

Date of Hearing: June 27, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

SB 1175 (McGuire) – As Amended March 16, 2022

SENATE VOTE: 39-0

SUBJECT: Department of Transportation: intermodal passenger services: rail corridors

SUMMARY: Adds the Sacramento-Larkspur-Novato-Cloverdale corridor to the existing authorization for the California Department of Transportation (Caltrans) to provide intercity passenger rail service on specified corridors in the state and to contract with National Railroad Passenger Corporation (Amtrak) to provide such service.

EXISTING LAW:

- 1) Authorizes Caltrans to construct, acquire, or lease, and improve and operate, rail passenger terminals and related facilities that provide intermodal passenger services along the following corridors:
 - a) The San Diego-Los Angeles-Santa Barbara corridor.
 - b) The San Francisco-San Jose-Monterey corridor.
 - c) The Los Angeles-Riverside-San Bernardino-Calexico corridor.
 - d) The San Jose-Oakland-Sacramento-Reno corridor.
 - e) The Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland corridor.
 - f) The Los Angeles-Santa Barbara-Oakland-Sacramento-Redding corridor.
- 2) Authorizes Caltrans to contract with Amtrak for commuter or intercity rail passenger services.
- 3) Provides funding for intercity passenger rail service from a portion of the sales tax on diesel fuel through the Public Transportation Account.
- 4) Authorizes the Capitol Corridor Joint Powers Authority (JPA), San Joaquin JPA, and the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency to oversee state-supported intercity passenger rail service.
- 5) Authorizes Caltrans, subject to approval of the Secretary of Transportation, to enter into an interagency transfer agreement under which a JPA assumes responsibility for administering the state-supported intercity passenger rail service, and associated feeder bus service, in a particular corridor.

- 6) Defines the boundaries of the three intercity rail corridors, and requires the preparation of an annual business plan for the corridor by each participating Joint Powers Authority (JPA) board of directors.
- 7) Requires the Secretary of Transportation to develop a state rail plan covering all aspects of rail transportation, as specified. The plan is required to be updated every five years.
- 8) Creates the Sonoma Marin Area Rail Transit (SMART) and establishes a comprehensive set of powers and duties regarding the formation, governance, organization, maintenance, operation and potential dissolution of the district. Authorizes SMART to provide passenger rail service in the counties of Sonoma and Marin and is governed by a 12- member board of directors.

FISCAL EFFECT: According to Senate Appropriations Committee:

- Caltrans estimates ongoing costs in the range of \$125,000 to \$250,000 annually for 1.0-2.0 PY of staff to coordinate intercity rail activities with federal, regional, local, and private entities, to the extent that Caltrans exercises the authority granted by the bill. (Public Transportation Account)
- Unknown significant future cost pressures, potentially in the tens of millions to make one-time capital improvements to develop the corridor for intercity passenger rail service, and for ongoing intercity rail operating subsidies, to the extent that Caltrans exercises the authority granted by the bill. (Public Transportation Account, Greenhouse Gas Reduction Fund, federal funds) See staff comments.

COMMENTS:

Under current law, Caltrans is authorized to construct, acquire or lease, and improve and operate rail terminals and related facilities to provide intermodal passenger service along specific corridors defined in statute. This includes contracting with Amtrak to provide these intercity services. This authorization has evolved into the JPA operating agreements and corridor descriptions described above.

The corridors include the San Diego-Los Angeles-Santa Barbara corridor, the San Francisco-San Jose-Monterey corridor, the Los Angeles-Riverside-San Bernardino-Calexico corridor, the San Jose-Oakland-Sacramento-Reno corridor, the Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland corridor, and the Los Angeles-Santa Barbara-Oakland-Sacramento-Redding corridor.

SB 1175 would add the Sacramento-Larkspur-Novato-Cloverdale corridor to this designation. The addition of this corridor is consistent with a recommendation in the 2018 State Rail Plan to “evaluate expansion of rail service from San Rafael, Sonoma, and Napa Counties to Solano County, considering rail service primarily on existing rail alignments, with potential connections to the statewide network at Fairfield-Suisun or near Vallejo.”

According to the author “SB 1175 is designed to help the publicly owned Sonoma Marin Area Rail Transit (SMART) be eligible to apply for Federal Railroad Administration grant funds that have historically been prioritized for intercity passenger projects. The bill will recognize the railroad corridor that runs east/west between the national rail network and Novato, as well as the Larkspur to the Sonoma-Mendocino County SMART mainline, as a Department of Transportation intermodal passenger service corridor, similar to other corridors such as the San Diego-Los Angeles-Santa Barbara, the Los Angeles-Riverside-San Bernardino-Calexico, and others.”

The state has focused on part of this North Bay corridor before, as San Francisco-San Jose-Eureka was included as an eligible intercity corridor for possible funding from the Passenger Rail and Clean Air Bond Act of 1990 which provided \$1 billion in General Obligation bonds for acquisition of rights-of-way, capital expenditures, and acquisitions of rolling stock for intercity rail, commuter rail, and rail transit programs.

SMART is a commuter rail provider that currently provides passenger service in a corridor linking Santa Rosa Airport in Sonoma County to San Rafael in Marin County. The current 45-mile system includes stations in the Sonoma County Airport area, Santa Rosa, Rohnert Park, Cotati, Petaluma, Novato, San Rafael, and Larkspur. Existing SMART service generally parallels the existing Highway 101 corridor. In 2019, SMART had a ridership of approximately 2500 passengers per weekday. SMART’s system also includes a bicycle and pedestrian pathway along the rail corridor. Future extensions are planned for Windsor, Healdsburg, and Cloverdale, providing 70 miles of passenger rail service.

In addition to these planned extensions, SMART has been studying the development of its 41-mile long East/West corridor from Novato to Suisun, which would connect SMART to the exiting Capitol Corridor. The extension would provide connectivity along the Highway 37 and 12 corridors between Marin County, Black Point, Sonoma, Napa/American Canyon/Vallejo, and the Suisun/Fairfield areas. Much of the corridor parallels the current Highway 37 which serves as the primary roadway corridor connecting Marin County with Sonoma, Napa, and Solano Counties. Currently, the Metropolitan Transportation Commission (MTC) is leading an effort to study and implement a project to both widen Highway 37 and toll the facility to help ease congestion.

SMART’s 2019 feasibility study of the corridor detailed two options for the needed capital improvements to prepare for passenger service. Both options would require improvements to the existing trackway and bridges, new stations, and installation of a new signal system with Positive Train Control. Additionally, agreements would have to be worked out with private rail companies, specifically the Union Pacific Railroad, which owns and controls the right-of-way and track between American Canyon and Suisun City, approximately 15 miles. The options studied could be completed in four to six years, depending on the availability of funding. Cost estimates range from \$780 million to \$1.3 billion.

According to SMART, designating this corridor as an intercity rail corridor would allow it to be eligible to apply for Federal Railroad Administration (FRA) grant funds that have historically been prioritized for intercity passenger projects. The recent passage of the Infrastructure

Investment and Jobs Act (IIJA, P.L. 117-58), which provides \$1.2 trillion in infrastructure investments over five years, has made SMART even more optimistic. IIJA represents a historic investment in passenger rail, with over \$60 billion in potential grants. For example, the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program has guaranteed funding of \$5 billion over five years, with a possibility of \$5 billion more through federal appropriations. Writing in support of the bill, SMART states, “this legislation will aid the State and SMART as we support each other’s mutual objectives to seek Federal capital rail funds to upgrade SMART’s public railroad for passenger services.”

All of the existing corridors are supporting the addition of the SMART Corridor. LOSSAN, writing in support of this bill, argues “The State and SMART’s objective is to try to get access to capital expansion funding, in particular Federal capital funds, to bring greater rail resources into California. We appreciate the State’s ongoing support of the continued expansion of the Statewide passenger rail network and seek to continue our collective work of providing a world class rail system for all Californians.”

Previous legislation:

SB 69 (McGuire), Chapter 423, Statutes of 2021 reorganized the North Coast Rail Authority (NCRA) into the Great Redwood Trail Agency (GRTA), transferred its authority related to rail and freight to SMART, and established GRTA’s new mission of developing the Great Redwood Trail.

SB 742 (Allen), Chapter 652, Statutes of 2019 made various changes to provisions relating to the state’s intercity thruway bus services.

SB 1 (Beall) Chapter 5, Statutes of 2017 provided approximately \$5.2 billion per year in new funding for highways, transit and active transportation programs, including intercity and commuter rail.

SB 1225 (Padilla), Chapter 802, Statutes of 2012, authorized an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the LOSSAN Corridor if specific conditions are met.

AB 1779 (Galgiani), Chapter 801, Statutes of 2012 authorized an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the San Joaquin Corridor if specific conditions are met.

SB 477 (Cannella) of 2017) would have authorized a local JPA operating intercity rail service to expand service beyond its statutorily defined corridor if specific conditions are met. SB 477 was held on the Assembly Appropriations Committee suspense file.

REGISTERED SUPPORT / OPPOSITION:

Support

Capitol Corridor Joint Powers Authority
Los Angeles-san Diego-san Luis Obispo Rail Corridor Agency (LOSSAN)
San Joaquin Joint Powers Authority

Sonoma-Marín Area Rail Transit District (SMART)
Transportation Agency for Monterey County (TAMC)

Opposition

None on file

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