

HOLLISTER/GILROY CALTRAIN EXTENSION

FINAL REPORT

FOR THE

COUNCIL OF SAN BENITO COUNTY GOVERNMENTS

June 8, 2000



PREPARED BY

R.L. Banks and Associates, Inc.
Washington, DC and San Francisco, CA

HDR Engineering, Inc.
Oakland, CA

DKS Associates
Oakland, CA

Nelson/Nygaard Consulting Associates
San Francisco, CA

**Business Plan
Hollister/Gilroy Caltrain Extension**

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EXECUTIVE SUMMARY

This report is intended to provide the Council of San Benito County Governments (SBtCOG) with necessary information and documentation to move forward to establish passenger train service between Gilroy and Hollister.

RIDERSHIP

Existing ridership data from Caltrain/Joint Powers Board (Caltrain, or JPB), Santa Clara Valley Transportation Authority (VTA), Metropolitan Transportation Commission (MTC) and Caltrans were reviewed to provide a baseline for estimation of the demand for extension of passenger rail service to Hollister.

Population and employment projections were identified for San Benito County in order to understand the impacts of growth, and to be able to estimate demand beyond start-up. These data were obtained from MTC and the Association of Monterey Bay Area Governments (AMBAG).

The resulting forecasts are based upon scenarios in which existing passenger service to Gilroy is extended to one station in Hollister, opening in 2003. In Scenario 1, two trains operate northbound in the morning commute, and two trains operate southbound in the evening. In Scenario 2, the number of trains is increased to three. The station is assumed to have ample parking and adequate highway access.

Following are the resulting estimates of demand, expressed in terms of daily weekday riders with regard to the two trains and three trains scenarios:

	<u>Two trains</u>	<u>Three trains</u>
Year 2003	218	250
Year 2020	350	402

The report contains a complete elaboration of these figures and a discussion of their sensitivity to various conditions.

OPERATING PLAN AND OPERATING COSTS

Stations, Layover Facility

Three station site options were evaluated, and it was concluded that service should be implemented using a single station, located in downtown Hollister, at or near the former station located near Sally and Fourth Streets. The Wright Road location would be a second choice. A station that would take advantage of commuters on Route 101, located near Carnadero, is an optional addition to

the project, but is no substitute for the Hollister station. It may become attractive if Santa Clara County or Monterey County would substantially participate in its costs, both capital and operating.

With a downtown Hollister station, the train storage or layover facility could be at that location. Alternatively, the layover facility could be located at Wright Road. Another possibility would be to continue storing trains at Gilroy. This would reduce capital costs, but increase operating costs. A Hollister layover site would benefit Santa Clara County by alleviating the cost of expanding the existing Gilroy facility as enhanced Gilroy Caltrain service is implemented.

Service Plan

Three potential developments, now being planned, must be considered in the plan to extend passenger rail service between Gilroy and Hollister. One of these is VTA's proposed increased level of Caltrain service between Gilroy and points north. Another is Monterey County's plan to extend Caltrain service to Salinas. A third initiative is Amtrak's Coast Corridor study, which will consider service levels and infrastructure needs of all users of the Coast Line.

A logical means of initiating service to Hollister would be to extend existing Gilroy-San Francisco trips to serve Hollister. Also extending that service to Salinas suggests that there could be conflicting desires between San Benito and Monterey counties. Nevertheless, in order to show all options available to San Benito County, this report assumes all four existing Gilroy trains are available for service to Hollister.

As indicated above, two service scenarios are proposed, Scenario 1 consisting of two daily round trips between Hollister and San Francisco, and Scenario 2, three round trips. These scenarios were developed based upon existing trains with the highest percentage of San Benito county riders.

The report contains illustrative service schedules for both scenarios.

Both service scenarios assume use of existing Caltrain crews, cars and locomotives now operating to and from Gilroy. Thus, in these scenarios, no additional equipment is required (and therefore no funding is required for additional equipment). Additional equipment and crews would be required if both San Benito and Monterey Counties are unable to agree on dividing the current Caltrain trains between them.

Economic and public policy considerations indicate that it would not be practicable to assume new commuter rail service to Hollister by any provider other than Caltrain.

Operating Costs

Service to Hollister is likely to be funded in a manner similar to the Tamien-Gilroy service supported by VTA, and operating costs are projected on this basis. San Benito County should expect to pay the net cost of Hollister service, and perhaps some charge for JPB administrative expenses.

The largest single component of the Hollister operating cost would be the "Cost Allocation", which is an allocation of Caltrain annual operating costs north of Tamien based on the ratio of Hollister-Gilroy train-miles to total Caltrain train-miles north of Tamien. Other cost items would include maintenance, security and utilities directly related to facilities or service between Hollister and Gilroy. It is anticipated that Hollister operating revenues will offset operating cost of the service to the extent of about 33 to 39 percent. Net annual operating deficits of Hollister service would be about \$638,000 for the two-train scenario, and \$941,000 for the three-train scenario.

SHORT LINE EVALUATION

A hypothetical scenario was evaluated in which Union Pacific Railroad (UPRR) sells the Hollister Branch to a short line railroad or to a public agency that operates, or contracts with an operator, to fulfill the common carrier freight obligation transferred with the sale of the line. Currently UPRR operates a train on the branch that services shippers three days a week: Tuesday, Thursday and Sunday.

Examination of current freight volume as well as future prospects, estimated revenues therefrom, and estimated operating costs, reveals that the Hollister Branch revenues fall short of the operating costs a short line operator would incur.

The prospects of a rail-truck transfer (intermodal facility) located on the Hollister Branch were evaluated. In RLBA's judgment, this would not be a productive investment.

Thus reasonable prospects for independent short line operation do not exist, and the recommended direction to be taken by San Benito County is an agreement with UPRR for continued freight service by UPRR as long as it may be required.

CAPITAL IMPROVEMENTS AND COSTS

Improvements are required to upgrade a low-speed low-density freight branch line so that it is capable of safely accommodating passenger trains at passenger train speeds.

The initial capital cost estimate of \$27,100,000 provided for upgrade of the 12.3-mile line to Caltrain standards and allow for a maximum passenger train speed of 79 miles per hour (mph). This cost was deemed high, and RLBA was asked to look for ways to reduce cost.

By accepting a maximum speed of 59 mph on an unsignalled line, not replacing all bridges, rail and ties, and using lower cost materials, initial improvements may be reduced by almost \$7.5 million, to \$19.6 million. The line would remain in compliance with Federal Railroad Administration minimum safety standards for passenger train operations at the lower speed, but with a lower margin of safety, and would require more frequent and more expensive maintenance although Caltrain has indicated this plan would be acceptable. RLBA continues to recommend automatic block signaling (ABS) as a minimum for commuter rail service, and advises San Benito County to seek funding for it. ABS shows the presence or absence of a train, rail car, open switch or broken rail in the next "block", or section of track, and therefore tends to prevent accidents. The cost of including ABS is about \$700,000.

The reduced capital cost estimate of \$19,630,000 includes right of way improvements, a station and a layover facility. It substitutes less than optimum materials (which will not hold up as well or for as long), for example, wood crossties instead of concrete, and soft local stone ballast rather than harder rock from a more distant source. In the lower estimate, all existing rail is replaced, but only two-thirds of the crossties are replaced, rather than all of them.

TRACK ACCESS ISSUES

From a practical point of view, there really are no alternatives to operation of the Hollister commuter rail service by Caltrain.

It is highly desirable, therefore, that:

- (1) Hollister service and SBtCOG participation be on the agenda of current Caltrain and VTA negotiations with UPRR concerning enhanced service levels from/to Gilroy and
- (2) Hollister service and equipment requirements be included in Caltrain's equipment procurement/assignment efforts initiated following the passage of Measures A and B in Santa Clara County.

On April 13, at a meeting with Caltrain and VTA, VTA advised SBtCOG that it has added potential Caltrain commuter service extension to Hollister (as well as to Salinas) to its current negotiations with UPRR concerning enhanced service between Gilroy and Tamien. UPRR has not yet responded to VTA's proposals.

Caltrain and VTA have indicated general support for an extension of commuter service to Hollister (as well as to Salinas) with only two significant concerns. The first concern is that San Benito County must be able to obtain significant funding for necessary capital improvements and expected operating revenue shortfalls to facilitate a Hollister service extension. The second concern is that extension of commuter service to both Hollister and Salinas from Gilroy will require additional crews, passenger cars and motive power, unless San Benito and Monterey counties can agree on which of the current four (and possibly five future) peak morning and evening weekday trains serving Gilroy will be extended to Hollister and which to Salinas. The Caltrain Extension Task Force formed by JPB and VTA with representatives from both counties is attempting to work through this problem.

Access to the Hollister Branch may be obtained by outright purchase from UPRR, or through a "trackage rights" agreement. The report describes pros and cons of each option. Access to the UPRR mainline between Gilroy and the branch will require extending VTA's current trackage rights agreement between Gilroy and Tamien. No costs have been estimated for track access.

FINANCIAL PLAN

This section of the report identifies all potential funding sources and discusses strategies for cooperative funding.

In accord with the Joint Powers Agreement of 1991, it is assumed that the proposed Gilroy-Hollister extension would be considered an expansion project, as was the extension of service to Gilroy, and that San Benito County would be responsible for the capital costs. It may be possible for Santa Clara County to assume some of the capital costs; for example, a station and layover facility in San Benito County benefits Santa Clara County by enabling Caltrain to increase service frequency to/from Gilroy with reduced capital outlays.

Four cost sharing strategies--modeled on formulas used in the Gilroy extension, Caltrain mainline service, and Altamont Commuter Express service--are proposed for cooperatively funding the day-to-day operation. Advantages and disadvantages are discussed. Obviously the sharing of operating costs outside San Benito County would have to be negotiated.

Federal, state and local funding sources are described. Although there are at present no funds committed to extending passenger rail service to Hollister, there are several potential funding sources. There is considerable competition for those sources. It is recommended that San Benito County work through appropriate elected officials to secure funding, including its TEA-21 earmark,

the Governor's Traffic Congestion Relief Plan, and consider a sales tax for transportation, Transportation Development Act (TDA) funds and private sector contributions.

ENVIRONMENTAL ASSESSMENT

The purpose of this section of the report is to identify potential adverse environmental effects associated with the project, and, where feasible, identify mitigation measures intended to lessen impacts. The assessment describes the project, lists the environmental factors potentially affected, and evaluates each factor. Several potential adverse impacts are identified and mitigation measures are described. None of the impacts appear to be critical issues, considering the environmental benefits of the project. If it is decided to use only the existing station site, and not construct any additional station, then SBtCOG may be able to make a Negative Declaration.

MILESTONES FOR PROJECT IMPLEMENTATION

The report describes the key remaining steps necessary to implement passenger train service from Hollister:

- Public outreach and approvals
- Secure funding commitments, obtain environmental clearance
- Negotiate service and equipment requirements with VTA and JPB
- Negotiate access with UPRR
- Design/construct facilities, stations, improvements and procure equipment (if necessary)
- Demonstrate service and market it
- Refine service plan

In summary, the following are key unresolved issues:

- (1) Expansion of passenger service on UPRR track (Gilroy-Hollister, Gilroy-Salinas, and Amtrak's Coast Line initiative).
- (2) Extension of four Gilroy trains to Hollister and Salinas: potential conflict between San Benito and Monterey Counties.
- (3) Access for operation of passenger trains on the Hollister Branch.
- (4) San Benito institutional issues vis-à-vis Santa Clara County, as well as cost-sharing with VTA and Caltrain.
- (5) Funding.

RIDERSHIP

INTRODUCTION

This section on ridership documents forecasts for various rail alternatives that assume a Caltrain extension to Hollister.

Selection of Methodology

Many forecasting tools are developed for forecasting ridership on transit facilities that run at regular intervals throughout the day, or at least throughout the peak period. These methods have often proven unreliable in predicting actual ridership levels. The problem is often because these methods are based on probability. For a two-trip or three-trip one-directional commuter rail service, the decision to take the train is determined more by train trip times than by how often it runs.

If data are available, developing a methodology based on this decision is relatively straightforward. In this corridor, related agencies have undertaken a number of studies, so that reliable and recent data are available.

Organization of Document

The ridership forecasts presented here are divided into three parts:

- One part describes the results from the variety of data sources used in the preparation of forecasts.
- One describes population and employment projections identified for San Benito County.
- One part describes the service scenario assumptions, and explains ridership forecasts for the service scenarios in the study.

BASELINE RIDERSHIP RESEARCH

Forecasts should begin by evaluating conditions, and verifying the data sources that have been made available. There are a number of different survey and other projects that provide the basis for defining the baseline condition.

Much information about baseline conditions for this study is available related to the well-utilized Caltrain rail service to Gilroy that already serves this corridor.

This service currently provides four one-way trips northbound in the morning, and four one-way trips southbound in the afternoon.

Detailed Data Sources

Useful information has been identified from these data sources:

Caltrain On/Off Survey Data. Each February, Caltrain surveys rider ons-and-offs by station, by direction and by train. The last published version of this survey was based on surveys undertaken in February of 1999 and 2000.

Interview Survey of Caltrain Riders. The Transportation Agency for Monterey County (TAMC), in association with Caltrain and San Benito County staff, conducted a survey of riders on November 16, 1999. This survey had about a 77 percent response rate and thus is a valid source.

Caltrain On-Board Comprehensive Ridership Survey. A comprehensive ridership survey was conducted in early 1999. This survey queried several items including the mode of access for Gilroy station riders.

Santa Clara Valley Transportation Authority (VTA) Ridership Estimation Memorandum from November 8, 1999. This memorandum applies conclusions reached from major employer surveys near Caltrain stations, and applies the conclusions about mode share to the general employment travel patterns.

Metropolitan Transportation Commission (MTC) 1998 Regional Transportation Plan (RTP) Forecasts. MTC publishes tables of trips by trip purpose. These tables were grouped to define information obtained about Caltrain-related trip patterns from Gilroy as a method of comparison.

MTC Memorandum on Interregional Commuting Estimates: August 1998. This series of reports and spreadsheets is based on Department of Finance data for work locations of residents, as well as forecasts of population and employment growth for external counties. These data were adjusted algebraically to estimate commute pattern estimates for 2000, 2010 and 2020.

California Statewide Travel Survey, 1991. Caltrans sponsored a comprehensive survey across the state, and asked a number of questions not often asked in general travel surveys. Among them is an estimate of the percentage of home to work trips during the peak two-hour morning period by MPO.

A license plate survey was potentially available to further validate mode share travel patterns, but these data were not ready in time for this analysis.

Findings from Caltrain Station Ridership Information

Caltrain/Joint Powers Board (JPB) staff routinely collect on/off ridership data for each station. A summary showing key data at the Gilroy Station is shown in Table 1. It is noted that Gilroy is also served by occasional VTA bus routes, so that other direct transit connections besides Caltrain service.

The ridership is growing significantly at the Gilroy Station. Data collected in 1998 indicates that there were 394 boardings, and this grew to 420 boardings in 1999 and 468 boardings in 2000. The significant annual growth can be attributed to both the growth in households/employed residents and the increasing attractiveness of Caltrain for residents in the Gilroy Station's catchment area.

Of the four train sets in the morning, the most popular is the last train, which is carrying about 35 percent of all morning boardings. (Note that the ridership interview survey showed that the same train is the most popular for San Benito County riders, with 36 percent boarding it in the morning.) Generally, the loads for the earlier trains are almost equal, with the third train carrying slightly more boarders at the Gilroy Station.

Data from 1999 state that of the four train sets in the evening, the most popular train is the first train, which is carrying about 43 percent of all afternoon deboarding passengers. (The ridership interview survey showed that 56 percent of San Benito County riders were on this train.) The train loads are next highest for the second afternoon train at 36 percent of all riders (and 29 percent of San Benito County riders). The two last trains each are carrying much smaller numbers of riders.

The maximum load point of the Caltrain service for the most popular trains to and from Gilroy has been identified as the segment north of San Jose Diridon Station. In 1999, there were 387 riders northbound on the most utilized a.m. train, and 346 riders southbound on the most utilized p.m. train.

Findings from the TAMC November 1999 Interview Survey of Caltrain Riders

TAMC, in association with Caltrain and San Benito County, conducted a survey of Caltrain riders in November 1999. The response rate from the interview survey indicates that most riders were surveyed. Compared to the February 2000 boarding total of 468, the 323 responses represent an overall response rate of 69 percent.

Table 1				
Caltrain Activity at Gilroy: 1999 and 2000				
Gilroy Train Departure Time	Total Boarding	Percent of Boarding	Peak Load	Peak Load Segment
Total a.m. Riders: 2000	468			
Total a.m. Riders: 1999	420			
5:23 a.m.	77	18.4%	192	Millbrae - San Bruno
6:03 a.m.	84	20.0%	498	Hillsdale - San Francisco
6:28 a.m.	113	26.8%	320	Diridon - College Park
7:10 a.m.	146	34.8%	387	Diridon - College Park
Total a.m. Riders: 1998	394			
Gilroy Train Arrival Time	Total Deboarding	Percent of Deboarding	Peak Load	Peak Load Segment
Total p.m. Riders: 1999	385			
5:16 p.m.	167	43.3%	346	College Park - Diridon
6:16 p.m.	139	36.2%	423	College Park - Diridon
6:48 p.m.	48	12.4%	272	South San Francisco - Bay Meadows
7:14 p.m.	31	8.1%	373	San Francisco - Menlo Park
Total p.m. Riders: 1998	369			
Source: Joint Powers Board.				
Notes: Year 2000 PM deboarding data not yet available. VTA bus service is also operated between Gilroy and San Jose.				

Detailed findings from the survey are shown in Table 2. After Gilroy (42.1 percent), San Benito County is the most popular home origin for the riders at the station. The interview survey indicated that 34.1 percent of the Gilroy Station riders are originating from San Benito County homes.

Hollister was the indicated origin for 96 percent of the Caltrain riders from San Benito County. This reflects the recognition that many people who actually live outside of the city limits use Hollister as their mailing address.

Surveys conducted in 1998 show that 6 percent of riders at San Martin also come from Hollister.

Findings from VTA Studies

A November 1999 VTA memorandum on ridership forecasting provides an estimate of rail's mode share by trip distance. These mode shares are specifically calibrated to experiences in South Santa Clara County, as well as on Altamont Commuter Express (ACE) trains. Generally, the rail mode shares are 9 percent for a 30 mile trip, 14 percent for a 40 mile trip, 16.5 percent for a 50 mile trip and 18.6 for a 60 mile trip. Trips above 70 miles were generally found to have about a 20 percent mode share. Another conclusion available from this report was that 44 percent of all Santa Clara County workers were working in an area within a reasonable commute to and from a Caltrain station.

A 1999 VTA survey on mode of access shows these breakdowns at the Gilroy Station:

- Drive Alone: 58 percent
- Carpool: 28 percent
- Bus or shuttle: 8 percent
- Drop-off: 6 percent
- Bicycle: 4 percent
- Walk: 2 percent

It should be noted that the final three modes of access generally comprise only local trips. If the 12 percent of riders using this mode are arriving from Gilroy, it can be assumed that 28 percent of local trips are being made using these locally-attractive modes (based on the 42 percent in the November survey). Generally, people from San Benito County are not likely to use this mode of access to reach Caltrain at the Gilroy Station today.

Table 2		
TAMC Gilroy Station Ridership Survey: November 1999 Results		
Item	Data	Percentage
Response Rate:		
February 1999 Ridership	468	
November 1999 Responses	323	
Percent Response Rate	69.0%	
November 1999 Survey -- Origin of Rider:		
San Benito County	110	34.1%
Hollister	106	
San Juan Bautista	4	
Monterey County	56	17.3%
Gilroy Area	130	42.1%
Other Counties/Cities	27	6.5%
November 1999 Survey -- Train Choice From San Benito County		
Departures:		
5:23 a.m.	19	17.3%
6:03 a.m.	28	25.5%
6:28 a.m.	24	21.8%
7:10 a.m.	39	35.5%
Total Respondents on Question	110	
5:16 p.m.	61	55.5%
6:16 p.m.	32	29.1%
6:48 p.m.	8	7.3%
7:14 p.m.	9	8.2%
Total Respondents on Question	110	
November 1999 Survey -- Trip Purpose from San Benito County		
Work	102	92.7%
School/College	6	5.5%
Other	2	1.8%
Total Respondents on Question	110	
Source: Transportation Agency for Monterey County.		
Note: 1998 Survey indicated that 6 percent of San Martin riders also come from Hollister.		

Findings from MTC Models and Reports

The proportion of Gilroy employed residents working in other parts of Santa Clara County is estimated at 83 percent, or about 16,800 workers. This total was developed through analyzing MTC model trip tables.

The MTC calculation estimates that 8,500 workers from San Benito County work in jobs in Santa Clara County.

Findings from Other Sources

The California Statewide Travel Survey estimated that only about half of weekday home-to-work trips occurs during the peak two hours on a typical morning. This survey shows that 56 percent of MTC workers leave between 7 and 9 a.m., while 50 percent of Association of Monterey Bay Area Governments (AMBAG) workers leave during this time period.

It should be recognized that the attractiveness of commuter rail is significantly a function of work times of those employers whose work locations are convenient to a train station, and that some workers may change their working hours to take a train. For this reason, the adjustments in this study utilize the assumption that the 56 percent of all daily home-to-work trips occur in the a.m. peak two hours.

FUTURE GROWTH RESEARCH

The results in this ridership section are intended to look beyond a start-up ridership forecast. To understand the full impact of growth, we examined forecasts from two key sources.

MTC published estimates and forecasts of interregional commutes, and in this work defined employment growth anticipated in San Benito County. Their estimates included California Department of Finance research.

AMBAG routinely publishes forecasts of the total employed residents. This information was obtained from their web site.

Findings from Data Sources

Generally, both sources estimate that there are about 21,000 to 22,000 workers living in the county in 2000. AMBAG estimated 20,482 while MTC estimated 21,901.

By 2020, both entities estimated significant growth to continue in San Benito County. The number of working residents in San Benito County is assumed by AMBAG to grow to 35,083, while MTC forecasts 40,300. These sources reflect an estimated growth rate of between 71 and 84 percent over this time horizon.

Because MTC needs county-to-county commute forecasts for travel estimates, it has developed them for travel into and out of the Bay Area. MTC staff expect San Benito County residents' travel to Santa Clara County jobs to grow at a rate similar to the overall population growth in San Benito County, with an estimated 73 percent more workers from San Benito County commuting into Santa Clara County jobs in 2020 than do today.

A summary of the employed resident projections is provided in Table 3.

FORECASTS FOR SERVICE SCENARIOS

This part of the ridership section defines the forecasts for particular scenarios of rail service to Hollister. The scenario assumptions are discussed in detail so that the forecast definitions can be fully understood.

Description of Scenarios

The forecasts are based on a service scenario described as follows:

A one-station extension to Hollister is assumed to open in 2003. While certain station locations can affect local ridership and station choice, the overall lengthy distance to Santa Clara jobs implies that train users will come to the station in Hollister regardless of location.

In Scenario 1, the route is anticipated to operate with two trains northbound in the morning commute, and two in the evening commute. These two trains are likely to carry about 61 percent (a.m.) to 80 percent (p.m.) of today's Caltrain commuters from San Benito County. It is anticipated that local bus service will meet the other trains in Gilroy.

In Scenario 2, the route is anticipated to operate with three trains northbound in the morning commute, and three in the evening commute. These three trains are likely to carry about 81 percent (a.m.) to 92 percent (p.m.) of today's Caltrain commuters from San Benito County. It is anticipated that local bus service will meet the other trains in Gilroy.

The stations are assumed to have ample parking. Parking limitations can result in discouragement of rail use. It should also be noted that the latent demand

Table 3		
Summary of San Benito County Employed Resident Projections		
Source	Year	Data
Association of Monterey Bay Area Governments	2000	20,482
	2020	35,083
	Twenty Year Percent Change	71.3%
Metropolitan Transportation Commission	2000	21,901
	2020	40,300
	Twenty Year Percent Change	84.0%

for parking at Gilroy is not factored into these forecasts, even though the Gilroy Station currently experiences parking shortages.

The stations are assumed to be attractive to local modes of access not currently available to San Benito County residents. This includes kiss and ride, bicycles, walking and drop-off.

The ridership number is not adjusted to reflect any deterioration in travel speeds on State Route 25 between Hollister and Gilroy. This roadway carries a substantial amount of traffic, and further growth will make transit more attractive. However, this represents only a small segment of the overall journey to jobs in the Caltrain market area. Most of the highway distance and delay associated with this commute are north of Gilroy.

The ridership number is also not adjusted to reflect a substantial travel time difference in rail versus bus for this trip. Again, the majority of the travel time for workers will be north of Gilroy. Further, it is our understanding that train speeds on the Hollister-Gilroy segment will be fast enough to not discourage boarding in Hollister.

The fare between Gilroy and Hollister is not assumed to have a difference in structure notable enough to create a mode shift. Considerable experience by Bay Area rail systems has shown that ridership totals are not significantly affected by small adjustments in transit fares.

2003 Estimates if Service Were Provided

The base method of developing ridership forecast is to first provide an estimate as if the train service defined above were operating today. Once this is developed, then future forecasts can be developed.

The methods and calculations to estimate year 2000 ridership are described as follows:

1. Estimate the number of existing San Benito County riders at Gilroy for 2000 who would switch to a Hollister Station.

Given the various data sources, it is estimated that the ridership of San Benito County residents at Gilroy is approximately 143 riders in 1999 and 160 riders in 2000 (using morning ridership totals of 468 from Gilroy for four trains and a 69 percent response rate of the survey).

2. Estimate the percentage of existing San Benito residents who commute by rail from Gilroy (mode share of rail).

The market for riders on this service is generally regarded as workers, as noted from the November 1999 survey at the Gilroy station. There are an estimated 8,497 workers from San Benito County going to jobs in this corridor. The targeted market is estimated at about 44 percent of the total Santa Clara County employment base, as recognized in the VTA forecasting methodology memorandum. This was calculated to be 3,739 workers.

The estimated 160 riders in the morning can then be used to calculate the mode share as 4.8 percent. However, if adjustments are made to account for 56 percent of workers commuting at this period, the mode share becomes 8.5 percent of all workers.

When comparing the mode shares to the VTA research on the Caltrain corridor, the typical trip length of a Hollister resident to a Santa Clara job is about 50 miles. This translates to an estimated mode share of about 16.5 percent according to VTA research, if the Caltrain service was offered as frequently as it is on the main line. Because the service is not operated as frequently, the 8.5 percent mode share is a logical assumption.

3. Estimate the number of existing San Benito County riders at Gilroy for 2000 who would switch to a Hollister Station.

Because these San Benito County riders are already assumed to be driving to the station to reach the train, they can be expected to remain as Caltrain riders. Further, most of these are assumed to be willing to switch to Hollister (noting that 96 percent of San Benito County riders list Hollister addresses). Allowing

for a four percent reduction for those that would continue to drive to Gilroy, the Hollister Station would be attracting 183 riders if the train were operated today as it operates to Gilroy.

4. *Adjust estimates for the proposed service scenarios.*

Because the Scenario 1 proposal is for two trains rather than four, a percentage of these riders would still opt for either driving or riding the bus to Gilroy. Using the on-off survey data by train, it is estimated that about 80 percent of the overall ridership could be attributed to the peak two trains. By using this assumption, the total Hollister Station ridership would be 147 riders in the a.m. peak.

The Scenario 2 proposal for three trains would create additional ridership for the Hollister Station. It is estimated that about 92 percent of the overall ridership could be attributed to the peak three trains. By using this assumption, the total Hollister Station ridership would be 169 riders in the a.m. peak.

5. *Estimate the additional number of riders to be induced by a Hollister Station for 2003 based on the additional availability of drop-off, walk and bicycle modes of access to the station.*

The Gilroy experience of 28 percent of the riders arriving by these local modes provides a basis by which the potential ridership inducement to a Hollister train service could be estimated. This technique reflects an approximation of induced ridership, as the individual rider's mode of access decision is more complex than can be studied here.

Growth in San Benito County is anticipated to continue; however, MTC forecasts that the percentage growth in commuters will lessen over the next few years (compared with the past 10). An additional 7 percent of commuters into the corridor is likely.

Using Scenario 1, this would result in an estimated additional 61 riders in the a.m. period, for a total morning ridership of 218. By applying the percentage from the Gilroy experience to Scenario 2, the resulting daily ridership from the new access modes would be estimated at 70 riders. This would result in a total station morning ridership of 250.

Of these riders, it is estimated that about 80 percent will remain on the train beyond San Jose Diridon Station (based on observations of alightings before the peak loading point). In either scenario, the morning peak train would likely attract about 57 percent of Scenario 1 ridership or 43 percent of Scenario 2 ridership. The result is that Caltrain demand would increase by about 23 persons on the peak trains to and from Hollister.

Gilroy would remain a place where some residents would either drive or ride a bus, as well as a station choice for San Benito County residents who would still drive to Hollister.

Parking requirements for Hollister riders is generally estimated to be 1.0 passengers per auto for purposes of this study. Since 218 riders are estimated as park and ride morning station ridership for the Scenario 1 and 250 for Scenario 2, a similar number of spaces is recommended if the service were operated in 2003. Also, the final number of parking spaces would be affected by use of the lot by carpoolers, by those who ride buses to Gilroy, and by persons making overnight trips (such as those connecting to San Jose International Airport or San Francisco International Airport).

A summary of this methodology is provided in Table 4.

2020 Forecasts if Commuter Trains were Provided from Hollister

The forecasted population growth in San Benito County is anticipated to result in increases in station usage. MTC estimates that the share of Santa Clara County workers from San Benito County will generally remain constant, even though there is anticipated to be over 70 percent more workers in 2020 than in 2000.

Using an assumption of a 71.3 percent growth over the 20-year period (or 60.6 percent for 17-year period), the overall station demand for the scenario described above is approximately 350 persons boarding in the morning and evening peak for Scenario 1, and 402 for Scenario 2. If the overall ridership growth results in four trains for the two peak hours, this would grow to an estimated 437 persons boarding for morning trains, and a similar number returning on the evening commute trains. This ridership begins to approach the total number of boardings at Gilroy today (420 for morning trains).

Potential Ridership for Other Stations

Two other station options have been discussed elsewhere in this study. These would have some consequences on the impact.

Should Caltrain be extended for only a few miles to a site near the County Line, the effect would be to shift the Gilroy Station riders from San Benito County to this new station. Because the distance is still far from Hollister, the potential to induce new riders by making more modes of access feasible is negligible. The number of riders at this station also would depend on how well it is served, and whether Gilroy would receive a significantly better quality of service.

Table 4			
Summary of Ridership Projection Calculations			
Step	Data	Attribute	Source
1. Estimate the number of existing San Benito County riders at Gilroy for 2000 who would switch to a Hollister Station.			
	468	Boardings in February 2000	Caltrain 2000 Survey
	34%	Percentage Boardings from Hollister	TAMC Survey
	160	Estimated Hollister Boardings at Gilroy	
	178	Adjusted for Annualized Growth to 2000	MTC Interregional Estimates (12 percent trip growth)
2. Estimate the percentage of existing San Benito riders who commute on rail from Gilroy (mode share of rail).			
	8497	San Benito County workers in MTC Region	MTC 2000 Interregional Estimates
	44%	Percent of Workers near Caltrain	VTA 1999 Ridership Memorandum
	56%	Percent of Workers in a.m. Peak Period	1991 Statewide Travel Survey
	2094	Worker Market	
	8.5%	Percent of Market Mode Share (a.m. peak commuters to Caltrain corridor north of Gilroy)	
3. Estimate the number of existing San Benito County riders at Gilroy for 2000 who would switch to a Hollister Station.			
	96%	Percent of SBC Workers from Hollister	TAMC November 1999 Survey
	6%	Additional Percent from San Martin	1998 VTA Park-and-Ride Survey
	200	Total San Martin Ridership	February 2000 Survey
	183	Hollister Trips in 2000	
4. Adjust estimates for the proposed service scenarios.			
	80%	Percent using heaviest two trains in p.m. peak	November 1999 Survey
	147	Estimate using two trains	
	92%	Percent using heaviest three trains in p.m. peak	November 1999 Survey
	169	Estimate using three trains	
5. Estimate the additional number of riders to be induced by a Hollister station for 2003 based on the additional availability of drop-off, walk and bicycle modes of access to the station.			
	28%	Percentage from local modes to Gilroy	1999 VTA Survey
	7%	Commuter Market Growth: 2000-2003	MTC Interregional Forecasts
	71	New riders for two trains	
	218	Total Riders for two trains	
	81	New riders for three trains	
	250	Total Riders for three trains	
	76	New Riders for four trains	
	272	Total riders for four trains	

Should a County Line Station be provided in addition to a Hollister Station, its usefulness would depend on how well it could attract riders from the State Route 152 or 101 corridors, or serve buses that operate in those corridors. If it is difficult to reach or serve, riders from these corridors would likely continue on to Gilroy to board the train.

A second station north or south of North/Downtown Hollister could serve the area if demands to the Hollister Station increase to levels too difficult to serve. Its riders would mostly shift from the proposed single Hollister Station, so that only a small number of new riders would be anticipated. Generally, stations with less than 200 to 300 total riders per day (100 to 150 morning boardings) are not favorably regarded. A second station would be useful if the area around the station is designed to encourage additional walking or bicycling activity to and from the station.

Sensitivity to Service Scenario Variations

Some variations to the basic service scenario assumed in this method could result in different levels of ridership. The sensitivity of variations is noted below.

The provision of midday and/or weekend service would also have a beneficial impact. The users of this service would be those who work park-time, attend meetings or make non-work trips on the train. The ridership levels on this train are likely to be much lower than on the peak weekday trains, and would probably reflect ridership experiences on other parts of the Caltrain system during midday and weekend periods.

The provision of reverse commute service into Gilroy would likely result in low levels of ridership, probably less than a quarter of the outgoing ridership. The ridership would greatly depend on how much local employers were committed to locating within walking distance of the station, or to providing employer shuttles.

Should the Gilroy Station receive a noticeable increase in service levels during commute periods, some Hollister commuters may be interested in switching back to the Gilroy Station to ride Caltrain because it would give them more options. This is most possible if a later train than the last one proposed in the morning is provided and/or a train earlier than the first one proposed in the evening is provided.

The potential commercial development in the Coyote Creek area would be a potential source of new riders for Hollister commuters. It is unclear whether this development represents new jobs in Santa Clara County, or instead represents jobs that are likely to go elsewhere in the county. Generally, mode

shares to jobs with work trips about 30 miles is estimated a 9 percent for full Caltrain service provision, according to VTA research; a limited number of trains available would reduce that to about 4 to 5 percent for Gilroy residents who would work in the development.

Sensitivity to Other Transportation Projects

Transportation projects in and north of San Jose would also result in a potential for more riders. Current strategies being considered and their overall effects include:

BART Extension to San Francisco Airport opening. Because the number of commuters travelling to San Francisco from San Benito County are relatively small (estimated at less than 50 for all study years by MTC), the extension would result in some increased viability for using the train for only a few passengers.

VTA Tasman Light Rail opening. The opening of the Tasman light rail would increase the potential to reach employers in the northern sections of Sunnyvale and Santa Clara by transferring at the Mountain View station. Early field data on transferring ridership at Mountain View is inconclusive about the impact of such a connection on ridership in general, and no data from Hollister or Gilroy is currently published.

Caltrain Extension in San Francisco. While such an extension would be politically popular, the overall commute travel time would have minimal impact on attracting new commuters from Hollister.

East Bay rail linkages. A number of rail service projects and plans have been developed for the Interstate 880 and 680 corridors. These include ACE implementation, Capitol Corridor expansion, a possible additional commuter line linking Union City BART with San Jose, and a BART extension concept for the Fremont Line to San Jose. These projects would increase the attractiveness of using the train by making more job connections available. The effectiveness of attracting more riders would largely be a function of how well schedules are coordinated with trains from Hollister.

State Route 25. Improvements to State Route 25 would probably not significantly reduce rail ridership unless highway travel speeds improve significantly. The greatest travel time segment towards San Jose is on U.S. 101 north of the existing Gilroy Station.

Sensitivity to Economic Conditions

These estimates could prove to be somewhat conservative if continued rapid escalation in Bay Area housing prices (resulting from housing shortages) significantly increases the presence of Bay Area commuters in Hollister. Regional agencies have often underestimated the impact of this situation in recent years.

OPERATING PLAN AND OPERATING COSTS

OPERATING PLAN

Stations

Evaluating a wide span of potential station locations provides a good basis for planning; however, the natural tendency to specify too many stations must be resisted. Starting with too many stations increases capital and operating costs, slows travel time, and dilutes the effectiveness of each station. It is difficult to close stations once established, as recent Caltrain experience demonstrates. The team evaluated three station options (Downtown Hollister, Hollister Park and Ride and Route 101 Interceptor) detailed below, but recommends that service be implemented with a single Hollister station.

The downtown Hollister station is preferred as the initial terminus. It would offer reasonable access to the south side residential areas as well as convenient proximity to downtown businesses and residences. The Wright Road station would be a second choice, offering additional park and ride capability but located north of the city center in the opposite direction from which the largest residential growth is occurring. A Route 101-interceptor station located near Carnadero would be an optional addition to the project, but certainly no substitute for the Hollister station. Adding an interceptor station would become attractive if Santa Clara County and/or Monterey County finds enough merit to the concept to substantially participate in capital and/or operating costs.

Downtown Hollister Station

A downtown station, at or near the former station located near Sally and Fourth Streets, is the primary option. This would bring rail service to the heart of the central business district and to the historical station area. In addition to weekday commuter use, occasional special trains might operate to or from that location bringing people into Hollister for special events or boarding them there to attend events elsewhere, such as the planned Paicines development and resort to be built south of downtown Hollister.

The downtown location is about 1.5 miles from the optional Wright Road Park and Ride. Until the ring road is completed, the downtown station offers the most convenient access to the most potential passengers. Minor re-routing of San Benito County bus routes is recommended to better serve the station. The downtown location appears to have sufficient potential parking to serve as an initial terminal, provided that there is no objection to train storage in that area. Track and grade crossing protection needs to be upgraded all the way to the downtown location. Disadvantages of a downtown station are that parking will

be more constrained, non-railroad passengers will be more likely to occupy some of the parking spaces, and some traffic disruption during train departures and arrivals is likely. These issues may be addressed through traffic and parking management strategies.

Optional Wright Road Park and Ride Station

An optional station would be a park and ride station located near the intersection of Wright Road and the railroad tracks on the north edge of the city. The site is well located near Route 25 and Business Route 156 with convenient access to downtown via Route 25 and from the newer residential areas south and east of town via the planned Route 25 Bypass. In addition, being on the north edge of the city means that passengers driving to the station will be headed in the direction of their ultimate destinations, avoiding the perception of lengthening the journey or "backtracking".

The Route 25 Bypass is a crucial ingredient in the appeal of this station location. Until that is a reality, the downtown station location remains more attractive until ridership growth becomes constrained by parking space limits.

Optional Route 101 Interceptor Station

Another station concept in addition to the main station at Hollister is to select a location as near Route 101 as possible, but on the Hollister Branch as opposed to the Union Pacific Railroad (UP) main line. Such a station would intercept commuters headed north on Route 101 before they reach Gilroy, slightly shortening the highway portion of their trips and relieving some capacity concerns at Gilroy. Locating the station on the Hollister Branch instead of the main line results in less interference for UP freight trains as the result of commuter train stops. Additionally, with no through freight trains operating on the branch, the potential for rail/pedestrian accidents is less than at a main line location.

The intersection of the Hollister Branch and Bloomfield Avenue, near Bolsa, has been identified as a potential Route 101 Interceptor Station. This location is about 1.2 miles from Route 101 and in terms of the track is one mile south of the junction of the Hollister Branch and the main line at Carnadero.

The primary clientele of a Route 101 station would appear to be Monterey County residents. Many Route 101 commuters might choose to continue the short distance on to the Gilroy Station because there are more service choices from there and because the travel time to the station via the two lane road would be the same as, or more than, staying on the Freeway and getting off at Monterey Street exit. However, should Gilroy fill up in terms of parking or seat selection on particular trains, the interceptor station would become much more

attractive. This station is no substitute for extending service to Hollister in terms of providing new service to San Benito County and thus is not recommended as part of the initial project. However, the concept would become more attractive and might warrant inclusion should Santa Clara County or Monterey County choose to participate in capital or operations funding in return for the benefit that this station would have upon Gilroy station capacity and traffic congestion in Gilroy.

Potential Future Developments

The railroad right-of-way originally extended south from the Hollister station to its historic terminus of Tres Pinos. While street construction occupies a portion of this right-of-way south of downtown, the remainder is believed to be owned by the City and County. According to the City Engineer, the roadway use makes reinstallation of rail service unlikely. The City and County should consider preserving the rail right of way south of the present end of track in Hollister for potential future transit use to access a "suburban" station which could be part of that area's development. This would encourage auto access from the developing area south of downtown to a southerly station and remove traffic from both the downtown area and Highway 25. Such a station also would provide access to the planned Paicines Resort and 1,000-unit residential subdivision.

Finally, In the event there is a future north county development, that northern station can be part of the developer's traffic improvements package, along with operating money to fund on-going train service and increased trips as well as increased bus service.

Layover Facility

The layover facility usually is located at or near the last station in order to minimize non-revenue equipment movements. If the downtown Hollister location is selected, the layover could be at that location, which presently is industrial land, already serving the cannery freight customer (San Benito Foods). Alternately, the layover could be at Wright Road even trains were to originate and terminate downtown; however, this would lead to twice as many train movements between Wright Road and downtown. Should Wright Road be the south end of weekday service, it would be logical to locate the layover facility there.

Another possibility would be to continue to store trains overnight at the existing Gilroy layover facility. This would be attractive in terms of saving initial capital cost. On the other hand, operating costs would increase

somewhat due to the empty "deadhead" movement of trains between Gilroy and Hollister prior to morning northbound service and between Hollister and Gilroy in the evenings. This would result in approximately an additional hour per day for each train crew and increased fuel and equipment maintenance costs. Perhaps more importantly, additional commuter train movements over UP trackage between Gilroy and Carnadero would be necessary. UP's consent to these movements would be required.

SERVICE PLAN

Two other important potential developments are pending that should be taken into account as service planning goes forward. VTA plans to increase service between Gilroy and Santa Clara or other northern termini and is discussing its plans with UP. In addition, Monterey County is interested in extending service to Salinas. That concept would extend existing Gilroy trains to start and terminate in Salinas, similar to the Hollister extension considered in this study. These plans have potential impacts upon several key components of service planning, as shown below. Clearly, the three service expansions should be coordinated closely.

Proposed Service Expansions South of San Jose

Factor	VTA Gilroy Service Increase	Salinas Service Extension	Hollister Service Extension
Equipment Supply and Utilization	No impact on trainsets presently serving Gilroy	Potential demand for use of Gilroy trainsets; potential conflict with Hollister service	Potential demand for use of Gilroy trainsets; potential conflict with Salinas service
Gilroy Facility Layover	Some service increase possible without increasing trains laying over at Gilroy; ultimately could increase need for layover trackage	Monterey layover facility would free up existing layover trackage at Gilroy	Hollister facility would free up existing layover trackage at Gilroy
Use of UP Trackage north and south of Gilroy	Increased use north of Gilroy	Increased use south of Gilroy; no increase north of Gilroy if existing trains are extended	Increased use south of Gilroy; no increase north of Gilroy if existing trains are extended

In addition to the above initiatives, an Amtrak-sponsored Coast Corridor study is underway for the purpose of considering service levels and infrastructure needs of all users of the Coast Line. Findings of that study should be monitored as Hollister extension planning progresses.

Presently, Caltrain operates four peak period round trips between Gilroy and San Francisco on weekdays. As noted, Santa Clara County is considering adding additional Gilroy trains, and is negotiating with UP (which owns the trackage south of San Jose) for the right to increase weekday service above current levels.

A logical means of initiating Hollister service would be to extend some of the existing Gilroy-San Francisco trips to serve Hollister. The equipment used on the Gilroy trains is used only for those trips, and thus should be available. Gilroy train consists appear to contain sufficient seating to accommodate new Hollister riders in addition to current patrons.

The service plan assumes that San Benito County secures the track access to permit trains to originate and terminate in Hollister. The County also would initiate track and signal improvements to permit operation at speeds up to 70 (or perhaps 59) mph, where not restricted by curves, city traffic and crossing considerations or other safety factors.

Any of the four existing Gilroy trains could be extended, as these trainsets are not used to cover any other assignments and thus are idle at the times they would be serving Hollister if extended. Of course, Monterey County also is considering use of some Gilroy trainsets to extend service to Salinas. Salinas is approximately 35 miles from Gilroy as compared to the 14 miles between Hollister and Gilroy, thus Salinas running times will be noticeably longer and it may be possible for each service to extend two of the trains with earlier departing morning trains (i.e., the first and third) and later arriving evening trains extending to Salinas and the other pair to Hollister. Nonetheless, conflicting desires may arise. In order to show all options available through extending the Gilroy trains, the following schedule depicts all four Gilroy morning and evening trains as well as projected Hollister times as if all were extended to Hollister. In preparing these schedules, a station dwell time of approximately ¾ of a minute to 1 minute was used.

Potential Hollister Service Based on Extending Existing Gilroy Service

	MP	33	39	43	49
Lv. Hollister	94.9	5:07 AM	5:47 AM	6:10 AM	6:52 AM
Lv. Gilroy	80.7	5:25 AM	6:05 AM	6:28 AM	7:10 AM
Arr. Santa Clara	44.3	6:17 AM	6:57 AM	7:21 AM	8:03 AM
	MP	54	58	64	68
Lv. Santa Clara	44.3	4:23 PM	5:21 PM	5:58 PM	6:22 PM
Lv. Gilroy	80.7	5:18 PM	6:16 PM	6:50 PM	7:16 PM
Arr. Hollister	94.9	5:36 PM	6:34 PM	7:08 PM	7:34 PM

Sources: Caltrain Timetable effective February 6, 2000; RLBA estimates.

Two service scenarios are proposed and described below. Their characteristics and service units are carried forward into the ridership estimation and financial planning tasks.

Scenario 1 consists of two round trips daily between Hollister and San Francisco created by extending current Gilroy-San Francisco schedules.

Scenario 2 consists of three round trips daily between Hollister and San Francisco, created by extending current Gilroy-San Francisco schedules.

Service Scenario 1

The most popular morning train with Gilroy riders (a fair representation of likely Hollister riders) is the last one, #49, departing Gilroy at 7:10 a.m. Generally, loads for earlier trains are about even, with the third train attracting slightly more Gilroy boardings. In order to widen the service window, the second (#39) and fourth (#49) morning Gilroy trains are chosen to be extended to originate in Hollister in Scenario 1.

The most popular evening train is the first one (#54) with 44 percent of Gilroy passengers including 55 percent of San Benito County riders. The second train, #58, was next most popular with 36 percent of all deboardings and the same 36 percent of San Benito County riders. The overwhelming popularity of these two trains led to their inclusion in Scenario 1, as shown in the proposed schedule below

Service Scenario 1

	MP	39	49
Lv. Hollister	94.9	5:47 AM	6:52 AM
Lv. Gilroy	80.7	6:05 AM	7:10 AM
Arr. Santa Clara	44.3	6:57 AM	8:03 AM
	MP	54	58
Lv. Santa Clara	44.3	4:23 PM	5:21 PM
Lv. Gilroy	80.7	5:18 PM	6:16 PM
Arr. Hollister	94.9	5:36 PM	6:34 PM

Sources: Caltrain Timetable effective February 6, 2000; RLBA estimates.

Service Scenario 2

Train service will be expanded to three round trips per day in this scenario. Service outlined in Scenario 1 will be enhanced by extending train #43 to

originate at Hollister, offering a third departure within just over an hour in the morning peak. In the evening, train #64 will be extended to Hollister.

Service Scenario 2

	MP	39	43	49
Lv. Hollister	94.9	5:47 AM	6:10 AM	6:52 AM
Lv Gilroy	80.7	6:05 AM	6:28 AM	7:10 AM
Arr. Santa Clara	44.3	6:57 AM	7:21 AM	8:03 AM
	MP	54	58	64
Lv. Santa Clara	44.3	4:23 PM	5:21 PM	5:58 PM
Lv. Gilroy	80.7	5:18 PM	6:16 PM	6:50 PM
Arr. Hollister	94.9	5:36 PM	6:34 PM	7:08 PM

Sources: Caltrain Timetable effective February 6, 2000; RLBA estimates.

Equipment

Because both service scenarios detailed above are based upon extending currently operating Gilroy-San Francisco trains and because those trainsets are available for Hollister-Gilroy service before and after their current assignments, no additional equipment would be required and no capital cost would have to be incurred to implement service. However, service to and from Salinas also is being evaluated, and also contemplates extension of current Gilroy service and use of the assigned equipment.

OPERATING COST

Overview

Service to Hollister is likely to be funded in a manner similar to the Tamien-Gilroy service supported by VTA, and operating costs were projected on this basis. Santa Clara County makes three major contributions to the JPB, to cover:

1. Its one-third share of JPB administrative expenses,
2. Its share of mainline operations (between Tamien and San Francisco) based on its pro rata share of AM boardings, and

3. Net cost of Gilroy service.

Santa Clara County's compensation arrangements are summarized below:

Payment for:	Payment Basis
VTA's share of Mainline Operations	1/3 of JPB Administrative Expense
VTA's share of Mainline Operations	Share of Mainline Operating Expense base on A.M. Boardings
Gilroy Service	Net Cost Basis, defined as Gilroy service costs less Gilroy Revenues

With respect to the same three categories, San Benito County:

1. Is not a member of the JPB and thus is not responsible for its administrative expenses. However, JPB might assess some charge for administrative services related to Hollister service. A negotiated flat fee would be simplest.
2. Is not a sponsor or beneficiary of service which originates and terminates north of Tamien and therefore would not be responsible for any of its costs, except as part of the following item.
3. Should expect to pay the net cost of Hollister service, calculated in a manner similar to the Gilroy net cost determination.

Compensation Paid by Santa Clara County to JPB for Gilroy Service

Santa Clara County contributes to the JPB separately calculated amounts for three distinct types of costs related to Caltrain service:

- Administrative costs incurred by the JPB
- Mainline operations (trains originating and terminating at or north of Tamien)
- Net cost of Gilroy service

This section focuses on the third component, the net cost of Gilroy service, because it is deemed the applicable basis upon which to understand and estimate what San Benito County's financial obligation would be with respect to Hollister service extension.

The "Peninsula Corridor Joint Powers Board Gilroy Service Budget Expense Allocation FY2000" was examined to develop a basis for Hollister service cost estimates, and is summarized below.

Gilroy Service Budget, FY2000

Cost Allocation	2,586,182
Station Maintenance	100,005
MOW	425,000
Security	211,586
Gilroy Storage Yard Maintenance	13,717
Utilities	69,500
TOTAL	3,405,990

The largest single component of the Gilroy operating cost is the Cost Allocation, which is a train-mile allocation of Caltrain train operations. In other words, Santa Clara County pays for a share of system costs based upon the train-miles operated by Gilroy trains as a percentage of total Caltrain train-miles. This train-mile percentage is applied to the "Amount Subject to Formula", which is Caltrain total operating expense less certain maintenance and security costs. In addition to the Cost Allocation, VTA pays for other cost items directly related to facilities or service between Tamien and Gilroy such as maintenance, security and utilities.

San Benito County Compensation to JPB for Hollister Service

RLBA projects an arrangement for San Benito County similar to that in place for VTA's Gilroy service. The largest item would be the Cost Allocation, which would be developed by computing Hollister-Gilroy train-miles as a percentage of total JPB train-miles and then applying that percentage applied to the "Amount Subject to Formula" (again, Caltrain total operating expense less certain maintenance and security costs). The cost estimate below includes these calculations based upon the Hollister train-miles for both scenarios and the Amount Subject to Formula from the JPB FY 2000 Budget.

San Benito County also would be expected to pay for maintenance, utilities and security of facilities south of Gilroy. The largest of those items would be track maintenance. After the Hollister Branch receives new rail and substantial quantities of new ties and ballast, it will require less annual maintenance over the next ten years than a line that has not experienced such a near-total rebuilding. Annual maintenance expense of \$140,000 per year is projected and included in the cost estimate. (It is possible that a modest use or maintenance fee could be collected from a shortline freight operator. However, that amount would be small and the economics of a stand-alone freight operation are suspect, thus it is wiser not to count on any maintenance contribution from

that source.) Security, utilities and layover cost estimates are projected by prorating the corresponding Gilroy amounts based upon quantities including track-miles and number of stations.

Hollister operating revenues were obtained by adding a new zone to the current Caltrain fare schedule and applying these fares to the projected Hollister riders. The new zone is over twice the length of the typical Caltrain fare zone, and thus the incremental fare for the new, long zone was set at twice the incremental fare for typical zones. In round numbers, the Hollister-Gilroy increment would be about \$1.10 each way when using a ten-ride ticket. The revenue estimate was based upon survey data specifying the distribution of Gilroy riders travelling through various number of zones. The same distribution was assumed for Hollister passengers and fares calculated, and then the new Hollister-Gilroy zone charge was added. It was assumed that an equal mixture of monthly passes and ten-ride tickets would be sold.

Projected Hollister operating costs and revenues are displayed in the following table.

Hollister Service Annual Operating Costs

Item	Two Train Scenario	Three Train Scenario
Cost Allocation	\$ 746,690	\$1,110,958
Station Maintenance	20,001	20,001
Maintenance of Way	140,400	140,400
Security	105,793	105,793
Hollister Layover Yard Maintenance	13,717	13,717
Utilities	29,786	29,786
Subtotal	\$1,056,387	\$1,420,654
Total Hollister Expense	1,056,387	1,420,654
Hollister Operating Revenue	417,934	479,282
Net Cost of Hollister Service	\$ 638,453	\$ 941,372
Farebox Recovery Ratio	39.6%	33.7%
<i>Potential Additional Items Subject to Negotiation, Not Included Above</i>		
Contribution to JPB Administrative Expense		
Payments to UP for Gilroy-Carnadero track access		

Source: RLBA estimates.

SHORT LINE EVALUATION

RAIL CARLOAD TRAFFIC

This section evaluates a hypothetical scenario whereby UPRR sells the line to a short line railroad or to a public agency that operates or contracts with an operator to fulfill the common carrier obligation transferred with the sale of the line. UPRR operates a local on the Hollister Branch that services shippers three days a week: Tuesday, Thursday and Sunday.

Freight volume on the Branch is extremely low amounting to less than 1,000 carloads per year. Only two active users of rail carload service have been identified. San Benito Foods is a cannery located in downtown Hollister that uses rail service to ship approximately five carloads three days a week, 52 weeks a year. This represents between 60 and 65 carloads a month and an estimated annual volume of 750 cars. This traffic is considered stable and long term business for the railroad. Carload shipments from this company would increase only if existing trailer customers would switch to rail carload, or if new rail-served customers were found, which the company says is unlikely.

Tri-Cal, located at the north end of the Branch, is a distributor of fumigants that are delivered in rail tank cars. Volume averages from about a dozen cars a month in the fourth quarter of the year down to about 8 cars a month the rest of the year. Annual volume is just over 100 carloads, and is not likely to increase, according to the company.

Leatherback Industries, a specialty paper maker and distributor in downtown Hollister, was once a carload customer but now uses only rail intermodal services as discussed below. The outlook for new carload business is very limited. Only one potential rail user has approached the San Benito Economic Development Group in the last five years and that company decided to locate in Gilroy. It would be unrealistic to assume that a short line operator would attract new customers.

A short line operator would be paid a flat fee by UPRR to move loaded and empty rail cars between an interchange track (to be constructed) at the north end of the branch and the customer located on the branch. The switching fee would be the result of negotiations with UPRR at the time the branch line is sold.

Using a representative rate of \$250 a car, the San Benito Foods account would represent about \$188,000 in annual revenue to a short line operator.

Given that the interchange track is likely to be adjacent to the Tri-Cal facility and that chemicals generate among the highest revenue rates for railroads, it seems likely that UPRR would opt to continue to serve Tri-Cal. Were UPRR to relinquish the business to a short line operator, given the short distance of a movement to Tri-Cal from the interchange track, a switching fee of \$200 might be expected by the short line operator. The combined annual revenue at the assumed rates would be about \$210,000 for a short line operator.

RAIL INTERMODAL TRAFFIC

San Benito Foods also ships about five trailer loads of product each day that move by highway to a rail-truck transfer station on either the UPRR or Burlington Northern Santa Fe (BNSF) rail systems for movement in solid intermodal trains to eastern destinations. UPRR intermodal service is available from Oakland and Lathrop. BNSF serves transfer facilities in Richmond and Modesto.

Leatherback Industries of Hollister manufactures specialty grade paper and uses rail intermodal service to receive materials and distribute its product in trailers or containers. Over 600 shipments a year move by rail to one of the four facilities listed above and are delivered to Leatherback by motor carrier.

Conversely, this company originates almost 600 shipments of product a year that move by highway to area transfer facilities for movement to the east by rail.

The presence of trailers and containers on area highways raises the possibility that a short line operator might operate a rail-truck transfer facility as part of its business base. Such a facility would contribute to improving the region's transportation system were it able to attract sufficient business to be viable.

A facility located on the north end of the branch would be accessible from U.S. 101 and might attract container and trailer shipments originating throughout the Salinas Valley that is (as is the small volume of Hollister traffic) trucked to Oakland, Richmond or San Joaquin Valley transfer facilities. UPRR and BNSF are unwilling to release confidential records of current intermodal users located in the Salinas-Silicon Valley region (or any other region). A detailed analysis of such users to determine under what conditions and in what volumes they might be attracted to use a Hollister

Branch transfer facility would require a comprehensive survey throughout the region, at considerable expense and far beyond the scope of this analysis. It is unlikely this type of traffic moving to or from the region on BNSF and UPRR intermodal trains destined for Silicon Valley would be routed through a Hollister Branch facility because of service and cost considerations. It is important to note that the railroads have not developed a competitive service for refrigerated produce and few third parties provide the specialized equipment needed. It is telling that neither UPRR nor its predecessor Southern Pacific chose to develop a facility in San Jose or the Salinas Valley. Instead significant investments are flowing into high volume facilities in Oakland and Lathrop.

A Hollister Branch facility would be competing with services offered by both UPRR and BNSF at facilities that can be reached by motor carrier at a cost of \$75 to \$100 a unit. (Generally, local pickup and delivery costs, called drayage, are included in the door-to-door rate charged by the intermodal marketing company (or railroad) that is arranging transportation for the shipper.) Studies have shown that a very small facility served by one train a day (in and out) could handle 30 units a day at an average cost of about \$200 a unit.

In addition, the short line operator likely would be dependent on local UPRR freight service to move rail intermodal flat cars to and from east-west trains. Typically, that adds at least a day to trip time compared with same day service for freight drayed to a major railroad intermodal facility. In the best of cases, Hollister freight might move on solid intermodal trains to and from the Bay Area; but, more likely, this traffic would move in standard merchandise freight train service.

Thus, a rail-truck transfer located on the Hollister Branch would be at both a cost and service disadvantage and, in our judgment, would be an unwise and unproductive investment. Need for competitive rates and service can be underestimated as is demonstrated by the failure of the Northeast Ohio Intermodal Terminal (NEOMODAL). This \$11 million project was developed on County land with State and Federal funding by a non-profit organization, the Stark Development Board (SDB). However, major railroads serving Ohio found the volume of business attracted to the facility was insufficient to merit a commitment of scheduled reliable train service. In fact, SDB sought relief from the federal government's Surface Transportation Board (STB) as a condition of approval of takeover of Conrail by CSX and Norfolk Southern (NS). SDB complained that the railroads preferred to work with their own facilities and asked that the federal government mandate that NEOMODAL be made a part of both the CSX and NS intermodal systems assuring

competitive rates and service to users of NEOMODAL. SDB also requested that CSX and NS be required to serve its facility providing "competitive pricing and rates, competitive and reliable scheduling, reliable and timely service and access to markets.« (STB Decision No. 89 in Finance Docket No. 33388 at page 339) STB denied all requests for relief from the Stark Development Board, and the NEOMODAL facility continues to struggle without committed intermodal service from CSX and NS. The facility, located south of Canton, is served solely by the Wheeling & Lake Erie Railway, a 1,000-mile regional railroad handling 120,000 carloads. This railroad believes its financial security is threatened by the Conrail takeover but its requests for federal help were denied except for some minor line extensions.

Although it would be entirely possible to contract for a survey of potential customers for intermodal service at a potential intermodal terminal on the Hollister Branch at a cost of \$50,000 or more, such a survey in our professional judgment would be a waste of resources. An intermodal terminal costs several millions of dollars to design and construct, assuming a suitable site is available. The short line operator would need revenue of as much as \$200 per unit to cover operating costs on the branch. The Union Pacific Railroad would most likely require a premium charge over its existing charges from and to Oakland to cover its added operating costs to haul units by rail between Oakland and Carnedero. Thus, a potential customer would be faced with paying substantially more in extra charges to use the Hollister Branch terminal than the current trucking costs to or from Oakland. Further, the rail haul to or from Oakland to connect with inbound and outbound long distance intermodal trains would add an extra day to the time of transit. Any potential customer would have to ask, "Why pay a premium price for an inferior service?" In other words, if the market were sufficiently attractive to put an intermodal facility on the Hollister Branch, we could assume that UPRR would have responded to it.

SHORT LINE FINANCIAL PROSPECTS

Successful short line owners/operators have several criteria they use in evaluating whether to acquire light density lines from the major railroads including:

- sufficient existing carload traffic to at least break-even during the early years of operating,
- a realistic potential for growing the rail traffic to achieve significant long-term profitability,

Table 5
Hollister Branch
Operating Costs As A Short Line Freight Railroad

	Costs Incurred		Expressed on a Per-Trip Basis
	Annually	Per Trip	
Train Operations:			
Crew Cost		\$288.00	\$ 288.00
Loco. Cost	\$ 40,000		256.41
Fuel Cost		67.50	67.50
Overhead:			
Manager - salary & benefits	67,500		432.69
Office Staff - salary & benefits	15,600		100.00
Billing, accounting support and legal	10,000		64.10
Office rent, utilities, supplies, phone	10,000		64.10
Vehicle cost per year	5,000		32.05
Insurance	20,000		128.21
Total	\$168,100		\$ 1,433.06
Annual Trips			156
Annual Operating Cost			\$223,557.36
Maintenance of Way			
Freight-Only Tracks	\$ 10,000		
Freight-Only Switches	20,000		
MOW Payment to Track Owner	17,000		47,000.00
Freight Car Costs			0.00
Total Annual Cost			\$270,557.36

Source: RLBA.

CAPITAL IMPROVEMENTS AND COSTS

SUMMARY

Improvements are required to upgrade what is now a low-speed low-density freight branch line so that it is capable of safely accommodating passenger trains at passenger train speeds.

The initial capital cost estimate of \$27,100,000 (see Table 6, page 1 of 2, total before options) would provide for upgrading the 12.3-mile branch line to Caltrain standards and allow for a maximum passenger train speed of 79 miles per hour (mph) including complete replacement of all rail, ties and ballast. This cost was deemed high, and RLBA was asked to look for ways to reduce cost. Thus Table 6 contains a "Non-Caltrain Construction" column which represents a somewhat reduced level of upgrade at a cost (total before options) of \$19,630,000. This lower estimate results from replacing all existing rail but leaving some existing ties and ballast in place and substitution of less than preferred materials (and therefore materials which will not hold up as well or as long in time), for example, wood crossties instead of concrete, and soft local stone ballast rather than harder imported rock. Accepting a maximum speed of 59 mph (about 1 ½ minutes slower) on an unsignalled line, and using lower cost materials, results in a reduction of costs by almost \$7.5 million. The line would remain in compliance with Federal Railroad Administration minimum safety standards for passenger train operations at the lower speed, but would not be as safe, and would require more frequent and more expensive maintenance. RLBA continues to recommend automatic block signalling (ABS) as a minimum for commuter rail service, and advises San Benito County to seek funding for same. ABS shows the presence or absence of a train, rail car, open switch or broken rail in the next "block", or section of track, and therefore tends to prevent accidents. Installation of ABS would add \$750,000 to the reduced "non-Caltrain" estimate.

In either case, the capital costs include a station and layover facility at Hollister, and track and highway crossing rehabilitation on the 12.3 mile branch line.

RLBA recommends initiating the project with "Construction to Caltrain Standards" if possible. This would include signaling and permit maximum train speeds of 79 mph, and would result in an infrastructure which would last longer without the requirement for rehabilitation. Construction to Caltrain standards would provide a slightly improved schedule, safer service and a lower life cycle cost. If, however, funds are limited, it would be acceptable to initiate service at a lower capital cost.

Numerous options exist and are also included on the second page of Table 6. These options include stations at Wright Road and Route 101 interceptor, and a new platform at Gilroy. This platform could be constructed on the freight main to avoid the cost of inserting a second track through the Highway 152 crossing. This probably would also require a pedestrian bridge over the existing layover facility. However, adding a second track through the crossing might also result in a \$10 million or more grade separation project; a cost which was not included herein.

Assuming that existing trains would be extended to Hollister, so no new equipment need be purchased, all the base case efforts could be completed for \$27.1 million. All options are shown on a net added cost basis, and if all options were selected an additional \$6.0 million should be added. The "Approach and Assumptions" below, explains base costs and assumptions with regard to the "Construction to Caltrain Standards" column. Though the costs include all construction and rehabilitation, they exclude right-of-way and land costs.

As stated above, the initial assumption was that automatic block signals would be installed on the Hollister Branch. Such signals would space trains apart and limit errors in radio authorized communications. This may at first glance appear unnecessary on a line which only rarely hosts two trains at a time. However, signal protection also provides protection against misaligned switches (either by error or if vandalized) and broken rails.

Though there are a few short segments where Amtrak currently operates in "dark" or unsignaled territory, there is a clear Federal effort to move toward positive train control which would stop the train if an engineer does not comply with a restrictive signal. Recognizing a constantly lessening acceptance of risk, it is not prudent to initiate a new service with no thought of signaling.

However, as stated above, if budgets become constrained, limited service could be initiated without signals and still be in compliance with Federal Railroad Administration minimum safety standards. This would be acceptable only if the plan includes near-term signaling enhancement. Even then, RLBA strongly recommends a minimal signaling to advise of switch misalignment, which includes a \$150,000 cost that would not be recoverable when a full signaling system is installed, at an additional cost of \$900,000.

The estimated costs in the "Construction to Caltrain Standards" column are intended to complete the job to preferred standards at the start of the project. Track costs are relatively high, reflecting a \$40 per ton ballast cost based upon JPB's Ponderosa Project costs; use of local soft ballast sources would cost much less but wear less well. A limited start-up service could be accommodated at a cost lower than the complete rebuild estimated herein.

**Table 6
Capital Cost Estimates**

	<u>Non-Caltrain Construction</u>			<u>Construction to Caltrain Standards</u>		
	Unit	Category	Total	Unit	Category	Total
	Subtotals	Subtotals	Cost	Subtotals	Subtotals	Cost
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Station - Downtown Hollister						
Station platform and amenities	\$ 570			\$ 570		
Parking	510			510		
Engineering, mobilization and contingencies	340			340		
Subtotal Stations		<u>\$ 1,420</u>	\$ 1,420		<u>\$ 1,420</u>	\$ 1,420
Right-of-Way						
<i>Railroad Track, Structures & Signals - On-Branch</i>						
Replace rail, ties, ballast and turnouts	6,630			10,600		
Upgrade/replace 9 public highway crossings	2,160			2,160		
Reuse 2 public highway crossings	-			-		
Replace/repair Pajaro River bridge MP 85.6	210			1,090		
Other bridges, culverts and drainage	880			880		
Signaling	200			900		
Engineering, mobilization and contingencies	3,150			4,880		
Subtotal Right-of-way - On-Branch		13,230			20,510	
<i>Railroad Track Structures & Signals - UP Main</i>						
Install new interlocking at Carnadero (3 #20 TO)	1,150			1,150		
Install new interlocking at East Gilroy (4 #20 TO)	1,400			1,400		
Install second track at Route 152	340			340		
Engineering, mobilization and contingencies	900			900		
Subtotal Right-of-way - UP Main		<u>3,790</u>			<u>3,790</u>	
Subtotal Right-of-Way			17,020			24,300
Build Layover Yard at Downtown Hollister						
New layover/ cleaning facility	910			1,050		
Engineering, mobilization and contingencies	280			330		
Subtotal Layover Yard		<u>1,190</u>	1,190		<u>1,380</u>	1,380
TOTAL BEFORE OPTIONS			<u>\$ 19,630</u>			<u>\$ 27,100</u>

Table 6
Capital Cost Estimates

	<u>Non-Caltrain Construction</u>			<u>Construction to Caltrain Standards</u>		
	<u>Unit</u>	<u>Category</u>	<u>Total</u>	<u>Unit</u>	<u>Category</u>	<u>Total</u>
	<u>Subtotals</u>	<u>Subtotals</u>	<u>Cost</u>	<u>Subtotals</u>	<u>Subtotals</u>	<u>Cost</u>
	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>
Option 1 - Station at Wright Road (Park & Ride)						
New station platform and amenities	\$ 570			\$ 570		
Parking	510			510		
Engineering, mobilization and contingencies	340			340		
Subtotal - Station at Wright Road		\$ 1,420			\$ 1,420	
Option 2 - Station at Route 101 Interceptor (Park & Ride)						
New station platform and amenities	\$ 570			\$ 570		
Parking	510			510		
Engineering, mobilization and contingencies	340			340		
Subtotal - Station at Bloomfield-US 101		1,420			1,420	
Option 3 - New Platform at Gilroy (south of UP Main)						
New station platform and amenities	\$ 570			\$ 570		
Pedestrian bridge over layover yard	1,500			1,500		
Delete - Install new interlocking at East Gilroy (4 #)	(1,400)			(1,400)		
Delete - Install second track at Route 152	(340)			(340)		
Engineering, mobilization and contingencies	100			100		
Subtotal - Platform at Gilroy		430			430	
Option 4 - New on-branch freight interchange track (short line scenario only)						
New 3,000 foot siding	930			1,100		
Engineering, mobilization and contingencies	290			340		
Subtotal - Short Line interchange track		1,220			1,440	
Option 5 - Replace Rail on UP Main Track						
Replace rail for ride quality (one track)	1,000			1,000		
Engineering, mobilization and contingencies	310			310		
Subtotal - Replace rail		1,310			1,310	
Subtotal Options 1 through 5		5,800			6,020	
TOTAL WITH ALL OPTIONS			\$ 25,430			\$ 33,120

Source: HDR Engineering inspection, Caltrain unit costs and RLBA estimates

Revised 5/6/00

However, in the long run, short term patches with later replacement would ultimately be more costly. For example, repairs to the bridges would permit service to be initiated, but when replacement again becomes economic in five to fifteen years, the cost would be higher to perform under traffic and no value would remain to the repair expenditures made before the rehabilitation.

A partial replacement of wood ties rather than complete replacement of wood with concrete ties would reduce initial cost. This approach would reduce the number of new ties by about one-third and save substantial ballast as well, thereby reducing the total cost by about \$1 million. However, this represents deferring replacement costs rather than permanent cost savings. Concrete ties were assumed because that is Caltrain's standard and because nearly two-thirds of the existing ties should be replaced, offering an excellent opportunity to upgrade to concrete ties.

APPROACH AND ASSUMPTIONS: CONSTRUCTION TO CALTRAIN STANDARDS

The following documents the approach, sources and assumptions used in developing the Hollister Branch capital costs in the "Construction to Caltrain Standards" column.

1. High (Conservative) Estimate

The cost estimate to rebuild and repair the Hollister Branch Line is a conservative estimate, meaning that the presented cost may be more expensive than a value engineered cost, but is deemed to result in a lower life cycle cost, that is, maintenance and rehabilitation costs will offset higher initial capital cost. This estimate should be refined after negotiations occur between San Benito County Council of Governments (SBtCOG), UPRR, VTA, and JPB.

2. Length of Track and Improvements Calculated

The mileage used to estimate the cost of this project is 12.3 miles. The length spans the Hollister Branch line from the Main Line at and including Carnadero to the end of usable track just north of East Park Street. A layover and car cleaning facility could be located at Wright Road station or south of South Street/Hillcrest in order to be switched to and from the storage tracks adjacent to the Hollister Depot. Track cost in downtown Hollister was included to provide the users of the report with the flexibility for future extension of track to the developing area south of the existing Hollister Station and to take advantage of the relatively new grade crossing signal and switch at South Street. This also provides for the possibility of the Layover and Servicing Facility being located at either the existing Hollister Station or south of it.

As Hollister grows and new development occurs south and east of the existing urban area, staffs and policy makers may want to consider the use of the right

of way from McCray Road/Park Street south to the Hollister Branch Lines' original terminus of Tres Pinos.

3. Railroad Signaling

Cost estimates are provided for three alternatives which will only be reasonably known after negotiations with the UPRR (the owner), JPB (the operator), and SBtCOG (the service sponsor). Railroad signaling, simply put, is a system that allows the dispatcher and locomotive engineer to know where the train movements are occurring. It is not to be confused with the grade crossing signaling (gates and lights) at local streets.

The three alternatives and their simple explanation are shown below.

Alternative 1: Initially the railroad could "run dark", meaning that no signaling be installed. Trains would communicate by radio. Windows would be established for freight and passenger operations so that conflict would be avoided. This is the least expensive alternative and will work on the lightly used branch line with only 2 to 4 daily trips of commuter service. This is also an area where cost can be cut with little effect on the quality of service to passengers. Running time would be about a minute and a half longer than with signaling. This alternative is included as an interim measure in the "Non-Caltrain Construction" column in Table 6.

Alternative 2: Install Automatic Block Signaling (ABS) from the beginning of the Hollister Branch Line at Carnadero to the Hollister Depot. Automatic Block Signals are like traffic lights on a street--when a train is occupying a "block of track", the signal is red; when the train has departed that block of track and no other train is on the block, the signal is green or yellow.

To place the Hollister Branch Line in a rail operations perspective, the Caltrain commuter rail system runs from San Francisco to Gilroy, owns the right of way from San Francisco to just south of San Jose, and runs 68 weekday trips in a mixed freight and passenger train mode. Caltrain now has ABS signaling for about 76 percent of its line.

This alternative is included in the "Construction to Caltrain Standards" column in Table 6.

Alternative 3: Install Centralized Traffic Control (CTC) from the beginning of the Hollister Branch Line to the end of the CTC on the Main Line at Carnadero. CTC allows the dispatcher to "see" the train on his computer and allows two way travel on a single track, provided there are sufficient "turn-outs and sidings" for trains to "duck" into or to be safely spaced apart. CTC is now being designed and installed for the entire Caltrain-owned system between San Francisco and San Jose, and may be installed south of San Jose to Gilroy.

Without signals (running dark), the specified track improvements will allow 59 mile per hour top speed (Class 3). With signals (ABS or CTC), this track improvement will allow 79 mile per hour (Class 4) top speed. Thus, signals ultimately control the top train speed. Top speed may also be affected by the number of stations and grade crossings and the rate of train acceleration and deceleration. Either the 59 or the 79 mile per hour speed could be achieved within one mile south of the Main Line and Branch Line intersection at Carnadero. On a line that is only 12 miles long, a 59 mile per hour limit and one additional minute of running time should not significantly affect ridership.

4. Layover Facility

A Layover Facility has these components: storage tracks to store the trains, fencing, lights, paved road between tracks for servicing the trains, a sewer connection for emptying on-train toilets, and 480-volt power so that the trains can be serviced without the engine running.

There is an advantage in siting Layover Facilities adjacent to the end-of-the-line station. The reason for this is to reduce labor costs in operating the system and to have equipment readily available when it is needed. The common location of the station and the layover facility removes the possibility of "deadhead" or unproductive or out-of-service mileage. One station should be sited in downtown areas with good transit access and one station should be sited in outlying suburban locations such that "back-tracking" or going away from the ultimate destination is not required to access them.

Layover Facilities should be located away from residential uses and other sensitive noise receptors such as hospitals, senior citizens complexes, libraries and schools. Stations should be used to generate economic redevelopment wherever possible. Reasonable conditions exist for a downtown Hollister Station and Layover Facility. Track space is adequate to store four trains and reconstruct the platform/station track. The design can be performed so as not to interfere with freight operations; in fact, the rehabilitation of the track and station area will complement the shippers' continued use of rail for freight movement.

Downtown Hollister cost estimates assume parking for at least 171 vehicles can be accommodated in the railroad right of way immediately south and north of the station in two lots. The right of way would be cleared of all current storage and other uses, re-paved, striped, landscaped and lighted, and pedestrians would be channeled with sidewalks and defined crossing locations. Fencing of the train storage area is desirable to increase the security for the trains being stored overnight. Chain link fencing with a barb wire top similar to the Gilroy Train Layover Facility is used to secure the two train storage tracks

with more attractive rod iron, Victorian fencing being specified at the station platform area to keep passengers and pedestrians out of a train's path.

It is assumed that parking can be provided in a diagonal configuration along the fence line on the east side of the railroad right of way with landscaping and lighting within the car-stops. Concrete car-stops are included in the parking price estimate. Re-paving, lighting, landscaping, and striping are included. Also diagonal parking (regular or overflow) can be accommodated on the west side of the track south of the Depot.

5. Street Grade Crossings

Grade crossing cumulative costs increase as the line is used into the City of Hollister. If funding is tight, the Wright Road Station Option should be pursued in order to save on grade crossing improvement costs. Some of the existing streets, most notably Second and Third Streets, could be converted to cul-de-sacs rather than continuing to cross the railroad. This is similar to what the City of Gilroy did when train service was extended there. It is typically not critical to downtown traffic circulation and business access to have every single street continue to cross the railroad tracks, so some at-grade crossings are closed. This allows for increased train speeds, but mostly saves in grade crossing costs and creates a safer situation for both the trains and the automobiles.

All new signals are assumed for existing public crossings. Included in the estimate is upgrading and modernizing the existing public grade crossing surface across South Street to McCray Street and East Park Street in case that location is selected for the Layover Facility or Station. This latter item is included under the trackwork section.

Grade crossing surfaces are assumed to be ten foot wide concrete panels. These are preferred to rubberized grade crossings which are slippery when wet and do not hold up as well under heavy truck traffic.

6. Aquisition and Access to the Hollister Branch Line and the Main Line

Acquisition and/or track access charges are not included. Similarly, revenue from freight operation is not included should the decision be made to buy the line. In any event, it is recommended that SBtCOG begin immediate discussions with VTA to include the Hollister service as part of its current negotiation with UPRR.

7. Ties and Track

It is assumed all ties and track are replaced as far south as the end of track at McCray/East Park. No industrial leads were assumed to be replaced, but a replacement switch would be installed to the San Benito Foods spur at Fourth Street. All new main track turnouts were included in the estimate.

The assumed station track configuration includes all new track, ties and turnouts with two storage tracks and one station track that will also be the main track. Two six-car Caltrain trainsets could be stored on each storage track in a "stacked" fashion with the station track remaining open for night-time freight movement. This allows the station track to be used to store up to four Caltrain trainsets. We have allowed for six-car trainsets rather than the current five car trains due to the rapid growth in passenger boardings between San Jose and Gilroy and the fact that the existing trains are now reaching capacity.

All ties are assumed to be concrete ties except for within turn-outs which use timber ties. All track is assumed to be new 136 pound RE (which designation refers to the American Railway Engineering and Maintenance of Way Association (AREMA) specification for weight per yard and shape of rail cross-section). All rail is assumed to be continuously welded.

By its nature, it makes sense to build for the highest reasonable class due to large sunk costs for access, equipment, capital and labor as well as to minimize on-going operations and maintenance costs. Building to the next higher class of track than absolutely needed is good practice; it recognizes that the right of way track structure will be degraded with time and use, and allows a conservative safety and maintenance margin.

8. Grading and Ballast

Most of the existing ballast is "fouled". This means that the ballast is impure; some rock has ground into small bits of crushed rock that act to "cement" the remaining rock together and prevents the track structure from draining properly and hinders structural stability or "give" for the tracks. Railroad ballast and drainage are critical to smoothness of the ride, maintenance levels, and speeds of the service. Ballast specified is AREMA #4A. Larger rock for maximum "give" and drainage are important for this area. This rock size is appropriate for the type of track and service proposed.

Existing ties and tracks will be removed. The costs shown will allow for the existing ballast to be re-graded and used as "sub-grade", with new ballast added after ties and tracks are in place. This will raise the railroad about four inches and improve the drainage. Paving of streets and approaches to the railroad grade crossings to the new, slightly higher railroad height are included in the estimate.

9. Permits and Fees

Probably all of the work can be done within the right of way, but there may need to be a staging area for supplies at the Hollister Station. In this case, there may be a cost to use the property depending upon ownership at that time.

No permit fees from any resource agencies or encroachment permit fees are included in the cost estimate.

10. Flagging Costs for the Railroad

Typically, when work is done on an active railroad, the railroad charges for supervision and safety flaggers. The applied Caltrains costs included flagging costs though often there will be no trains operating during work days.

11. Structures

Replacement is assumed for all the eight bridges under 50 feet long as well as the one large bridge over Pajaro River at the County Line. If funding is constrained, it may be possible to strengthen the large bridge as well as the small bridges and still operate at 59 miles per hour.

All of the culverts are assumed to remain in place. Included in the costs are the addition of headwalls and culvert cleaning. These culverts, while old, are in many cases made of cast iron and are extremely durable.

Bridge inspection reports from UPRR could not be obtained within the time available. Both a complete inspection of the bridges is needed along with review of the Bridge Inspection Reports to definitively conclude upon the merits of rehabilitating or replacing the bridges.

12. Unit Costs

Most unit costs used are from the in-progress Ponderosa Project of JPB (Caltrain). The Ponderosa Project is a major, system-wide rehabilitation of the railroad after years of deferred maintenance by the private railroad owner. This is a situation quite similar to that of the Hollister Branch Line.

The "as bid" costs shown are 1998 prices plus an escalation of ten (10) percent to account for inflation since 1998.

The applied Caltrain unit costs exclude flagging costs and represent both the capital purchases of track, rail, signals, and other items as well as the labor to install them. Labor used in the Caltrain job was bid based on open, competitive bidding upon final plans, specifications, and estimates, and construction during set windows when trains are not running or few trains are running. This is referred to as construction "under operating conditions". Prices for a relatively lightly used branch line should be somewhat lower.

13. Gilroy Yard and South of Gilroy Track Improvements

The expansion of Caltrain service to Hollister with a Layover Facility in Hollister will allow the continued use of existing Gilroy facilities without expansion while at the same time allowing for expansion of the number of daily trains to and

from Gilroy. No credit or estimate is provided for what this will save Santa Clara VTA or the Caltrain system.

To operate south of the Gilroy Station without a back-up move and switching movement at 10th Street onto the main line, a new track connection must be constructed at the south end of the Gilroy Yard and crossing Highway 152. The City may request an expensive grade separation.

An alternative to this track connection south of 10th Street is to construct a platform for inter-city and Hollister commuter service east of the Gilroy Station tracks.

The cost of the south track extension has been estimated by the Santa Clara VTA in its Capital Improvement Program dated September 15, 1999 at \$1,193,429, broken down as follows:

1. New 136# track, wood ties, ballast, turnout, demolition, modified interlocking and modify/upgrade crossing equipment	= \$718,500
2. Non-construction cost	= \$143,700
3. Management, Community Design, Contingency (25%) and Market Condition	= <u>\$331,229</u>
Total	<u>\$1,193,429</u>

The cost estimate assumes an additional crossover would be added to provide enhanced operating flexibility, so branch and Amtrak trains could depart Gilroy to the south on either track.

General

The types of track, ballast, and grade crossings used for these cost estimates as well as the Layover and Station components are consistent with the standards of JPB. The JPB Chief Engineer provided input on the desired specifications.

APPROACH AND ASSUMPTIONS: NON-CALTRAIN CONSTRUCTION

This section explains the rationale used in reducing the "Construction to Caltrain Standards" estimate by \$7.5 million (the "Non-Caltrain Construction" column in Table 6).

The initial capital cost estimates were prepared assuming adherence to Caltrain standards. If only three trains per day are operated, and if the modest risk of operating without signals and higher life cycle maintenance costs are accepted, it is possible to reduce initial construction standards, and hence reduce initial capital costs to \$19.6 million. Although new rail would replace existing rail,

only two-thirds of the ties and 27 percent of the ballast would be replaced. The reduced standard substitutes less than preferred materials, i.e., wood crossties for concrete, local softer ballast rather than the harder rock specified by Caltrain, and substitutes repairs rather than replacement of the Pajaro River bridge. Installation of signaling is deferred initially. Estimated railroad contractor unit costs assuming minimal train interference are substituted for Caltrain Ponderosa Project unit costs.

Specific right-of-way line item savings would be as shown in Table 7.

Table 7
Possible Cost Savings

Item	Description of savings	Cost Savings
Track Rehabilitation, not replacement	Rail replaced but no complete track removal or subgrade preparation	\$ 1.14 million
Use local ballast and replace only 27%	Softer local stone will degrade faster, but with only a few trains per day, the stone may be satisfactory. Future upgrade will be required when train density increases	\$ 2.41 million
Install wood rather than concrete ties	Replace only two-thirds rather than all ties	\$ 0.42 million
Eliminate ABS signals and install advance switch point indicators	Eliminate signals with train spacing and broken rail protection; install temporary switch point indicators for \$200,000, a nonrecoverable cost when upgrading	\$ 0.7 million
Repair rather than replace bridges	Likely feasibility, but requires more extensive study	\$ 0.88 million
Engineering/Contingencies on above	Reduced overheads on the above projects	\$ 1.73 million
Layover Track Savings	Use wood ties and lower cost local stone	\$ 0.21 million
<i>Total</i>		\$ 7.49 million

Appendix A contains the format required for integration of facilities into Caltrain's Capital Improvement Program (CIP).

TRACK ACCESS ISSUES

COORDINATION WITH VTA AND JPB ESSENTIAL

Preparation of draft agreements is premature as several different plausible access and operating configurations remain to be determined. However, as SBtCOG previously has been advised, it is critical that:

- 1) Hollister service and SBtCOG participation be added to the agenda of current JPB and VTA negotiations with UPRR concerning enhanced service levels from/to Gilroy and
- 2) Hollister service equipment requirements be folded into the JPB's equipment procurement/assignment efforts initiated following the passage of Measures A and B.

For a variety of reasons, UPRR is not likely to be responsive to separate entreaties of San Benito County, and even if it were:

- if San Benito's separate service were to terminate at Gilroy, UPRR alone cannot ensure that terms of access over the UPRR-owned branch between Hollister and the UPRR main line nor the 2.6 mile UPRR main line segment between Carnadero and Gilroy will allow for coordinated service with JPB trains to the north;
- equipment utilization for such a service would be egregiously low and uneconomic; and
- if San Benito's separate service were to extend northward, access would then have to be negotiated over trackage of different ownership (JPB) and competing with other existing and planned operating rights arrangements.

From a practical point of view, there really aren't any alternatives to operation of the Hollister commuter rail service by Caltrain.

VTA has now advised SBCCOG that it has added potential Caltrain commuter service extension to Hollister (as well as to Salinas) to its current negotiations with UPRR concerning enhanced service between Gilroy and Tamien. UPRR has not yet responded to VTA's proposals.

JPB and VTA have indicated general support for an extension of Caltrain commuter service to Hollister (as well as to Salinas) with only two significant concerns. The first concern is that San Benito County must be able to obtain significant funding for necessary capital improvements and expected operating

revenue shortfalls to facilitate a Hollister service extension. The second concern is that extension of commuter service to both Hollister and Salinas from Gilroy will require additional orders, passenger cars and motive power, unless San Benito and Monterey counties can agree on which of the current four (and possibly five future) peak morning and evening weekday trains serving Gilroy will be extended to Hollister and which to Salinas. The Caltrain Extension Task Force formed by JPB and VTA with representatives from both counties is attempting to work through this problem.

Favorable treatment on access rights from all railroad parties is therefore contingent on pursuing a joint stance with the other governmental authorities.

Coordinating equipment procurement (if it becomes necessary) with JPB not only leverages its far greater market power, but it provides for flexibility (e.g., SBtCOG may acquire only an option to purchase, something it would not easily accomplish on its own) and assurance of compatibility, of no small consequence in the likely event that the equipment will not be limited to shuttle service or restricted consists.

GENERAL FORMS OF OBTAINING ACCESS

Access to the existing Hollister-Gilroy freight railroad right-of-way for passenger rail services may be obtained in three ways:

1. ownership (i.e., by purchase,
2. operating/trackage rights, or
3. so-called "purchase of services".

Different access arrangements may pertain to different segments.

Ownership and purchase of services agreements are the most common access methods in use by commuter rail authorities today. Ownership provides incontestable control over service frequency and schedule decisions, and the ability, subject to financial capacity, to replace and add to capital assets at will. In acquiring a right-of-way, the previous owner may retain trackage rights to permit it to continue to provide service to its customers.

Purchase of services agreements involve having a contract operator provide service with its own employees, motive power, and sometimes passenger coaches. The reason for the name of this arrangement is that the "purchaser" specifies only the services to be delivered (capacity, schedules), leaving the contractor to determine how to do it and to supply the necessary resources. When the contract operator is not also the owner of the right-of-way (i.e., other than UPRR on the Hollister Branch or JPB further north), then access rights

must still be obtained for the operations--either through purchase of the right of way or through trackage rights.

Under operating rights agreements, for a fee, the right of way (ROW) owner grants permission to another entity to operate its own trains over the owner's tracks. The fee is usually variable with extent of use. Dispatching, maintenance, and capital renewal (therefore capacity and operating speeds) typically remain under control of the owner. The reduced capital commitment (*vis-a-vis* ownership) correspondingly provides reduced control over service. Augmentation of control may be obtained, at a cost or price, through negotiations, often protracted.

The fact that UPRR has entered into negotiations with JBP and VTA for enhanced service between Gilroy and Tamien, as well as recently concluded negotiations between the Capital Corridor JPA and UPRR for additional trains (including peak hour morning and evening trains) between Oakland and San Jose are indicative that UPRR is likely to be cooperative in arranging for the use of the Hollister Branch and adjacent mainline for commuter service to and from Hollister. UPRR can be expected to demand significant compensation, including capital improvements on the mainline segment. Most likely UPRR will have a strong preference for negotiating a comprehensive list of rights with as few entities in the Bay Area as possible. For example, UPRR may well be inclined to negotiate the outright sale of the Hollister Branch because of its marginal freight service value although such a transaction may well be encompassed in a larger package which provides UPRR track capacity/operating flexibility in addition to yielding cash. Undoubtedly, UPRR will only negotiate with respect to entities which can demonstrate the capacity to finance the transactions and will demand compensation for line sales on some basis of "fair market value."

CONFIGURATIONS OF ACCESS OPTIONS

The following combinations of access options are possible with respect to Hollister service:

- a) San Benito County acquisition of the Hollister Branch, with operating rights to/from Gilroy. Freight service over the branch could be provided either by UPRR via trackage rights or by a County-selected contractor or UPRR-chosen entrepreneur operating the branch as an independent but connecting short line railroad. Passenger service could be provided directly by the County, by a contract operator, or, preferably JPB to facilitate continuity and coordination of service.
2. An independent short line company acquiring the Hollister Branch providing freight service to an interchange point at/near the UPRR main line and subsidized passenger service to/from Gilroy. UPRR

would need to be persuaded to grant corresponding rights between Carnadero and Gilroy.

3. An independent short line company acquiring the Hollister Branch providing freight service to the UPRR main line, and granting passenger operating rights to San Benito County or its third party operator. UPRR would also need to be persuaded to grant corresponding rights between Carnadero and Gilroy.
4. Third party acquisition of the branch line, which grants operating rights to a passenger operator and trackage rights to a freight operator (either UPRR or a short line). UPRR again would need to be persuaded to grant operating rights to the passenger operator between Carnadero and Gilroy.
5. JPB access via either ownership, operating rights, or a combination of the two between Gilroy and Hollister. JPB would operate passenger service and grant rights over owned segments as necessary to UPRR or a short line operator to provide freight service.
6. UPRR provides commuter service as a contract operator.

Operating rights are involved in all of these scenarios, except for the last, improbable one. Basic rights and responsibilities normally are divided as follows:

- the tenant line furnishes its own motive power and crews,
- the owner is responsible for keeping track, signals and communications in repair, generally supplying employees other than train crews and maintaining accounting records subject to tenant audit, and
- the owner performs dispatching services. The absolute need for highly reliable service necessitates the prioritization of passenger trains. Thus, negotiations must address dispatching issues.

Operating Rights: Negotiated Contract Terms

Operating access negotiations normally cover:

- Compensation
- Operating conflicts
- Liability and risk management
- Escalation

- Right to audit
- Incentives
- Station and other construction
- Equipment
- Access to property
- Dispute resolution
- Duration of agreement
- Right of first refusal to acquire railroad's property
- Insurance provisions

The first three of these items require further explication both because of their relative importance in the negotiation process and nuances peculiar to railroad operations.

1. Compensation:

Charges assessed by track owners to tenants for exercise of track operating rights are generally variable with train-miles, car-miles, or cars handled. A fixed charge may be appended as well, creating, in effect, a two-part tariff. The level of charges, whether mandated or privately agreed to, usually reflect the tenant's share on an average cost basis of the landlord's operating and maintenance expense and a fixed percentage (per annum) of the valuation of the property.

The most prevalent form of payment terms is the "rental plus maintenance and operations agreement." Under this arrangement, the tenant pays a fixed proportion of property valuation and a "wheelage" portion for maintenance and operation expenses incurred by property owner. The designation of rail property for rent purposes is normally very specific: tracks, buildings, other appurtenances will be listed in the agreement and relatively complex accounting is required.

Alternative rental systems include a flat rate based on periodic joint study, and zone contracts, wherein a flat rate per train or car will be charged based upon the number of zones through which trains pass.

Incremental capital costs include costs of bringing lines up to necessary standards of curvature, gradient, rail wear and spacing, large-scale tie replacement, etc. Costs associated with higher standards of track components such as switches, frogs and the costs of additional sidings, station sites and facilities to be leased by San Benito as well as any track or signal improvements projects undertaken on the San Benito's behalf are generally covered by separate agreements which are not a part of the operating rights cost allocation agreement. Such an approach allows appropriate terms and cost sharing of

each project to be established without complicating the allocation of normal maintenance of way expenses.

For the use of track, important costs to consider (and develop appropriate negotiating strategies for) include the sharing of maintenance of way costs. In return for assuming a portion of such expenses, San Benito is entitled to an explicit assurance that the track will be maintained to some established standard. Existing condition and maximum authorized passenger train speeds, if satisfactory to San Benito, would represent a potential standard.

Numerous means of allocating operating rights cost have been used in agreements similar to that contemplated with UPRR. A few of the common approaches include fixed fee, gross ton-miles and speed-factored gross tons. The last means, which is in effect north of Gilroy, is attractive from a technical standpoint but challenging from an administrative perspective.

2. Operating Conflicts:

The party with operating control of the line generally assumes responsibility for dispatching trains, providing direct and immediate knowledge of the progress and status of all trains on the line. This information is critical to enable prompt reaction to mitigate the effects of service delays or interruptions. In addition, that entity usually enjoys priority treatment in the event of train meets and conflicts. Such positive impacts from dispatching may be (or may be considered) crucial to establishing and maintaining a good commuter service image. Care must be given to the contractual determination of the apportionment of rights in this regard. Negotiation should cover, at a minimum, (i) resolution of operating conflicts, (ii) penalties and incentives applied to expeditious handling of commuter trains, (iii) non-dispatching party's right to monitor dispatching operations, and (iv) all parties' right to add trains or alter schedules.

3. Liability and Risk Management:

Generally, with operating rights, the landlord and tenant each take care of their own expense with respect to minor accidents or derailments; there is no billing back and forth. For major accidents, standards apply as decided by contract.

Normally, under contract, the tenant will be responsible for equipment-caused accidents and the property owner for ones resulting from track or signals malfunctions. Some operating rights agreements put almost absolute liability on tenant — an undesirable but at times unavoidable arrangement.

Ownership: General Considerations And Contract Provisions

The basic hallmark of ownership is control, from service specifications and operations to capital investment. Many service and operating control issues can translate into the political arena if the perception of service quality or responsiveness to the community is affected. Assurance of the right to make improvements to, alterations in, or disposition of the line or its components, and to offer such future services as might be warranted, are important factors for San Benito County to consider.

In terms of rail operations, the importance of control varies with the character and quantity of line use. Generally, the less intensely a line is used at present or is expected to be in the future, the less critical the need to establish operating control. Critical control issues include the daily dispatching function, timetable and rules publication, and, over the long term, ability to add or reschedule service. In the case of a line enjoying a level of operations approaching capacity at peak commutation (or all) periods, obtaining control may be critical to assure attainment and maintenance of desired operating performance levels as well as securing the option of future expansion.

The party with ownership of the line generally assumes responsibility for dispatching trains, providing direct and immediate knowledge of the progress and status of all trains on the line. This information is critical to enable prompt reaction to mitigate the effects of service delays or interruptions. In addition, that entity usually enjoys priority treatment in the event of train meets and conflicts. Such positive impacts from dispatching may be (or may be considered) crucial to establishing and maintaining a good commuter service image.

Advantages of ownership sometimes are not realized due to the inexperience of purchasers and/or the adverse impacts of political expediency. Questions to ask include:

- Will San Benito County ownership of the ROW allow commuter (and freight) service to run at significantly lower operating and maintenance costs per unit of service provided than would the best non-ownership alternative?
- What will be the public's added environmental and personal injury liability cost if San Benito County owns the ROW?
- Will San Benito ownership of the ROW facilitate joint development and other revenue-enhancing strategies on, over, or adjacent to station sites?

Ownership in this case still will require negotiation of an operating rights agreement, although from San Benito to UPRR instead of the other way around. The rate of payment from UPRR is one of the terms that must be agreed to before a purchase could be valued and a purchase price finalized.

Contract terms in sales of railroad property generally include:

- A. Property description (valuation map-specific metes and bounds)
- B. Rights in and to:
 1. Minerals, sub-surface (fiber optic, etc.), air
 2. Property leases and rentals
 3. Licenses
 4. Agreements (sidetrack, relocation and possibly others)
- C. Representations and warranties (especially environmental risk)
- D. Earnest money deposit
- E. Rights to inspect assets before closing
- F. Risk of catastrophic loss before closing
- G. Claims resulting from events before closing
- H. Property tax and closing cost responsibilities
- I. Extent of and responsibility for labor protection, if any
- J. Unwind provisions (termination)
- K. Insurance and liability

Contract Terms: System Operator

Once it has been determined that a commuter rail service is to be operated for the benefit of the County, and access rights have been established or are in the process of being negotiated, a parallel effort to identify potential system operators should be undertaken. There are not, realistically, a large number of candidates for this role on the Hollister branch. The contract with whatever entity is ultimately selected for this function should, address, at a minimum, the following:

- Obligation to provide contract services
- Service properties and service equipment
- Operator's authority to manage
- Service changes
- Force majeure
- Contract services budget
- Compensation
- Access to service properties
- Labor and labor protection
- Equal employment opportunity
- Fair employment practices
- Operating plan

- Service equipment maintenance standards
- Maintenance of stations
- Reporting obligations
- Car cleaning standards

FINANCIAL PLAN

The purpose of this section is to identify all existing and potential funding sources that could be available for the proposed Gilroy-Hollister Extension. The first part of this section summarizes the capital and operating costs and discusses strategies for cooperatively funding the proposed new rail extension. The next part reviews Federal, state, regional and local funding sources that could be used to pay for the capital expenditures and the ongoing operation.

CAPITAL AND OPERATING COST SUMMARY

Table 8 shows a summary of the capital and operating costs. Operating costs are shown for Scenarios 1 and 2 and are combined with capital costs. The total system costs assuming no capital cost options are \$28.2 million for Scenario 1 and \$28.6 million for Scenario 2. If all of the capital cost options are selected, the system costs increase approximately \$5 million.

	Scenario 1	Scenario 2
Capital Costs Without Options	\$19,630,000	\$19,630,000
Operating Costs	\$ 1,139,912	\$ 1,504,179
Total System Costs (WITHOUT OPTIONS)	\$20,769,912	\$21,134,179
Capital Costs With All Options	\$25,430,000	\$25,430,000
Operating Costs	\$ 1,139,912	\$ 1,504,179
Total System Costs (WITH OPTIONS)	\$26,569,912	\$26,934,179

COST SHARING STRATEGIES

This part presents strategies for cooperatively funding the proposed Gilroy-Hollister Extension. It assumes that San Benito County would be responsible for the capital costs and could cooperatively fund the ongoing operation with the VTA or the JPB partners. These options are discussed below.

CAPITAL COSTS

The Joint Powers Agreement (dated October 18, 1991) states that large-sale capital *expansion* projects shall be handled on a case-by-case basis. It is assumed that the proposed Gilroy-Hollister extension would be considered an *expansion* project as was the Gilroy Extension. The VTA assumed full responsibility for securing capital funding for this extension. Consistent with this approach, it is assumed that San Benito County would be responsible for the "initial risk" for the proposed Hollister extension. This means that San Benito County would be financially responsible for the capital costs associated with this extension. It may be possible, however, for Santa Clara County to assume some of the capital costs. For example, location of a layover facility at or near Hollister would benefit Santa Clara County by enabling CalTrain to increase service frequency on the Gilroy line without attendant expansion of existing facilities at Gilroy. Other capital costs in Santa Clara County such as trackage and station improvements could also be covered by Santa Clara County. To the extent that Santa Clara County assumes financial responsibility for capital costs it may impact that county's ability and willingness to participate in an operating cost sharing strategy. Options for sharing operating costs are discussed earlier in this report, under OPERATING PLAN AND OPERATING COSTS.

The capital costs including trackage rights, stations and locomotives is \$19.6 million assuming no options, and with options the total would increase to \$25.4 million (refer to Table 8). Funding sources and strategies for San Benito County to pay for this capital investment are discussed later in this section.

The JPB has a capital contingency fund to cover cover unanticipated, necessary capital improvements. Each of the three JPB partners contribute an equal share toward this fund. The 1999-2000 Capital Contingency Fund is \$960,000. While financial contributions to this fund would *not* likely be a short-term obligation, it could be an additional longer-term responsibility for San Benito County.

OPERATING COSTS

Table 9 presents the operating costs for Scenarios 1 and 2. It also shows the projected passenger revenues to determine net operating costs. The net operating costs for Scenario 1 are estimated at \$906,000, and for Scenario 2 they are projected at nearly \$1.2 million.

Table 9 Total and Net Operating Costs		
	Scenario 1	Scenario 2
Total Operating Costs	\$1,139,912	\$1,504,179
Projected Fare Revenues	\$ 418,000	\$ 479,000
Net Operating Costs	\$ 721,912	\$1,025,179

Four cost sharing strategies are proposed for cooperatively funding the day-to-day operation. These options are modeled on funding formulas for the Gilroy Extension, the CalTrain Peninsula Commute Service "mainline," and the Altamont Commuter Express (ACE) service. The net operating costs could be paid for by one of the following options:

- 1) Split costs between VTA and San Benito County
- 2) San Benito County pays 100% of the costs
- 3) VTA pays 100% of the costs
- 4) Costs split between three JPB counties (longer-term option)

Based on the net operating costs, Table 10 below projects the agency's financial contributions for each of the four alternatives. The advantages and disadvantages associated with each alternative are discussed below.

Table 10 Operating Cost Sharing Strategies				
<i>Scenario 1: Net Operating Costs = \$721,912</i>	Option 1 Costs split between VTA and SBC	Option 2 Costs paid for by SBC	Option 3 Costs paid for by VTA	Option 4 Costs paid for by JPB Partners
San Benito County (SBC)	\$360,956	\$721,912	\$721,912	
VTA	\$360,956	\$0	\$0	\$240,637
San Mateo County Transit District (SamTrans)				\$240,637
City/County of San Francisco				\$240,637
<i>Scenario 2: Net Operating Costs = \$1,193,696</i>				
San Benito County	\$512,590	\$1,025,179		
VTA	\$512,590		\$ 1,025,179	\$341,726
San Mateo County Transit District (SamTrans)				\$341,726
City/County of San Francisco				\$341,726

(1) Split costs between VTA and San Benito County

This option would require VTA and San Benito County to share the financial responsibility for the day-to-day operations of a Hollister extension. This approach would be similar to the arrangement for the ACE service in which San Joaquin County paid for the initial rolling stock and negotiated a cost sharing mechanism with Alameda and Santa Clara County for cooperatively funding the operations. Although destination cities do not typically believe they receive benefits from commuter services, Santa Clara County agreed to contribute costs to this service. The first year the agencies agreed to split costs equally with each paying one-third of the net operating costs. In subsequent years, each agency's annual subsidy is based on the percentage of total ACE daily boardings and alightings that occur in each member's county.

Under this option, San Benito County would pay for the initial capital investments and share with VTA in the day-to-day operating costs. Based on the precedent-setting ACE agreement, VTA may be willing to enter into a similar agreement with San Benito County, especially if an agreement has a limited time span as does the ACE agreement. The ACE agreement addresses the first 36 months of service. A similar approach would be recommended here, to limit the financial responsibility of each agency, until such time service is considered successful. If each agency contributed 50% of the net operating costs, then the financial obligations would be about \$360,000 for Scenario 1 and nearly \$512,000 for Scenario 2.

(2) San Benito County pays 100% of the costs

This option follows the model used for the Gilroy extension. Under the current JPB agreement, the VTA is responsible for "all net operating costs of the Gilroy Service based upon the fully allocated cost methodology." While this may seem like a good starting point for San Benito County, it would be prohibitive for the County to cover both capital and operating expenses. San Benito County may have the potential to secure funding for the initial capital investments, but will not likely also have the financial capacity to cover the day-to-day operations.

Within the last several months, JPB has been contemplating amendments to its Joint Powers Agreement. One of the proposed amendments would shift the responsibility for the Gilroy operating costs from VTA to a shared responsibility by all three JPB member agencies. San Benito County is encouraged to closely monitor this potential change because of the implications it would have on a Hollister extension.

(3) VTA pays 100% of the costs

This option assumes that VTA would cover the net operating costs for the Hollister extension. This option could be made attractive to VTA under two special circumstances. The first would be if San Benito County agrees to pay all of the capital costs, then VTA may be willing to assume the operating expenses, particularly if San Benito County secures Federal capital funds and “swaps” these funds with the VTA. Another scenario that may encourage VTA to cover Hollister operating expenses would be if the JPB folded the Gilroy service into the Mainline service.

(4) Costs split between three JPB counties (longer-term option)

This option is suggested as a longer-term consideration. It is possible that the outcome of the current negotiations on the operating cost arrangement may result in Gilroy service being folded into the Mainline service. If this occurs, then it establishes a precedent for future extension. It is extremely unlikely that all JPB member agencies would financially contribute to the Hollister extension during the initial start-up years, but it may be possible as a longer-term consideration. As a “place-holder”, the financial contributions for the three JPB agencies are shown in equal amounts. In reality, they would be pro-rated based on ridership or some other measure.

FUNDING SOURCES

This part reviews a series of funding sources that could be available to San Benito County to pay for the Hollister extension. It reviews funding programs at the federal, state and local levels of government and discusses some opportunities for generating private sector funding.

Federal Transportation Funding Opportunities

The Transportation Equity Act for the 21st Century (TEA-21) was signed into law in June 1998. This massive federal transportation spending bill provides over \$3 billion in annual Federal funding over a six year period. Although TEA-21 provides more transportation dollars in California than ever before and allows more flexibility in how funds can be spent, there continues to high demand on Federal funds for transit services. TEA-21 does include discretionary and competitive grant funding opportunities that could provide Federal dollars to support a Hollister extension.

Congestion Mitigation and Air Quality Improvement (CMAQ)

Two new funding programs established in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) are continued under TEA-21. These programs are the Congestion Mitigation/Air Quality (CMAQ) funds and Surface Transportation Program (STP) funds. The CMAQ program is intended

to fund transportation projects and programs to help meet the requirements of the Clean Air Act. San Benito County is considered a "maintenance area" under the Clean Air Act and is eligible for CMAQ funds. The County receives about \$200,000 per year in CMAQ funds. These funds could be used to help pay for the capital costs associated with the Hollister extension.

Although CMAQ funds are primarily geared toward capital projects, a small amount is available to "jump start" transit demonstration projects. The San Benito County Council of Governments could apply for CMAQ Demonstration funds for start-up of new rail services. CMAQ grants cover 88.5% of the costs with a required 11.5% local or state matching requirement.

Federal Transit Administration (FTA) Section 5309 Funds (Congressional Earmark)

Under TEA-21, the FTA Section 5309, the Discretionary Capital Grants and Loan Program (formerly Section 3) continues to structure three major capital programs; new fixed guideway systems, extensions to existing fixed guideway systems, and bus and bus-related facilities. This is a discretionary program and funds are usually earmarked and appropriated by Congress. Obtaining a Congressional earmark is in part dependent upon the "clout" of the local delegation and the funding amount can vary tremendously. These Federal funds provide 80% of a capital grant with a required 20% local match.

ACE has been very successful in securing federal earmarks and received \$1 million in FY 2000 New Starts federal funds. The Hollister extension was listed as a potential "New-Start" project in TEA-21 as a Section 5309 Congressional Earmark. San Benito County has submitted an application to the Federal Government in the amount of \$1.9 million for preliminary environmental and engineering work for the FY 2001 budget year.

A project with total FTA funding under \$25 million is exempt from FTA new start criteria and requires no alternatives analysis. However, it remains appropriate, even for projects below the \$25 million threshold, to provide FTA with information on which it will base a funding recommendation. Consequently, FTA advises that proponents of projects examine the FTA new start funding criteria and provide as much relevant information as possible.

Innovative Finance

Another new feature of TEA-21 is the introduction of innovative financing techniques. The largest program is called the Transportation Infrastructure Finance and Innovation Act (TIFIA). It is intended to allow more flexibility in matching federal funding grants and accelerating grants through private sector

participation. These and other features of the innovative finance program should be explored as strategies for San Benito County to partner with the business community. Of particular relevance for the Hollister extension is that TIFIA and the innovative financing sections recognize joint public-private financing and in-kind contributions as match to federal funds. These and other features of the innovative finance program should be explored as strategies to partner with the business community and maximize Federal funding grant opportunities. To receive TIFIA financing, a project must be included in the state or regional Transportation Improvement Plan (TIP).

State Funding Opportunities

Proposition 116

In 1990 California voters approved Proposition 116, the Clean Air Transportation Improvement Act. It provided new funding statewide for rail capital improvements. For counties without active rail projects, it provided funding for other capital projects. San Benito County has spent its Proposition 116 funds to support bus transit capital improvements. These funds were used to build a maintenance facility and CNG fueling facility and to acquire new transit vehicles.

STIP Reform (SB 45)

Effective January 1, 1998, SB 45 became law. This bill made sweeping changes to the State TIP (STIP). It was intended to streamline the state's transportation funding mechanisms and assign more responsibility for funding decisions at the regional level so that those closest to the issues decide on transportation investments. While all of the implications of SB 45 are not yet clear, it is clear that SBtCOG now has greater authority on state funding decisions.

SB 45 consolidates numerous existing funding programs that were previously programmed as part of, or outside, the STIP process. Funds normally programmed through the STIP, primarily the Flexible Congestion Relief (FCR), the Transit Capital Improvement (TCI) Program, the Transportation Systems Management (TSM) program and the State and Local Partnership program are now combined. Under SB 45, there are two major programs:

Regional Improvement Program (RIP) Funds - This will consist of projects nominated by SBtCOG. Seventy-five percent of available statewide resources will be distributed by County Regional Shares and will be included in the regional TIP. Eligible projects will include:

- State Highways and local/streets roads
- Public Transit *(for capital only, not operations)*
- Pedestrian and bicycle projects
- Grade Separation
- Transportation Systems Management (TSM)
- Intermodal facilities

RIP funds would be a good source to be used to match TEA-21 Earmark. In the past few years, RIP funds have only been used for streets/roads projects. It is possible, however that the SBtCOG could consider some RIP funds for the proposed Hollister extension.

Interregional Improvement Program (IIP) Funds - These funds make up the remaining 25% of statewide funds for capital improvements. These funds are further split into two parts:

- 15% for interregional improvements. These projects will be proposed by Caltrans and intended for interregional roads and *intercity rail projects. Of these interregional funds, at least 15% must go to intercity rail projects.*
- A total of 10% for discretionary improvements. The CTC programs these funds, although regions can offer nominations.

The Governor's FY 2000/01 budget calls for moving projects programmed for funding in outer years to earlier years in the STIP. This could position the Hollister project well for receiving either RIP or IIP funds in the next cycle.

Local/Regional Funds

Transportation Development Act (TDA) Funds

In 1972 SB 325 created a fund for transportation purposes. These funds are derived from a 1/4 cent sales tax and distributed by SBtCOG. TDA funds are intended to be "transit first" funding, meaning that funds are expected to be spent on transit projects to the extent that such projects are meeting all "transit needs that are reasonable to meet." There is no universally accepted definition of reasonable to meet, and individual jurisdictions must make their own determination. TDA funds can be used for capital expenditures or operations or a combination thereof.

Currently the SBtCOG operates both inter-county service and a local transit system funded by its TDA revenues. If a Hollister extension was implemented, it is likely that the SBtCOG would discontinue its intercity bus service. The TDA funds used for this purposed could potentially be re-directed to the Hollister rail extension. The level of TDA funds devoted for intercounty service ranges between \$75,000 and \$100,000.

Sales Tax for Transportation

Beginning in 1970, the State legislature has passed several bills that authorize County governments to levy permanent and temporary sales taxes for transportation purposes within their jurisdiction. Counties with a ½ cent sales tax dedicated to transportation purposes are known as self-help counties. San Benito County passed a local sales tax for transportation in 1988 with an 83percent majority. In 1998, the electorate was asked to reauthorize the sales tax, but it failed to receive the required two-thirds majority.

New legislation introduced by Senator Burton (SCA 3) calls for a constitutional amendment to lower the threshold to a simple (51%) majority. If approved, it will be much easier to authorize a sales tax measure. In its current form, SCA 3 requires approval by both houses and must be signed by the Governor no later than August 11, 2000 for it to appear on the November 2000 statewide ballot. The intent is for SCA 3 to be on the ballot along with a Countywide Expenditure Plan in November 2000. If SCA 3 passes statewide by a 50% majority and at the county level an Expenditure Plan is approved, then it will enable a county to extend its existing sales tax or pass a tax for the first time.

SCA 3 is widely supported at the state level, however the Governor has indicated he would not sign this bill. As of this writing there are several likely amendments:

- Extending the time frame for developing an Expenditure Plan for up to five years. This will give counties a longer lead time for developing an Expenditure Plan and building countywide consensus.
- Providing special provisions for Los Angeles County to secure their support. Without the support of Los Angeles County, it will be extremely difficult for SCA 3 to move forward.

Since the Governor has not supported SCA 3, he has suggested alternatives to increase funding for transportation. His suggestions include transportation bond measures and increasing general fund contributions for transportation. (See discussion below.)

Although San Benito County is in the process of preparing a transportation needs assessment as a first step toward the development of a Countywide Expenditure Plan, the County has not yet decided if it will pursue another sales tax. The preliminary needs assessment has identified the Gilroy-Hollister extension as a "need", however, it has only been reviewed by the Technical Advisory Committee. As of this writing, the SBtCOG has not made a commitment on a Countywide Expenditure Plan. If the County decides to move

forward with a sales tax, the Gilroy-Hollister extension could be included as a capital project or at the program level for annual operating support.

Governor Davis' Traffic Congestion Relief Plan

To address the statewide transportation needs, the Governor has proposed a \$5 billion proposal that includes a myriad of transportation improvement projects. For the San Francisco Bay Area there is a \$1.5 billion package in General Fund and General Obligation Bonds for rail, mass transit and highway improvements. Included in this package is a proposal for extending CalTrain service from Gilroy to Salinas, however it does not include an extension to Hollister. San Benito County is currently strategizing to ensure that the Hollister extension is added to the Governor's proposal.

The Monterey Bay Unified Air Pollution Control District

The MBUAPCD administers the AB 2766 grant program from a \$4.00 vehicle registration surcharge. The Air District awards grants to programs and projects aimed at reducing mobile sources of air pollution. If the Air District were to fund new rail services it would likely provide funds for demonstration start-up services and would be available on a limited basis for operations. It is possible that funds could also be available for small-scale improvements or for marketing services.

Benefit Assessment Districts

A possible source for new funding would be the establishment of a benefit assessment district. A benefit assessment district could be formed to cover operating costs, and/or a portion of capital costs. Benefit assessment districts are more commonly formed to help fund a capital improvement, such as station improvements or parking or other physical improvement that is discrete and can be paid for over a fixed period of time. Downtown businesses, in some cities, for example, may form a Benefit Assessment District to fund new parking garages in a downtown area. Bonds or other financing can be developed off of the funding stream that the businesses provide, funding the project before the full amount of capital has been acquired.

Formation of a benefit assessment district requires both local legislation and a vote of the affected property owners. Two-thirds of the property owners within the benefit assessment district must vote to approve it.

Private Funding

Local developers are often interested in helping to support transportation improvements, particularly if the contributions can enhance their property or bring tourists to the area. Residential and commercial property development companies may be willing to become a partner in a Hollister rail extension to help pay for capital improvements along the line such as station improvements and park and ride lots. Developing private sector agreements requires a long lead time.

SUMMARY

While there are no committed funds to pay for a Hollister extension, this section has presented a number of opportunities for securing discretionary federal grants and other sources to pay for capital investments and the costs of operation. It is clear that without a plan to cooperatively fund this service, San Benito County would be unlikely to cover the capital and operating expenses on its own.

The discretionary grant funding program that offers the most promising potential is the FTA Section 5309 program (Congressional Earmark). These funds would help pay for the capital investments. RIP or IIP funds would be good candidates for the 20% required match. The County should also continue its efforts to add the Hollister/Gilroy Extension in the Governor's Traffic Congestion Plan. Given that traditional federal and state funds are in great demand, it will be increasingly necessary for local funds to pay for new rail services. The best strategy for securing local funds is through a sales tax for transportation. Other options include TDA funds or private sector financial contributions.

ENVIRONMENTAL ASSESSEMENT

INTRODUCTION

The purpose of this evaluation is to identify potential adverse environmental effects associated with the project, and where feasible, to identify mitigation measures intended to lessen impacts to acceptable levels. Potential environmental impacts have been identified and preliminarily were evaluated utilizing the various topics identified in this study. This analysis is based on sources of public record such as other environmental studies, general plans, general plan EIRs, and transportation project-specific environmental documents.

1. **Project Title: Extension of Caltrain Service from Gilroy to Hollister.**

Project Description: The project will rebuild the track and ballast on the 12.3 mile existing Hollister Branch Line. The project will allow the extension of the Caltrain service now running between San Francisco and Gilroy and parking/layover tracks at Hollister for four Caltrain train sets. The travel market for this service is the commute market between San Benito County and the Caltrain stations and work locations in close proximity to Caltrain stations.

There will be considerable replacement of ties and rail, plus replenishment of ballast and installation of switch point indicators. Six existing railroad bridge structures, some of which cross waterways, will be rehabilitated or replaced. The existing at-grade crossings will all be updated with state-of-the-art crossing protection for cars and pedestrians and new concrete paneled road surfaces. Existing uses at the Hollister Train Station will remain and a passenger platform and shelter will be built next to the station in the railroad right-of-way. Using the railroad right-of-way, the project will clean, grub, fence, pave, stripe, landscape and light a parking lot and accessway for passengers at the downtown Hollister Station.

The station for initiation of service is expected to be the Hollister Train Depot at Fourth and Sally Streets. Two other locations were considered:

1) a Wright Road station site, currently vacant land near the railroad and Wright Road just north of downtown, and 2) Bloomfield Road at the railroad tracks near U.S. Highway 101, just about one mile south of the Gilroy Train Station.

Both of these other station locations are less desirable than the Downtown Station because of traffic, transit access, agricultural land preservation, air quality, and operational considerations. Should a future

highway bypass be built, a park-and-ride type of station could be built in addition to the downtown station. It could be funded as part of the traffic mitigation for the new development. However, the optimal station location is at its historic site in downtown Hollister.

The existing railroad right-of-way south of the station area will be fenced and used as a train "layover facility". Activities occurring here would include overnight storage of up to four trains, fueling by truck each night, employee work reporting for train crew members, and exterior and interior cleaning of the trains. A new sewer connection will enable cleaning of train restroom facilities. An enclosed structure with a train washing machine using recycled water would be incorporated into the facility. The storage area will be equipped with 480 Volt power source so that train locomotives can be shut down during cleaning and fueling operations in the evening.

2. **Lead Agency: San Benito County Council of Governments**
3. **Contact Person: Walt Allen, Transportation Planner**
4. **Project Location:** Along the Union Pacific Railroad (UPRR) right-of-way between Carnadero and the end of track near McCray/South Streets, a distance of 12.3 miles.
5. **Project Sponsor's Name and Address:**

San Benito County Council of Governments
3216 Southside Road
Hollister, California 95023
Phone (831) 636-4170
6. **General Plan Designation:** Hollister Station land is designated I (industrial); area near parking for Hollister Station is designated C (commercial); area along tracks from the northern city limit north to Carnadero is designated A (agriculture) with the exception of a vacant area near the proposed Wright Road station which is designated as HDR (high density residential).
7. **Surrounding Land Uses and Setting:** The City of Hollister grew in population at a rapid 7 percent per year during the 1980s. Growth has slowed to about 4% per year during the 1990s. The area is best characterized as suburbanizing although remaining primarily agricultural.

Areas along the railroad right-of-way are almost exclusively agricultural. The exception is in downtown Hollister where the area along the track is

industrial and, in some cases, blighted. The area next to the proposed Wright Road station is zoned for High Density Residential uses. The area along the railroad within the city limits of Hollister is zoned for General Commercial, Medium Density Residential, Office Professional and Light Industrial.

Nearly all of the land along the railroad to Carnadero is in agricultural production, and is designated as Agricultural and Agricultural Preserve.

Most of the growth within the county has occurred within the city limits of Hollister and most of this in-city growth has occurred south and east of the downtown Hollister area.

An alternative, less preferred station location adjacent to a proposed highway bypass near Wright Road and the UPRR tracks was reviewed as a future optional station site. If constructed, this location would displace agricultural land uses.

A third, less preferred station location near Bloomfield Road and U.S. Highway 101 and the UPRR tracks was reviewed as a future optional station site. This location would be surrounded by both low density residential and agricultural uses.

11. Other agencies, whose approvals are required and permits that are needed:

- San Benito County Council of Governments: Decision to move ahead in implementing train service to Hollister; arrangements with Santa Clara Valley Transportation Authority regarding funding and operations.
- Santa Clara Valley Transportation Authority: Decision to include Hollister service as part of the train service and track access now being negotiated with the Union Pacific Railroad.
- Peninsula Corridor Joint Powers Board: train service contract and funding issues.
- Union Pacific Railroad, track access along its Coast Main line between Gilroy and Carnadero and between Carnadero and Hollister via its Hollister Branch line.
- California Public Utilities Commission for all grade crossing warning devices.
- State Fish and Game, U.S. Fish and Wildlife Service, and U.S. Army Corps of Engineers: 404 permits and other permits that may be needed to repair the bridges over waterways.
- City of Hollister: Permits for train station in downtown Hollister and parking area improvements.

- County of San Benito: Possible permits for train station in unincorporated area at Wright Road Drive/UPRR railroad tracks.
- County of Santa Clara: Possible permits for train station in incorporated area of Santa Clara County near Bloomfield Road/US 101.
- Caltrans: Institute Operation Lifesaver and similar public education programs as part of new start train service implementation.
- San Benito Express Bus Service: Minor re-routing of existing bus service to serve the train platform at the Hollister Train Station and construction of a bus transfer area with a passenger shelter and passenger amenities. The current transfer point is two blocks from the train station platform site, and the minor re-routing should be easily accomplished.
- City of Hollister: Agreement and rate-setting for parking created for train passengers along the Hollister station right-of-way and agreement to maintain and operate the station area and grounds.
- City of Hollister and San Benito County: Coordination of emergency vehicle access across at-grade street crossings.

Environmental Factors Potentially Affected:

The environmental factors underlined below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Potentially Significant Unless Mitigated, " as indicated by the checklist text.

Land Use and Planning	<u>Transportation--in particular parking demand</u>
<u>Public Services</u>	Population and Housing
<u>Biological Resources</u>	Utilities and Service Systems
Geological Problems	Energy & Mineral Resources
Aesthetics	Water Hazards
Cultural Resources	Air Quality
<u>Noise</u>	Recreation
Mandatory Findings of Significance	

Evaluation of Environmental Impacts:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside an earthquake hazard zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as

general standards (e.g. the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) "Potentially Significant Impact" is appropriate if an effect is significant or potentially significant, or if the lead agency lacks information to make finding(s) of insignificance. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
- 4) "Potentially Significant Unless Mitigated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from section XVII, "Earlier Analyses," may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). Earlier analyses are discussed in Section XVII at the end of the checklist.

References for this document:

- (1) California Environmental Quality Act, CEQA Deskbook, 1999.
- (2) San Benito County Transportation Element, May, 1992 .
- (3) San Benito County Regional Transportation Plan, 1994.
- (4) Draft EIR, Highway 25 Hollister Bypass SCH 91123083, 1993.
- (5) Hollister General Plan, November, 1995.
- (6) Hollister General Plan Draft EIR, Hearing Draft, December, 1993 and Final Program EIR, March, 1995.
- (7) Hollister and County of San Benito General Plan Maps.
- (8) Hollister and County of San Benito Zoning Maps.
- (9) EIR Traffic Study Area and Mitigation, Korve Engineers with Hexagon, work in progress.
- (10) State Department of Fish and Game, Natural Diversity Database, April, 1999.
- (11) State Department of Fish and Game, Special Animals, January, 2000.
- (12) U.S. Army Corps of Engineers, Section 404 of the Clean Water Act.
- (13) U.S. Army Corps of Engineers, Memorandum of Agreement among the Environmental Protection Agency, the Department of the Interior, and the Department of the Army Concerning the Delineation of Wetlands for Purposes of Section 404.
- (14) U.S. Army Corps of Engineers, Habitat Mitigation and Monitoring Proposal Guidelines.
- (15) U.S. Army Corps of Engineers, Wetland Delineation Information, Suggestions for Applicants and Consultants.
- (16) Northeast Fairview Specific Plan EIR, Draft.
- (17) Caltrans, Truck Traffic Volumes.
- (18) Monterey Bay Air Pollution Control District, Air Quality Management Plan.
- (19) Hollister Airport Terminal Business Park Draft EIR, September 1999.

I. LAND USE AND PLANNING

- | | | | |
|-------------------------------------|---|----------------------------|----------------|
| 1. = Potentially Significant Impact | 2. = Potentially Significant Unless Mitigated | 3. = Less Than Significant | 4. = No Impact |
|-------------------------------------|---|----------------------------|----------------|

Would the proposal:

- a) Conflict with general plan designation or zoning? 4. No Impact
- b) References: See above and as referenced by numerals at the ends of paragraphs.

Discussion: The railroad tracks leading into Hollister and to the Park/McCray intersection are shown as transportation corridor uses on the general plan and zoning maps for both the city and the county. Growth in planned land use is directed to the south and east of the existing downtown area and to the south and east of the track terminus (2,3,5,7).

The Hollister Train Station has been rehabilitated, and is zoned for Commercial and Industrial uses as is the area surrounding the train station in downtown Hollister. The area surrounding the future optional train station area near Wright Road, just north of downtown, is zoned for High Density Residential with the proviso in the General Plan EIR that noise impacts from the railroad be reviewed prior to approving any new residential development (6).

The project of restoring train service into downtown Hollister and repairing and rebuilding existing tracks is consistent with both city and county plan policies to improve the rail network and bring more goods into and out of Hollister by rail freight, thereby reducing truck traffic (2,3,5,6). The rail service project is also consistent with the policies supporting transportation system management and increasing provision of inter-county transit services (2,3).

- c) Conflict with applicable environmental plans or policies adopted by agencies with jurisdiction over the project?

References: see above and as referenced by numerals at the ends of paragraphs.
 Impact: 4. No Impact

Discussion: The project is consistent with and will help in meeting local, regional and state environmental goals. Passengers now taking trains out of Gilroy currently are either driving to the Gilroy Station (a distance of about 15 one-way miles) or taking the San Benito Express mini-bus

service that connects Hollister to the Gilroy Train Station. This project, by bringing the train service into Hollister, will assist in meeting city, county, COG, air district, regional agency, both MTC in the Bay Area and AMBAG in the Monterey Bay Area, as well as state environmental goals with respect to transportation. The project will assist the Monterey Bay Unified Air Pollution Control District in meeting NOx and ozone air quality standards by reducing mobile source emissions. The project will eliminate the need for Hollister residents to drive to Gilroy to catch the train service, and should increase the mode split of trips using transit to access the SF Bay Area employment locations.

Part of the project will include insuring that bus service/train connections are close and convenient; that this bus service originates in the residential areas of Hollister; and that it reliably arrives prior to train departures from Hollister. Similarly, good bus connections with the afternoon trains will be implemented.

The downtown Hollister Station offers the best location for a station because the existing transfer point for the bus service is located just two blocks away and the station could easily be served by all existing bus services in Hollister. In addition, parking and farm land impacts are the least with the downtown station location as opposed to the two, future optional, outer station locations.

- c) Affect agricultural resources or operations (e.g. impacts to soils or farmlands, or impacts from incompatible land uses)? 4. No Impact

Reference: See above.

Impact: 4. No Impact

Discussion: The rail line has been in place since 1871 and has always been surrounded by agricultural uses. In fact, the railroad was built to support the sugar beet industry in San Benito County and was originally proposed as the main line from northern California to Southern California. The lands along the railroad on both sides remain in agricultural production and are zoned Agriculture and Agricultural Preserve (3,5,7,8). This project rebuilds the ballast, track and ties along with installing turnouts and switches where needed. The overall repair should benefit the prospect of moving more commodities by rail and should also benefit the existing agricultural product shippers along the line as well as benefit any future freight short line railroad or any increased UPRR rail marketing effort to obtain freight business.

- d) Disrupt or divide the physical arrangement of an established community (including a low-income or minority community)?

Reference: See above.
 Impact: 4. No Impact

Discussion: The Southern Pacific Railroad built the railroad leading into Hollister in 1871 in the classic railroad tradition--grid streets on each side of the tracks with the tracks cutting through the town. The railroad has remained in the same alignment since 1871-1873 when it was built from Carnadero to Tres Pinos via Hollister. At this time, no alignment changes are being made..

No extensions of the railroad are proposed beyond the end of existing track at the Park/McCray Road intersection.

II. POPULATION & HOUSING

- | | | | |
|-------------------------------------|---|----------------------------|----------------|
| 1. = Potentially Significant Impact | 2. = Potentially Significant Unless Mitigated | 3. = Less Than Significant | 4. = No Impact |
|-------------------------------------|---|----------------------------|----------------|

Would the proposal:

- a) Cumulatively exceed official regional or local population projections?

References: See above
 Impact: 4. No Impact

Discussion: The establishment of rail service for passengers and improved infrastructure for freight service does not cause local or regional population forecasts to be exceeded. The capacity envisioned for this service is four daily round trips, probably beginning with two round trips. The seated capacity of a Caltrain equipment set is about 450 seats. This project would provide up to 1,800 northbound train seats in the a.m. peak commute and about 1,800 southbound seats in the p.m. peak commute. Total number of San Benito residents as of January, 1999 47,850, a thirty percent increase in nine years (according to California Department of Finance, Demographic Research Unit).

Hollister, along with the local governments in both the Monterey Bay Region and the San Francisco Bay Area, have agreed to incorporate new transit services by their policies adopted in the plans and programs of the entities and regions. The underlying control of growth rests with the

jurisdictions having land use permitting authority for new residential and commercial development.

The train service project aims to reduce existing traffic congestion along the Highway 25 and Highway 101 corridor in San Benito and Santa Clara Counties. The decision to add additional suburban residential uses remains a decision of the political jurisdictions with land use control. Current zoning for the lands along the railroad is Agricultural and Agricultural Preserve indicating both the City and the County's intent not to encourage further sprawl of the community (2,5).

The train service is not growth inducing.

- b) Induce substantial growth in an area either directly or indirectly (e.g. through projects in an undeveloped area or extension of major infrastructure)?

References: See Above.

Impact: 2. Potentially Significant unless mitigated.

Discussion: If the lands along the railroad were designated as residential, and several stations were proposed, induced growth would be a potentially significant impact (2,5). However, the institution of new rail service to Hollister is expected to serve the existing residents as well as new residents. The General Plans of both the county and the city will control the pace of the development.

Though trains have operated since 1871, despite passenger service throughout the first half of the century (train until the 1920's, then convenient bus connections at Gilroy for another three decades), Hollister did not experience a growth boom.

The primary driver of outward growth from the Santa Clara County area to Monterey and San Benito Counties is the disproportionately and relative lower housing prices adjacent to the large concentrations of jobs and job growth in the Silicon Valley. Mode of transport can do little to affect or curtail or encourage this growth.

Mitigation #1: The proposed three stations--two of which are north of the city limits, should be reduced to one station--the Hollister Station in downtown Hollister to assure that the existence of new stations in the rural areas does not in and of itself spur growth pressure. The lands near the Wright Road Station site could be rezoned or development rights

transferred so as to put new, higher density housing close to the Hollister Station which is now zoned for low density residential.

- c) Displace existing housing, especially affordable housing?

References: See above.

Impact: 4. No Impact

Discussion: There is no low or moderate housing that would be displaced by this project.

III. GEOLOGICAL PROBLEMS

- | | | | |
|-------------------------------------|---|----------------------------|----------------|
| 1. = Potentially Significant Impact | 2. = Potentially Significant Unless Mitigated | 3. = Less Than Significant | 4. = No Impact |
|-------------------------------------|---|----------------------------|----------------|

Would the proposal result in or expose people to potential impacts involving:

- a) Seismicity: fault rupture?

References: See above.

Impact: 3. Less Than Significant.

Discussion: The project is along the existing railroad right-of-way which has been located on this alignment since its construction in 1871. The alignment runs adjacent to the Alquist-Priolo Fault Rupture Hazard Zones identified by the California Division of Mines and Geology (5,6). At a point near the Wright Road crossing of the railroad, the hazard zone crosses the tracks. This is deemed less than significant because: 1) the railroad has not suffered damage in the past recent earthquakes, including the Loma Prieta Earthquake in 1989 and 2) the railroad bridges will be rehabilitated and/or rebuilt as part of this project resulting in a net seismic hazard reduction for the public and the railroad.

- b) Seismicity: ground shaking or liquefaction?

References: See above.

See discussion under a) above.

Impact: 3. Less Than Significant

Discussion: The project is along the existing railroad right-of-way which has been located on this alignment since its construction in 1871. The alignment runs adjacent to the Alquist-Priolo Fault Rupture Hazard Zones identified by the California Division of Mines and Geology (5,6). At a point near the Wright Road crossing of the railroad, the hazard zone crosses the tracks. This is deemed less than significant because: 1) the railroad has not suffered damage in the past recent earthquakes, including the Loma Prieta Earthquake in 1989 and 2) the railroad bridges will be rehabilitated and/or rebuilt as part of this project resulting in a net seismic hazard reduction for the public and the railroad.

c) Seismicity: seiche?

References: See above.

Impact: 4. No Impact.

Discussion: There is no body of water near the railroad that would affect the right-of-way or along which there would be a seiche in the event of fault or ground rupture.

d) Landslides or mudslides?

References: See above.

Impact: 4. No Impact

Discussion: The land surrounding the project is flat and there is no possibility of landslides or mudslides.

e) Erosion, changes in topography or unstable soil conditions from excavation, grading or fill?

References: See above.

Impact: 4. No Impact

Discussion: The land surrounding the project is flat and is stable, clay soil.

The railroad grade will be increased by about 4 inches as a result of placing new ballast material. This returns the top of the tracks to their original elevation and will improve the drainage of the railroad.

f) Subsidence of the land?

References: See Above.

Impact: 4. No Impact

Discussion: The land surrounding the railroad project is not impacted by subsidence.

g) Expansive soils?

References: See above.

Impact: 4. No Impact.

Discussion: The soil near the railroad is clay; structures have been established for many years. There does not appear to be any expansive soil issue with the project. Ballast that is existing will be re-graded and used as sub-ballast. New ballast will be provided as part of the track work to be done.

h) Unique geologic or physical features? 4. No Impact

References: See above.

Impact: 4. No Impact

Discussion: There are no unique geologic or physical features along the railroad or near the proposed station sites.

IV. WATER

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal result in:

a) Changes in absorption rates, drainage patterns, or the rate and amount of surface runoff?

References: see above.

Impact: 4. No Impact

Discussion: The railroad elevation ranges from 270 feet above sea level to 350 feet above sea level. It is relatively flat. Drainage features are crossed by the railroad and include the Pajaro River, Carnadero Creek Tributaries, Santa Ana Creek and man-made features such as earthen ditches, irrigation channels, asphalt berms. The railroad with new ballast, will be better drained than currently (3,4,5).

- b) Exposure of people or property to water related hazards such as flooding?

References: see above.

Impact: 4. No Impact.

Discussion: The railroad rebuilding project and all modifications to the Hollister Station Site are outside the FEMA flood Insurance zone for both 500 and 100 year flood plains (3,4,5,6,7,8).

- c) Discharge into surface waters or other alteration of surface water quality (e.g. temperature, dissolved oxygen or turbidity)?

References: see above.

Impact: 4. No Impact.

Discussion: The railroad project will not change discharges into any surface water body.

Mitigation #2: During construction, standard debris damming techniques will be used.

- d) Changes in the amount of surface water in any water body?

References: See above.

Impact: 4. No Impact

Discussion: The railroad project will not alter the surface water in any water body.

- e) Changes in currents, or the course or direction of water movements?

References: See Above.

Impact: 4. No Impact

Discussion: The railroad project will not alter the course or direction of surface water in any water body.

- f) Change in the quantity of ground waters either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations?

References: See above.

Impact: 4. No Impact

Discussion: There will be no addition, withdrawal or interception of an aquifer by any cut or excavation of this project.

- g) Altered direction or rate of flow of groundwater?

References: See above.

Impact: 4. No Impact

Discussion: There will not be any altered direction or rate of flow of any groundwater as a result of this project.

- h) Impacts to groundwater quality?

References: See above.

Impact: 4. No Impact

Discussion: There will be no impacts to groundwater quality as a result of this railroad project.

V. AIR QUALITY

- | | | | |
|-------------------------------------|---|----------------------------|----------------|
| 1. = Potentially Significant Impact | 2. = Potentially Significant Unless Mitigated | 3. = Less Than Significant | 4. = No Impact |
|-------------------------------------|---|----------------------------|----------------|

Would the proposal:

- a) Violate any air quality standard or contribute to an existing or projected air quality violation?

References: See Above.

Impact: 4. No Impact.

Discussion: This project will increase the alternatives to driving alone to work for San Benito County residents and should benefit air quality by lowering mobile source emissions.

- b) Expose sensitive receptors to pollutants?

References: See Above.

Impact: 4. No Impact.

Discussion: The site of the existing Hollister Train Station and 12.3 mile railroad right-of-way are not located near sensitive receptors such as schools, hospitals or convalescent homes.

- c) Alter air movement, moisture, or temperature, or cause any change in climate?

References: See above.

Impact: 4. No Impact

Discussion: The railroad repair and rebuilding will not alter the movement of air, moisture levels or temperature or cause any change in climate.

- d) Create objectionable odors?

References See above.

Impact: 4. No Impact

Discussion: The railroad will follow best management practices when constructing the new track and replacing ballast and bridges. The equipment will be Peninsula Corridor Joint Powers Board diesel locomotives pulling five to six gallery passenger cars. This equipment holds all necessary permits from bay area air pollution authorities and complies with California locomotive emission standards as well as federal standards. The purpose of the 480 volt power source at the layover facility is to be able to shut down the engines of the train and have power for cleaning. This is referred to as "hotel power", and it reduces locomotive emissions, as well as engine running noise, considerably.

VI. TRANSPORTATION/CIRCULATION

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal result in:

- a) Increased vehicle trips or traffic congestion?

References: see above.

Impact: 2. Potentially Significant unless mitigated.

Discussion: Unless adequate parking is provided at the downtown Hollister Station there could be a traffic congestion problem at the station as train passengers seek parking. This problem is mitigated through the project design which designates 171 parking spaces within the railroad

right-of-way next to the station and creates dedicated parking areas for train passengers.

In addition, the project includes minor re-routing of bus service by two blocks to allow a singular transfer point between all buses and the train service. Striping, paving, lighting and landscaping for the parking are included as part of the project. Trips that will go to the Hollister railroad station will be diverted from Highway 25 and Highway 101 where they now travel to the Gilroy Train Station. This will reduce the growth in vehicle miles of travel.

With respect to future parking demand, additional land exists within the railroad right-of-way to add parking in the future.

- b) Hazards to safety from design features or incompatible uses?

References: see above.

Impact: 4. No Impact

Discussion: There are no bicycle lanes adjacent to the tracks nor have the tracks been heavily encroached upon by other uses. Fencing and improved at-grade crossing signaling will be part of the project as well as designated track crossing locations for pedestrians at the station. Fencing will be added at the outer farm locations where trespassing onto the railroad is now occurring. These design features will improve safety. Currently, there are unprotected and substandard railroad crossing protection systems in place; some of the signaling has been removed and there are public streets crossing the railroad with no protection.

This project will improve street and railroad safety by modernizing crossing warning devices.

- c) Inadequate emergency access or access to nearby uses?

References: See above.

Impact: 3. Less Than Significant Impact

Discussion: Two city street crossings will be closed as part of this project and turned into opposing cul-de-sacs. The project will close the Second Street and Third Street crossing of the railroad and emergency vehicles will need to coordinate with the COG and the operator of rail service as to alternative access. It appears that plenty of alternative accessways remain for emergency vehicles to cross the railroad .

d) Insufficient parking capacity on-site or off-site?

References: See above.

Impact: 4. No Impact

Discussion: The project is providing both the space and the physical parking for 171 vehicles and this can later be supplemented by using additional land along the railroad right-of-way in the industrial section of the city. The downtown station location is the no impact alternative. In addition, the downtown Hollister Station location offers the best public transit bus access at the lowest operating cost of all alternative sites reviewed. Minor rerouting and some earlier morning service and later afternoon/evening service will be needed to serve the train station adequately.

Both the Wright Road Station and the Bloomfield Road Station optional sites would not have this land use flexibility to meet parking requirements.

In addition, prime agricultural land would be used for parking in these two future optional outer station alternatives.

e) Hazards or barriers for pedestrians or bicyclists?

References: See above.

Impact: 2. Potentially Significant Unless Mitigated

Discussion: The railroad right-of-way is not a welcome environment for bicycles or pedestrians. In fact, there are laws regarding trespass on the railroad, and railroads are becoming more inclined to enforce these laws.

Mitigation #3: Several design features and requirements are added to this project to enhance the safety of those adjacent to or crossing the tracks.

- a. First, as part of the project, all at-grade crossings will be signaled and updated which will improve pedestrian and vehicular safety for the city and in the unincorporated area.
- b. Second, the circulation plan for the Hollister Station will incorporate channeling techniques such as striping and fencing to make access to and from the train as safe as possible.
- c. Third, Operation Lifesaver will be requested to target market the Hollister Area by the San Benito Council of Governments prior to the initiation of train service. Operation Lifesaver focuses primarily on education, but also on enforcement and engineering as a primary means to reducing accidents involving trains.
- d. Fourth, selected fencing will be installed at existing trespass locations.

f) Conflicts with adopted policies supporting alternative transportation?

References: See above

Impact: 4. No Impact

Discussion: The proposed project is a form of alternative transportation. The re-routing of local bus service that is envisioned will assist people living in the Hollister Area in reaching the train station by transit and using transit to access work locations that are in Santa Clara County or elsewhere in the San Francisco Bay Area. The project is supportive of the transportation policies for using alternative transportation established by all of the above plans (2,3,4,5,6). The project supports increasing intercounty transit alternatives as is called for in each of the general and transportation plans (2,3,5).

g) Rail, waterborne or air traffic impacts?

References: See above

Impact: 4. No Impact

Discussion: The project will increase rail transportation options and service, both for passenger service and for freight service, by improving the rail infrastructure and constructing the necessary station improvements and by re-routing the bus service to serve the stations.

VII. BIOLOGICAL RESOURCES

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal result in impacts to:

a) Endangered, threatened or rare species or their habitats (including but not limited to plants, fish, insects, animals, and birds)?

References: See above

Impact: 2. Potentially Significant Unless Mitigated.

Discussion: The preferred habitat for the San Joaquin Kit Fox is loose textured, stone free soil. The railroad is the opposite of these conditions--it is heavily tamped, clay soil mixed with aggregate rock and rock ballast. Kit Fox habitat exists in the Tres Pinos area--about three miles south of the Hollister railroad station. It is a questionable kit fox occurrence. The

farthest west reference to a San Joaquin Kit Fox was 40 miles southeast of Hollister near the border of San Joaquin County in 1972. This was amended to take in the entire Hollister area as part of the program level EIR for the Hollister General Plan (6).

Mitigation #4: Habitat will be investigated by a registered state biologist with specialty in Central Coast habitat prior to making application for a federal 404 Permit and State Fish and Game permits needed for the bridge work. Work to date and available in published form does not indicate the presence of threatened or endangered species at, near or along the railroad or downtown Hollister Station.

The Draft EIR for the Hollister General Plan notes that there is no burrowing owl or wetlands or kit fox habitat near or along the railroad right-of-way (6). The California Natural Diversity Data Base (CNDDDB 1997) has records of the kit fox in the area surrounding Hollister, from Gilroy to just south of Paicines (19). The addition of this mitigation is probably not legally required but may be desirable to insure prompt permitting of the bridge replacements and rehabilitation work.

b) Locally designated species (e.g. landmark trees)?

References

Impact: 4. No Impact.

Discussion: There are no locally designated species along, at or near the railroad right-of-way or the downtown Hollister Station.

c) Locally designated natural communities?

References: See Above.

Impact: 4. No Impact

Discussion: There are no locally designated natural communities along, at or near the railroad.

d) Wetland habitat?

References: See above.

Impact: 4. No Impact

Discussion: There are no wetlands at, near or along the railroad or at the Hollister Train Station (2,3,4,5,6).

e) Wildlife dispersal or migration corridors?

References: See above.

Impact: 4. No Impact.

Discussion: The railroad right-of-way does not affect dispersal or migration corridors (2,3,4,5,6).

VIII. ENERGY AND MINERAL RESOURCES

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal:

a) Conflict with adopted energy conservation plans?

References: See above.

Impact: 4. No Impact

Discussion: The project is consistent with adopted energy conservation plans in that it increases the availability of inter-county public transportation and will reduce single occupant auto commuting.

b) Use non-renewable resources in a wasteful and inefficient manner?

References: See above.

Impact: 4. No Impact.

Discussion: The use of train travel is an efficient method of moving people and freight and increased travel options by train will allow more efficient use of non-renewable resources.

IX. HAZARDS

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the Proposal involve:

- a) A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)?

References: See Above.

Impact: 3. Less than Significant Impact.

Discussion: The railroad tracks will be upgraded to modern standards as will the grade crossings and bridges. Each of these improvements will decrease the chance of accidental spill of material carried on the railroad or collision with trucks carrying these materials using the road system.

- b) Possible interference with an emergency response plan or emergency evacuation plan?

References: See Above.

Impact: 2. Potentially Significant Unless Mitigated.

Discussion: Two city streets will be cul-de-saced near the railroad station which will require minor modification of emergency vehicle access.

Mitigation #5: Prior to the start of rail service and the ordering of grade crossing equipment, the City Engineer will review, approve, or modify plans showing the cul-de-sacing of two of the existing grade crossings. The City Engineer will coordinate emergency access routes with the public emergency response officials.

Mitigation #6: Prior to the start of service, Caltrain and the Amtrak Police assigned to the San Jose District will meet with local civil authorities to discuss mutually beneficial safety systems of each agency and how these can be coordinated.

- c) The creation of any health hazard or potential health hazard?

References: See Above.

Impact: 4. No Impact

Discussion: No health hazard will be created by repairing the railroad and running new commuter train service.

- d) Exposure of people to existing sources of potential health hazards?

References: See above

Impact: 4. No Impact

Discussion: There will be no exposure to existing sources of potential health hazards as a result of repairing the railroad, the station area and running commute train service from Hollister. In fact, the availability of train service directly from Hollister will reduce the auto collision exposure of those now driving to the Gilroy Station to catch the train.

- e) Increased fire hazard in areas with flammable brush, grass, or trees?

References: See above.

Impact: 4. No Impact

Discussion: The railroad right-of-way and the Hollister railroad station are not located in any fire hazard zone. There is no need for tree trimming along the railroad because there are no trees.

- f) Exposure of people to potential aircraft accidents?

References: See above.

Impact: 4. No Impact.

Discussion: A portion--about one mile-- of the railroad near Hollister is within or near the airport clear zone. The station in downtown Hollister is outside of the airport clear zone.

X. NOISE

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal result in:

- a) Increases in existing noise levels?

References: See above

Impact: 3. Less Than Significant.

Discussion: By traveling four or more times daily on the Hollister Branch line, noise will increase at the at grade crossings due to the bells and gates; however, these instances of noise are brief and the impact is insignificant. There are no sensitive receptors along the tracks or near the station. The Hollister General Plan (5,6) each call for review of noise impacts prior to any new use being placed closer to the 100 foot noise

impact contour line established by the plans and EIR. This noise will occur during the peak commute hours and will be reduced in its impact due to the daytime hours in which it will occur and against the background noise of the morning commute.

The track/wheel noise of the train will actually be reduced by rail replacement which will eliminate joints and associated clatter noise.

- b) Exposure of people to severe noise levels?

References: See above

Impact: 3. Less than Significant

Discussion: The Hollister General Plan (5,6), the Regional Transportation Plan (3) as well as the County's Transportation Element (2) and all environmental documents reviewed recognize railroad noise as being brief, short term, and fleeting.

City and County Plans call for no development within 100 feet of the railroad tracks as well as other noise reducing features (additional insulation, etcetera). These existing safeguards should be adequate to reduce increased railroad noise to a level of insignificance.

XI. PUBLIC SERVICES

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal have an effect upon, or result in a need for new or altered government services in any of the following areas:

- a) Fire protection?

References: See Above

Impact: 4. No Impact

Discussion: As part of the permitting process, the Fire Marshall will need to approve or modify plans for the station parking area and platform as well as for the train layover facility. These plans will be drawn to standard specification for fire protection and safety.

- b) Police protection?

References: See above.

Impact: 3. Potentially Significant Unless Mitigated

Discussion: See Mitigation #6 above.

c) Schools?

References: See above.

Impact: 4. No Impact.

Discussion: The railroad project will not affect the demand for schools.

d) Maintenance of public facilities, including roads?

References: See above.

Impact: 4. No Impact.

Discussion: The railroad project includes raising the road surface at the grade crossings about 4 inches and this expense is covered by the rail project.

e) Other governmental services?

References: See above.

Impact: 3. Potentially Significant Unless Mitigated.

Discussion: The San Benito Express bus service will be re-routed to serve the Hollister railroad station and will run additional morning and evening shuttles to and from the station and the southeasterly neighborhoods of Hollister. This may benefit the transit service by carrying more passengers.

Mitigation #7: Following adoption of the train schedule and agreement with the JPB for service, the COG, City and County will agree on revised schedules and routes for the San Benito Express so that it serves as a good connection to the train service. If desired, an air district grant could assist in funding shuttle service to the railroad stations and the neighborhood similar to the service now funded in the Bay Area by major employers and the air district to run transit between stations and ultimate destinations.

XII. UTILITIES AND SERVICE SYSTEMS

- | | | | |
|-------------------------------------|---|----------------------------|----------------|
| 1. = Potentially Significant Impact | 2. = Potentially Significant Unless Mitigated | 3. = Less Than Significant | 4. = No Impact |
|-------------------------------------|---|----------------------------|----------------|

Would the proposal result in a need for new systems, or substantial alterations to the following utilities:

- a) Power or natural gas?

References: See above.
Impact: 4. No Impact

Discussion: No increase, decrease, or alternations to power or natural gas supplies or systems as a result of the railroad project.

- b) Communications systems?

References: See above.
Impact: 4. No Impact.

Discussion: No increase, decrease, or alterations to communications systems will result from the railroad project.

- c) Local or regional water treatment or distribution facilities?

References: See above.
Impact: 4. No Impact.

Discussion: No increase, decrease, or alterations to water treatment or distribution facilities will result from the railroad project. Two water lines go along or under the railroad and these will be kept intact during construction.

- d) Storm water drainage?

References: see above.
Impact: 4. No Impact.

Discussion: No increase, decrease, or alterations to water drainage facilities will result from the railroad project.

- e) Solid waste disposal?

References: see above.
 Impact: 4. No Impact.

Discussion: No increase, decrease or alterations to solid waste disposal will result from this railroad project.

XIII. AESTHETICS

- | | | | |
|-------------------------------------|---|----------------------------|----------------|
| 1. = Potentially Significant Impact | 2. = Potentially Significant Unless Mitigated | 3. = Less Than Significant | 4. = No Impact |
|-------------------------------------|---|----------------------------|----------------|

Would the proposal

- a) Affect a scenic vista or scenic highway?

References: See above.
 Impact: 2. Potentially Significant Unless Mitigated.

Discussion: No scenic vista or scenic highway will be affected by rebuilding the railroad line nor will downtown Hollister Station aesthetics be affected if the right station treatments are made.

Mitigation #8. The Hollister railroad station has already been restored. Fencing recommended along with the style of planters and trash receptacles as well as platform amenities such as the passenger shelter, would best be done in an 1880s vintage theme to match the historic Hollister Station. This would call for similar treatment for the station as that used in Caltrains' Santa Clara, Menlo Park, and Palo Alto Stations.

- b) Have a demonstrable negative aesthetic effect?

References: see above.
 Impact: 4. No Impact

Discussion: The rebuilding of the railroad and the operation of the train service will not have a demonstrable negative aesthetic impact.

c) Create light or glare?

References: see above.

Impact: 4. No Impact

Discussion: The restoration of the railroad will not have an effect on light or glare. Standard parking lot lighting will be used, which will not create a nuisance because adjacent land uses are commercial and industrial, rather than residential.

XIV. CULTURAL RESOURCES

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal:

a) Disturb paleontologic resources?

References: See above.

Impact: 4. No Impact

Discussion: There are no recorded paleontologic sites along the railroad, The land on which the right-of-way exists is disturbed.

b) Disturb archaeological resources?

References: See Above.

Impact: 4. No Impact

Discussion: There are no recorded archaeological resources along the railroad. The land on which the right-of-way is located is disturbed.

c) Affect historical resources?

Reference)s: See above

Impact: No Impact.

Discussion: The reuse of the historic Hollister railroad station would complement downtown Hollister's economic development and would allow for historic interpretation of the importance of rail transportation to Hollister's development.

- d) Have the potential to cause a physical change which would affect unique ethnic cultural values?

References: See above.

Impact: 4. No Impact.

Discussion: There are no physical changes proposed except the upgrading of track, at-grade crossings, and upgrade of the station area. None of these would affect unique ethnic or cultural values.

- e) Restrict existing religious or sacred uses within the potential impact area?

References: See above.

Impact: 4. No Impact

Discussion: There are no religious or sacred uses within the potential impact area of the railroad and the Hollister Train Station.

XV. RECREATION

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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Would the proposal:

- a) Increase the demand for neighborhood or regional parks or other recreational facilities?

References: See above

Impact: 4. No Impact

Discussion: The restoration and rebuilding of the railroad and station area will not increase demand for regional or neighborhood parks.

- b) Affect existing recreational opportunities?

References: See above.

Impact: 4. No Impact

Discussion: The restoration and rebuilding of the railroad and station area will not affect existing recreational opportunities except that railroad aficionados will have new train-watching opportunities.

XVI. MANDATORY FINDINGS OF SIGNIFICANCE

1. = Potentially Significant Impact	2. = Potentially Significant Unless Mitigated	3. = Less Than Significant	4. = No Impact
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- a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

References: See Above.

Impact: 4. No Impact.

Discussion: The project involves improving the existing railroad track, at-grade crossings, and train station areas and will not encroach on new lands or rights of way. There are no cases of listed species, threatened species, or species of concern being located on or along the railroad right-of-way. This will be confirmed using Mitigation #4 when the COG obtains permits for repairing or replacing bridge structures.

- b) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?

References: See above.

Impact: 4. No Impact.

Discussion: The project will have the potential to assist in meeting long term environmental goals of the County, City and COG by providing a convenient, attractive, alternative commute mode to Hollister and San Benito County residents. The project will assist in meeting transit, air quality, and environmental goals.

- c) Does the project have impacts that are individually limited, but cumulatively considerable?

References: See above.

Impact: 4. No Impact.

Discussion: The project is for up to four daily train trips round trip between Hollister downtown and the Gilroy Caltrain station where trains then continue on to the San Francisco Bay Area. There are no cumulatively considerable impacts. As was previously mentioned, the rate of growth in the county and city is controlled by their land use decisions and the general plan designation of land. No additional stations or growth inducing new service or rail lines are proposed as part of this project.

- d) Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?

References: See above.

Impact: 4. No Impact.

Discussion: The project will not create an adverse effect on human beings, either directly or indirectly.

XVII. EARLIER ANALYSES

Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, one or more effects have been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case a discussion should identify the following on attached sheets:

- a) Earlier analyses used. Identify earlier analyses and state where they are available for review. All of the analysis used for this Initial Study is available for review in the San Benito County Planning office, the San Benito County Council of Governments Office and the City of Hollister Planning Department.
- California Environmental Quality Act, CEQA Deskbook, 1999.
 - San Benito County Transportation Element, May, 1992.
 - San Benito County Regional Transportation Plan, 1994.
 - Draft EIR, Highway 25 Hollister Bypass SCH 91123083, 1993.
 - Hollister General Plan, November, 1995.
 - Hollister General Plan Draft EIR, Hearing Draft, December, 1993.
 - Hollister and County of San Benito General Plan Maps.
 - Hollister and County of San Benito Zoning Maps.
 - EIR Traffic Study Area and Mitigation, Korve Engineers with Hexagon, work in progress.

- State Department of Fish and Game, Natural Diversity Database, April, 1999.
 - State Department of Fish and Game, Special Animals, January, 2000.
 - U.S. Army Corps of Engineers, Section 404 of the Clean Water Act.
 - U.S. Army Corps of Engineers, Memorandum of Agreement among the Environmental Protection Agency, the Department of the Interior, and the Department of the Army Concerning the Delineation of Wetlands for Purposes of Section 404.
 - U. S. Army Corps of Engineers, habitat Mitigation and Monitoring Proposal Guidelines.
 - U. S. Army Corps of Engineers, Wetland Delineation Information, Suggestions for Applicants and Consultants.
 - Northeast Fairview Specific Plan EIR, Draft.
 - Caltrans, Truck Traffic Volumes.
 - Monterey Bay Air Pollution Control District, Air Quality Management Plan.
- b) Impacts adequately addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed by the earlier document.

In the preparer's opinion, all of the impacts have been adequately addressed with the exception of incidental take issues should there be any rare, threatened, endangered, or species of concern discovered during the permitting process for the bridge replacements (Mitigation #4).

- c) Mitigation measures. For effects that are "potentially significant" or "potentially significant unless mitigated," describe the mitigation measures, which were incorporated or refined from the earlier document, and the extent to which they address site-specific conditions for the project. In addition, the monitoring program is also listed at the end of each mitigation measure as required by the California Environmental Quality Act.

The mitigation measures called for by this project are listed below.

Mitigation #1: The proposed three stations--two of which are north of the city limits, should be reduced to one station--the Hollister Station in downtown Hollister to assure that the existence of new stations in the rural areas does not in and of itself spur growth pressure. The lands near the Wright Road station site could be rezoned or development rights transferred so as to put new, higher density housing close to the Hollister Station which is now zoned for low density residential.

Mitigation #2: During construction, standard debris damming techniques will be used.

Mitigation #3: Several design features and requirements are added to this project to enhance the safety of those adjacent to or crossing the tracks.

- a. First, as part of the project, all at grade crossings will be signaled and updated which will improve pedestrian and vehicular safety for the city and in the unincorporated area.
- b. Second, the circulation plan for the Hollister Station will incorporate channeling techniques such as striping and fencing to make access to and from the train as safe as possible.
- c. Third, Operation Lifesaver will be requested to target market the Hollister Area by the San Benito Council of Governments prior to the initiation of train service. Operation Lifesaver focuses on primarily on education, but also on enforcement and engineering as a primary means to reducing accidents involving trains.

Mitigation #4: Habitat will be investigated by a registered state biologist with specialty in Central Coast habitat prior to making application for a federal 404 Permit and State Fish and Game permits needed for the bridge work. Work to date and available in published form does not indicate the presence of threatened or endangered species at, near or along the railroad or downtown Hollister Station.

The Draft EIR for the Hollister General Plan notes that there is no burrowing owl or wetlands or kit fox habitat near or along the railroad right-of-way.

Mitigation #5: Prior to the start of rail service and the ordering of grade crossing equipment, the City Engineer will review, approve, or modify plans showing the cul-de-sacing of two of the existing grade crossings. The City Engineer will coordinate emergency access routes with the public emergency response officials.

Mitigation #6: Prior to the start of service, Caltrain will meet with local civil authorities along with Amtrak Police to discuss mutually beneficial safety systems of each agency and how these can be coordinated.

Mitigation #7: Following adoption of the train schedule and agreement with the JPB for service, the COG, City and County will agree on revised schedules and routes for the San Benito Express so that it serves as a good connection to the train service. If desired, an air district grant could assist in funding shuttle service to the train stations and the neighborhood similar to the service now funded in the Bay Area by major employers and the air district to run transit between stations and ultimate destinations.

Mitigation #8: The Hollister Train Station has already been restored. Fencing recommended along with the style of planters and trash

receptacles as well as platform amenities such as the passenger shelter, would best be done in an 1880s vintage theme to match the historic Hollister Station. This would call for similar treatment for the station as that used in Caltrains' Santa Clara Station, Menlo Park, and Palo Alto Stations.

Determination

On the basis of this initial evaluation:

Not applicable: I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

Applicable: I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A Mitigated NEGATIVE DECLARATION will be prepared.

or

Applicable: I also find that the repair of the railroad and the conversion of the right-of-way to passenger railroad uses is statutorily exempt under CEQA (Sections 21080(b)(10); 21080(b)(12), and 15301. The project is categorically exempt under Public Resources Code 21080 (b) (9). A Notice of Exemption may also be filed by the COG or other lead agencies.

Not Applicable: I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Not Applicable: I find that the proposed project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

NOTE: If it is decided to use only the existing station site, and not construct any additional station, then SBtCOG may be able to make a Negative Declaration.

REMAINING MILESTONES

CRITICAL PATH UNRESOLVED ISSUES

There are several unresolved issues which perhaps should be the focus of future efforts:

- (1) Expansion of passenger service on UPRR track. Three initiatives--Gilroy-Hollister, Gilroy-Salinas, and Amtrak's Coast Line--are under discussion. UPRR has stated that a capacity analysis must be performed, and those who want the expanded service may have to assist in funding the analysis. VTA is currently discussing this issue with UPRR and may involve the Caltrain Extension Task Force.
- (2) Extension of four Gilroy trains to Hollister and Salinas. This issue requires resolution, since there may be a conflict between San Benito and Monterey Counties, and the determination of whether Hollister service will require rolling stock acquisition depends on the resolution.
- (3) Access for operation of passenger trains on the Hollister Branch. Negotiations with UPRR must be coordinated with VTA.
- (4) San Benito institutional issues vis-a-vis Santa Clara County, as well as cost-sharing with VTA and Caltrain. This must be settled.
- (5) Funding. How will San Benito County fund the passenger service?

KEY STEPS

This report covers essential planning steps which provide a basis for succeeding steps. Steps included in this report:

- Estimation of passenger demand
- Preparation of an operating plan and estimation of operating costs and revenue shortfall
- Determination of necessary capital improvements including layover facility, station(s) and rail car and locomotive availability
- Preliminary assessment of environmental impacts
- Evaluation of rail freight service options
- Evaluation of track access issues
- Consideration of funding options/sources

The following key steps must still be completed:

Public Outreach and Approvals (4 months): The public outreach and approval process informs the public and culminates in a SBtCOG decision regarding support of the service.

Apply for Funding (up to one year): The start date is defined, SBtCOG applies for funding and pursues environmental clearances.

Implementation (two and one-half to four and one-half years): The implementation phase begins by finalizing agreements with VTA, JPB and UPRR. When funding and all required environmental and other permits are secured, action may be taken to acquire equipment, and perform necessary construction. Actions may be taken to effect bus connections, and to market, demonstrate and execute the new service.

Specific steps for each of these phases are shown on the following pages. To the extent possible, steps are performed concurrently or with overlap.

Public Outreach and Approvals (4 months):

Step 1: Public Outreach and Approvals

Following approval of the Final Report and discussions with the VTA and JPB, public meetings and hearings should be held and a decision to either implement or not should be made by the SBtCOG.

Apply for Funding (up to one year):

Step 2: Define a Desired Start Date, Apply for Funding, and Obtain Environmental Clearance

If the decision is to implement the service, a target start-up date should be established. However, it should be made clear that it may slip due to capital project scheduling or negotiations with VTA, JPB, and/or UPRR. Equipment availability could drive the start up date if the equipment currently used for Gilroy service or the 20 new passenger cars being delivered to Caltrain in September 2000 are assigned to other services in such a way that service to Hollister cannot also be accommodated. Ideally, the start up date will coincide with both a regular JPB service change and a San Benito Express bus service change. If the two systems can coordinate service changes, time, money and confusion will be reduced in future service changes and the systems will be more convenient and attractive for the public to use. It is emphasized here that there is no reason for the two systems not to coordinate schedules.

It is critical that SBtCOG attempt to get the necessary equipment (rolling stock) programmed by JPB in its operating plans in anticipation of the Hollister extension. Otherwise, SBtCOG could find itself having to procure and own train equipment rather than paying the Caltrain JPB to do so. Similarly, SBtCOG's interests will be best served if its eventual need for equipment and scheduling is perceived and incorporated now rather than delaying and having to fight to redeploy equipment later.

In addition, immediately upon the decision to implement service, the grant application process should begin and any necessary program changes be made in the RTIP, ITIP, STIP, FTIP and the Expenditure Plan. Justification will also need to be written for any TEA-21 earmark funds sought.

Also, immediately after deciding to implement the service, SBtCOG must complete the environmental clearance by means of a Negative Declaration or Environmental Impact Report/Environmental Impact Statement (EIR/EIS) (EIS required if federal funding is sought).

Implementation (about two and a half years (or four and a half years)):

Step 3: Negotiate Service with VTA and JPB

The Operating Plan must be coordinated with VTA and build upon that organization's planned expanded service to and from Gilroy. In addition, the Operating Plan for the Hollister/Gilroy Caltrain Extension that emerges from discussions with VTA will need to be negotiated with JPB. Institutional issues, such as any administrative cost contribution to the system, must be addressed.

It is imperative that SBtCOG make its specific desires known to VTA, obtain policy-level buy-in from both VTA and JPB, and define what sources will fund what portions of operating and capital costs. The time required for this step is beyond SBtCOG's control; approximately six months are estimated for it in this milestone schedule.

Step 4: Negotiate Access with UPRR

Negotiations with UPRR are critical steps to allow use of its tracks before additional passenger trains may use them. By "piggy-backing" upon ongoing VTA negotiations, SBtCOG will save considerable time and cost because it is likely that the VTA negotiation will attract priority interest of UPRR given the amount of State and Measures A/B funds that could be used to obtain access. Again, SBtCOG cannot control the time allocated to this step, which logically must follow Step 3. Six months are estimated for it in this milestone schedule.

Step 5: Facilities and Stations

Layover Facility: If a layover facility is desired in Hollister, it may take up to one year to design and construct the facility with needed lighting, fencing, water and 480 volt power. Given the constraints at the Gilroy Facility, a Hollister layover Facility may be a welcome and timely addition to the Caltrain system. If the required site is not included in the branch line access negotiations with UPRR, separate negotiations may take three or four months. Design may require two to four months; construction bidding up to four months; and construction up to four months.

Station Facilities: A station site must be finalized and station facilities constructed. These can start as simple platforms with minimum amenities, with space reserved for additional parking and other improvements as ridership grows. Even a simple platform will require design, bidding and construction, which may consume six months or more. Selection of a station site is a critical step in the environmental permitting process; once a specific site is selected, final environmental clearance may be pursued.

Track and Signal Construction: This can be performed in short order once construction crews are assigned, if the railroad does the work; however, it is important to include construction time in negotiations with UPRR, to insure that UPRR programs the work in its annual capital improvement plan. If SBtCOG contracts the work directly, it must consider time required to prepare specifications, conduct bidding, execute construction of the improvements, and inspect the work--a minimum of nine months.

The above actions may be performed concurrently, and one year is estimated as the minimum time for Step 5.

Step 6: Marketing, Run Demonstrations, Monitor Use and Service Quality

Arrangements for marketing can be relatively straightforward for this service and should take only one to two months. Targeted mailings to employers and employees may require more time, but would result in higher ridership. Initial marketing could consist of residentially-targeted fliers, community posters and banners and local press announcements of the schedules, service stops and available intra- or intermodal connections. Marketing should be coordinated with the Caltrain's overall campaigns, which are planned annually and implemented throughout the year.

Often, at the start of new service, the public is offered free rides, as a demonstration of the service and as an inducement to utilize the new choice. This demonstration may include marketing booths for all connecting bus and

van services so that the public can conveniently get all of the information it needs.

Following initiation of revenue service, surveying of passengers and counting of riders is an on-going program to insure quality service and "grow" ridership. Service quality monitoring should be performed periodically. Caltrain performs annual ridership counts and surveys.

Step 7: Refine Service Plan

Caltrain service is modified every six months, usually timed with labor contract requirements for re-bidding conductor/engineer work.

APPENDIX A

**FORMAT FOR INTEGRATION OF FACILITIES
INTO CALTRAIN'S CAPITAL IMPROVEMENT PROGRAM**

The following example is the format required by Caltrain for integrating this project in the Caltrain Capital Improvement program (CIP).

Project Title:

Extension of Caltrain Service from Gilroy to Hollister

Project Cost Estimate:

Capital cost estimate is \$19,630,000.

(Includes right of way improvements, a station and a layover facility)

Project Description:

The project will upgrade the track and ballast on the 12.3-mile existing Hollister Branch Line. The project will allow the extension of Caltrain service now running between San Francisco and Gilroy with storage tracks at Hollister for four Caltrain train sets. The travel market for this service is the commute market between San Benito County and work locations in close proximity to Caltrain stations.

Project Justification:

This project would provide a transportation alternative for San Benito County residents commuting to the Santa Clara Valley. It would also relieve traffic congestion on Highway 101 and State Route 25, reducing vehicle emissions.

An additional benefit is that the project would alleviate some expansion constraints at the existing Caltrain Gilroy station. Parking in Hollister would reduce demand for parking at the overcrowded Gilroy station. The Hollister facility would also free up existing layover trackage at Gilroy.

Project Financial Plan:

Planning & Engineering	\$	1,900,000
Plans, Specs & Estimates	\$	1,270,000
ROW	\$	N/A
Construction	\$	16,460,000
Total	\$	19,630,000

HOLLISTER/GILROY CALTRAIN EXTENSION FINAL REPORT

<u>Project Schedule:</u>	<u>Time Frame</u>
Planning & Engineering	7/00 - 6/01
Plans, Specs & Estimates	7/01 - 12/01
ROW	10/01 - 4/02
Construction	4/02 - 12/02
Implementation	1/03