



Government Relations & Public Affairs Committee

March 26, 2009

Federal Advocacy Update – Cap-to-Cap 2009 Transportation

Issue: Update on status of Sacramento Metropolitan Chamber of Commerce 2009 Cap-to-Cap Transportation Team advocacy agenda.

Recommendation: None; this is for information only.

Discussion: The Transportation Team for the Metropolitan Chamber's Cap-to-Cap trip has been meeting since January to develop its advocacy strategy for transportation, under the leadership of co-chairs Brian Dowd and Maggie Townsley. Among the criteria for specific projects to be included, the team requires that transportation projects be included in the Metropolitan Transportation Plan for 2035 (MTP2035). This is consistent with the federal requirement that any transportation project using federal funds be included in the MTP.

The Metro Chamber's Transportation Team proposes pursuing the following channels of advocacy: Regional Priority – Sacramento Intermodal Terminal Facility Track Relocation, Port of West Sacramento Channel Deepening Project, Metropolitan Corridor Mobility, Economic Stimulus Project Delivery Status Report, Goods Movement, Transit (South Line Light Rail Extension, Buses and Bus Facilities), Transportation Authorization Policy Priorities, and Jurisdictional Priorities. These policies are consistent with the SACOG Board's federal advocacy principles for Economic Recovery Funding, Transportation Authorization and Discretionary Transit Funding. Other Cap-to-Cap teams will be working on other SACOG advocacy principles including: Climate Change/Air Quality, Flood Management, Natural Resources and Blueprint Implementation. Cap-to-Cap provides an additional opportunity to raise these issues on behalf of our region and complements SACOG's ongoing federal advocacy.

Several of the Transportation Team issue papers are attached for your general information. Those unavailable to us from the Metro Chamber for packet mail out will be distributed at the committee meeting. The Metro Chamber's Transportation Committee developed these with input from SACOG staff to be used during the annual trip. April 25-29, 2009.

Approved by:

Mike McKeever
Executive Director

MM:RS:pm
Attachments

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SACRAMENTO INTERMODAL TRANSPORTATION FACILITY TRACK RELOCATION

Requested Actions:

\$14.6 million in FY 2010 Transportation & Treasury Appropriations Bill (Section 9002 – Federal Railroad Administration) for the Sacramento Intermodal Transportation Facility (SITF) Track Relocation project in Downtown Sacramento.

Background:

For the fourth year in a row, the Sacramento Area Council of Governments (SACOG) has identified the SITF as the region's highest priority transportation project for federal funding. The project involves revitalization of the City of Sacramento's historic rail depot building in Downtown Sacramento and creation of a premier regional transportation hub. The Intermodal station will serve the region's wide range of transportation modes with regional and statewide service benefits anticipated to serve 15 million patrons by 2025. The City has secured private reinvestment in the properties surrounding the Intermodal station to maximize the land use, transportation, and air quality benefits of this significant infrastructure investment. The SITF is part of the largest urban infill project in the nation known as *The Railyards*, a high density, 240-acre mixed-use development that will create more than 75,000 jobs and have a \$33 billion economic impact on the region.

Phase I of the SITF project is Track Relocation which will relocate and straighten the mainline Union Pacific freight and passenger rail tracks in the Sacramento Depot station area. The track relocation will include new passenger platforms and pedestrian connections to the Depot.

Benefits

The Phase I track relocation is critical to the overall improvements to the Intermodal facility and the larger 240-acre site development and will allow for:



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PORT OF WEST SACRAMENTO CHANNEL DEEPENING PROJECT

Requested Action:

Appropriation of \$10 million for construction of Phase III to deepen the entire Sacramento River Deep Water Channel from 30 feet to 35 feet and to complete the Limited Re-evaluation Study.

Background:

The Port of West Sacramento began operation in the 1960s, providing the Sacramento region with the ability to export regional agriculture products and driving job and economic growth. The Port has since transformed into a major importer of construction materials (cement, steel, lumber) and other large project cargos, including equipment for wind-energy facilities, power plants and dam construction. The Port also is expanding its facilities in 2009-2010 to include new biofuels, metal export and wood pellet export facilities, which will increase cargo throughput in the region by more than 900,000 metric tons annually.

The current deep-water channel depth of 30 feet cannot accommodate newer, larger ships carrying their full capacity. Larger ships now are able to call on Sacramento only with partial loads. The channel-deepening project was fully authorized by Congress in 1989, and work began that year in partnership with the Army Corps of Engineers (ACOE) to deepen the first eight miles of the 43-mile channel to 35 feet. Construction was halted in 1990 because the Port was unable to reach a settlement regarding a utility gas pipeline under the channel, an issue since resolved. In 2008, the ACOE was funded \$1.8 million to finish the required Limited Re-evaluation Report (LRR), including the EIR/EIS and other mandated federal regulatory analyses. The Port also received additional federal funding of \$957,000 (FY 09). The project now is ready for construction funding with minor funding for the very last phase of the LRR. The federal funds will be matched with more than \$10 million from State Proposition 1B Trade Corridor Improvement Funds program. The Port, now under the jurisdiction of the City of West Sacramento and Yolo County, privatized its daily operations in 2006 and its terminal is operated by SSA Marine, the largest terminal operator in the United States. The Port's survival is dependent upon its ability to accommodate fully loaded vessels and make shipments to and from the Port cost effective.

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- increased capacity for both freight trains and passenger service on the shared Union Pacific line between Nevada and the Sacramento region,
- improved regional rail service on the Amtrak Capitol Corridor service through Placer, Sacramento, Yolo, and Solano counties en route to the San Francisco Bay Area,
- improved safety by reducing passenger-rail conflicts and improved security for the Robert T. Matsui United States Courthouse adjacent to the current rail line alignment.
- additional infrastructure (extension of City streets and public services/utilities) to be constructed, facilitating the Railyards development.
- ultimate creation of a destination civic facility serving cultural, retail, office, events, and other activities in addition to transportation functions.

The City anticipates completing track relocation construction by the end of 2010.

The total cost of the Phase I project is estimated at \$56.17 million. In FY 2008/2009, Congress appropriated \$1,342,000 in Section 9002 funds and the City of Sacramento subsequently submitted an application to the Federal Railroad Administration (FRA) for \$5 million of Section 9002 competitive funds. SACOG and the City are asking Congress to provide an additional \$14.6 million of Section 9002 funds in FY10. If all the requests are awarded, the project budget will include nearly \$20 million in FRA funds. The American Recovery and Reinvestment Act of 2009 also provided an additional \$20 million in federal stimulus funds for the project. The federal funds will be matched with State Proposition 1B Trade Corridor Improvement Funds, Sacramento County Transportation Sales Tax, and private development funds.

The greater Sacramento region, including the counties of Sacramento, Placer, El Dorado, Yuba, Sutter and Yolo, and the 22 cities within them, recognize the regional asset represented by completion of the Intermodal project. Currently, the Sacramento Valley Station, also known as the Depot, is the regional transportation link for Amtrak and the Capitol Corridor commuter rail service. With 16 daily roundtrip trains connecting Sacramento and the San Francisco Bay Area, this is the third busiest intercity passenger rail route in the United States. The planned Intermodal station will be a central connection point for intercity and local buses, light rail transit, passenger rail, and future regional and high speed rail service for the six-county metropolitan region.



Key Benefits

Improving the movement of goods is among the highest priorities for the State of California and under the leadership of Governor Arnold Schwarzenegger, the California Business, Transportation, and Housing Agency has developed a goods movement action plan. The Metro Chamber also has identified goods movement as a regional transportation priority and has strongly supported the channel-deepening project as key to improving the Sacramento region's overall transportation network. The State's economy, jobs creation, and quality of life depend upon the efficient, safe delivery of goods through ports. The environmental impacts from goods movement activities must also be reduced to ensure protection of public health. Improving the essential infrastructure needed to move goods from California's ports to the rest of the country is critical to maintaining the national goods movement network. The Port of West Sacramento's channel deepening project is consistent with the State's goods movement action plan and the Metro Chamber's regional business agenda priorities and provides numerous benefits. The deepening project will:

- enable the Port to accommodate larger, more modern and fuel-efficient ships and will increase ships' cargo volume by 40% which, in turn, helps to create more direct and indirect jobs.
- allow cargo capacity will continue to diversify and likely will expand to include cars, other break-bulk, and container ferries.
- reduce congestion on Interstate 80, US 50 and Highway 99 – 23,545 freight trucks will be removed from roadways annually.
- enhance the use of a "marine highway" via the Port, thereby reducing regional air emissions and greenhouse gases 70% to 85% compared to truck transport.
- provide a source of 6.4 million cubic yards of dredged material to be used for levee maintenance and regional habitat projects. This dredged material has been tested and is considered clean and appropriate for such uses.
- ultimately improve regional mobility by linking the Port with industrial parks and inland distribution hubs throughout the Sacramento region via existing short-haul rail service, which would further reduce short-haul truck trips on the major highways while helping create jobs and enhance economic vitality in the region. A successful example of this linkage is the Port-McClellan Business Park connection, which will ultimately support McClellan's economic goal of creating more than 35,000 jobs and generate more than \$6 million in property taxes and \$1.1 million in sales taxes annually.



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FEDERAL SURFACE TRANSPORTATION AUTHORIZATION POLICY PRIORITIES

Requested Action: Support surface transportation authorization prior to the expiration of SAFETEA-LU to ensure continuity in the flow of federal transportation funds.

Background:

Congress should consider the following policy priorities:

- Increase federal revenues and make funding more flexible and performance based
- Streamline project delivery
- Enhance mobility through congestion relief within and between metropolitan areas
- Support safety and security, particularly for rural roads and access
- Require coordinated land use, transportation and air quality planning that link climate reduction and transportation funding
- Ensure transparency in the earmark and appropriations process

Increase federal revenues and make funding more flexible and performance based

Funding for road maintenance and rehabilitation are 30 percent short of present need, and fares typically cover only 20 percent of transit operating costs in the region. As infrastructure deteriorates and congestion increases, new, stable, flexible and adjustable funding sources are needed to keep the system functioning. Performance-based funding would provide greater value than categorical programs. We recommend that Congress:

- Raise the current motor fuel tax by 25 cents per gallon over five years, with increases linked to a construction (or site-specific) cost index.
- Consolidate programs and develop a performance matrix for project funding that considers mobility, accessibility, safety, air quality, greenhouse gas emissions and land uses. Prioritize funds for capital expansion projects that reduce VMT and GHG emissions and areas in non-attainment for air quality.
- Pursue efficiencies, consider private funding and pricing, and partner with state and local governments to manage and use existing funds efficiently.
- Expand project eligibility within programs and increase flexibility among programs, especially for transit operations and road maintenance, with greater local control.



Streamline project delivery

Projects often take decades from conception to completion, but environmental review and permitting process reforms would improve timely and efficient project delivery. We recommend that Congress:

- Simplify the NEPA process for projects with few significant impacts.
- Revise the Council on Environmental Quality (CEQ) regulations to require only consideration of “reasonable” alternatives, based on an expanded list of factors including community values and funding realities.
- Set time limits for review and decisions, allow federal transportation funds to be used to pay for regulatory agencies to speed reviews, and establish a high-level appeal process where the USDOT can seek redress for adverse permitting decisions.

Enhance mobility options and congestion relief within and between metropolitan areas

California is home to the six of the 25 most congested metropolitan areas in the nation. Congestion relief would reduce exposure to air pollutants and allow efficient movement of goods through California, increasing the nation’s ability to remain globally competitive and generate jobs. Our transportation system also needs to be safer for all users—motorists, pedestrians, bicyclists and transit riders. We recommend that Congress:

- Increase funding for projects aligned with supportive land uses and aimed at reducing congestion and promoting mobility.
- Increase state flexibility to implement performance-based infrastructure projects and public-private partnerships, including interstate tolling and innovative financing.
- Create and fund a program to relieve congestion at ports and along highways and railways that are now acting as trade barriers and creating environmental hot spots.
- Prioritize funding for states that have self-funded goods movement projects.
- Include adequate funding to mitigate the environmental and community impacts associated with goods movement.

Support safety and security, particularly for rural roads and access

We recommend that Congress:

- Increase funding for safety projects and programs aimed at reducing fatalities, especially on the secondary highway system and county roads where fatality rates are the highest.
- Support the improvement of public transit services and mobility options for seniors and people with disabilities by efforts including safe vehicles, accessible stops and facilities, and driver safety programs.
- Integrate new safety technologies, including improved data collection and monitoring.
- Fund a national program to provide security on our nation’s transportation systems, including public transit.

Require coordinated land use, transportation and air quality planning that link climate reduction and transportation funding

In 2008, California passed a groundbreaking law, Senate Bill 375, based on the success of the region’s Blueprint Transportation and Land Use Study. SB375 addresses climate change through linking transportation and land use planning with affordable housing and environmental review reform. SB 375 requires regions to use technical tools, public engagement and coordination across planning disciplines for transportation and land use planning. One way communities benefit from this new approach is through



streamlined environmental review for certain hard-to-build infill projects, such as transit-oriented developments. We recommend that Congress:

- Require regional land use plans to be coordinated with transportation planning.
- Allow environmental streamlining of projects, consistent with regional plans.
- Link transportation and land use plans to greenhouse gas reduction targets (when established).

Ensure transparency in the earmark and appropriations process

Transparency and accountability are critical to the future success and support of the federal surface transportation program. Our region has made every effort to ensure the public is involved in transportation planning. We recommend that Congress:

- Require projects funded through appropriations be reviewed and justified through the public process.
- Require that appropriations requests are consistent with local, regional, state or federal planning processes.