crumbling and aging infrastructure, no potential income, and no way to repair the northern 240 miles of track, it is simply impossible for NCRA to complete its mission. In addition, NCRA recently lost its appeal regarding an environmental analysis and, if the decision stands, NCRA will be liable for up to \$2 million in plaintiff’s

attorney fees. This bill would render the case moot and be able to resolve the issues presented in the suit.”

Writing in opposition to the measure, the California Farm Bureau Federation raises a number of concerns, including the lack of funding details in the bill and the need for local engagement. One particular concern the Farm Bureau raises relates to the potential impacts this new trail could have on the private landholders adjacent to the trail. The Farm Bureau’s letter points out that these landowners will likely feel the brunt of the trail’s negative impacts, including noise, lack of privacy, littering, property damage, vandalism, trespassing, burglary, overnight camping, fire risk, and claims of liability.

Writing in response, the author acknowledges that it is understandable that landowners, farmers, and ranchers would have fears about a change in the use of the right-of-way, especially since there has been no rail use on these lands for over 20 years and they are used to having the line abandoned. The author notes that these are very valid and common concerns that come up whenever a “rails to trails” project occurs, and the national Rails to Trails Conservancy, who is work working with the author, has dealt with these issues hundreds of times all over the country and is experienced at working out solutions. According to the author, there will be an extensive community input process, long before any trail is ever built, and it will include input from landowners and farmers.

Train Riders Association of California write in opposition to the bill based on the likelihood that it would result in the tearing out of the tracks that could be resurrected for rail excursion service. According to the author, the good news is that the bill helps maintain the current short run of freight in the southern portion of the line where it currently exists, and the railbanking process he is anticipating for the rest of this project will keep the right of way available to trains for all time. If NCRA goes away without a proactive plan for the line, the adjacent property owners would have a very good case that the easement contracts have been violated and they could be cancelled. Sadly, freight rail has not been successful or financially viable on the northern portions of this right-of-way since the mid-1970s and it’s hard to imagine it happening any time in the future.

Committee Comments:

- 1) One of the largest unknowns related to this bill is the amount of financial liability associated with NCRA, and what the outcomes of that liability may be with or without this legislation. Related to the NCRA’s proposed strategic plan presented to CTC, questions arose regarding the following:
 - a) Federal and state approvals required, including the cost, schedule, and plan to obtain approvals;
 - b) Environmental remediation necessary, including the cost, barriers and timeline to remediate;
 - c) Easements or other subordinated property interests that create a barrier to constructing and operating a trail;

- d) Funding source(s) secured or to be secured for implementation and operation of any rail service;
- e) Responsibility for construction, maintenance and operation of the trail;
- f) Partnerships that must be formed or approvals required from federal, state, local and private stakeholders; and,
- g) Market analysis, projected costs/revenues, funds required to pay outstanding debts, likelihood of private funding, and identification of any state or federal subsidies that may be required to maintain and expand operations.

While NCRA seemed to have no answers to these pertinent questions, it appears this bill suffers from a similar lack of details. It is clear that something needs to be done with NCRA as it is flatly unsustainable and any delay in addressing the problem only exacerbates the potential costs associated with it. As the author continues to pursue this measure, he will need to resolve concerns related to these financial unknowns and what the state's role in the outstanding liabilities may become.

- 2) In addition to the financial uncertainties related to this bill, it is unclear how the administration of the new agency will be accomplished and with what funding. The author is attempting to resolve this concern by balancing the need for effective, experienced administrators with shielding any potential new entity from the debts and obligations of the existing agency. Before becoming law, the author will have to resolve this issue.

REGISTERED SUPPORT / OPPOSITION:

Support

Adventure Cycling Association
 California Bicycle Association
 California Transportation Commission
 CalTrout
 CalWild
 Coalition for Responsible Transportation Priorities
 Environmental Protection Information Center
 Friends of the Eel River
 Greenbelt Alliance
 Humboldt County Association of Governments
 Humboldt Baykeeper
 Humboldt Trails Council
 Marin County Board of Supervisors
 Mendocino Council of Governments
 Northcoast Environmental Center
 Pacific Forest Trust
 Rails to Trails Conservancy
 Redwood Community Action Agency
 Redwood Region Audubon Society
 Save the Redwoods League

Sierra Club
Sonoma County Board of Supervisors
Sonoma County Regional Parks
Sonoma-Marín Area Rail Transit District (SMART)
Wildlands Conservancy

Opposition

California Farm Bureau Federation
Train Riders Association of California

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