



Government Relations & Public Affairs Committee

April 30, 2012

Consideration of AB 1779

Issue: Should SACOG support state legislation to allow joint powers authority to assume administrative responsibilities for the state-supported San Joaquin intercity rail passenger service?

Recommendation: Staff is recommending that the Government Relations & Public Affairs Committee recommend support of AB 1779 to provide the authority to form the Joint Powers Agreement (JPA). Staff will work with the Central Valley Rail Working Group (CVRWG) and the author on amendments and implementation.

Discussion: In 1998, the Capitol Corridor Joint Powers Authority (CCJPA), governed by elected officials from transit agencies along the corridor, began administration of the Capitol Corridor intercity rail passenger service. Prior to that point, the Caltrans Division of Rail administered the Capitol Corridor. Caltrans Division of Rail continues to operate two other intercity services: San Joaquin and Pacific Surfliner. AB 1779 (Attachment A) proposes to allow a similar JPA to form for the San Joaquin service (Attachment B shows the current service area). SB 1225 (pending in Senate) would provide authority for the Pacific Surfliner to be administered by the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency Joint Powers Board (LOSSAN Board).

Over the past few years, SACOG has been participating in the CVRWG, which has focused on San Joaquin service as well as high-speed rail planning through the Central Valley. Late last year, CVRWG proposed the concept for AB 1779. On March 29, Assemblymember Galgiani amended AB 1779 to focus on this issue.

AB 1779 would require formation of an 11-member JPA, representing each county in the service area through their transit agency or council of governments, by December 31, 2013 (see Attachment C). As the bill is currently written, SACOG would not appoint a member to the JPA; Sacramento Regional Transit District (SRTD) would represent Sacramento County on the JPA. The bill is written to expand the JPA in the future if service extends into other counties. AB 1779 does not identify the managing agency for the JPA, but CVRWG has indicated that SRTD and San Joaquin Regional Rail Commission are candidates.

CVRWG has six arguments for establishing this authority: (1) a locally controlled board can be more responsive to local/regional needs and issues; (2) a JPA staffed by a local agency can potentially be more cost-effective than the Caltrans Division of Rail; (3) a JPA has more discretion to advocate for state and federal funding and policies; (4) a JPA can more easily partner with local agencies to promote the service; (5) a JPA would allow for improved service to prepare the San Joaquin for future high-speed rail service; and (6) service increases would result in more jobs, improve air quality, and help promote sustainable development.

Opponents argue that: (1) the proposal is premature, both because of the ongoing changes to the high-speed rail plan, as well as restructuring of state transportation into a unified Transportation Agency; (2) the San Joaquin is more of a spine for the entire state intercity rail service, rather than a regional service,

and so the state should maintain a role in coordinating intercity rail services; (3) it is unknown whether the private railroads will permit additional trains in the corridor, making it difficult to add service; and (4) the bill requires services remain at current levels, but does not identify how shortfalls would be funded.

The CCJPA is an efficient and effective operational model. CCJPA has increased from 4 to 16 round trips per day. In FY2010-11, ridership exceeded 1.7 million passengers, farebox recovery was 48%, and on-time performance was 95% (highest in the nation). Over the same period, the San Joaquin increased from 4 to 6 round trips per day. In FY2010-11, ridership was just over 1 million passengers, farebox recovery was 54%, and on-time performance was 90%. The intent of AB 1779 is to realize similar improvements on the San Joaquin by forming a JPA.

Staff believes that a JPA would have the benefits identified by CVRWG, but there would be some fiscal and governance issues to work out before a JPA should be formed. CVRWG has committed to developing a JPA framework, managing agency options, and possible amendments to AB 1779. If the bill is enacted, CVRWG will develop a business case (i.e., cost effectiveness analysis) prior to forming a JPA.

Staff is recommending that the committee recommend support of AB 1779 to provide the authority to form the JPA. Staff will work with the CVRWG and the author on amendments and implementation. There are several fiscal and governance issues that must be worked out among the proposed member agencies prior to the formation of the JPA. In addition to the details of the JPA structure, funding for startup costs has not been identified. BART, the managing agency for CCJPA, absorbed \$700,000 in startup costs for CCJPA. While there is the potential for efficiencies through shared services, staff will work with CVRWG to ensure that that the JPA would be structured in the best interests of the Sacramento region.

The bill has unanimously passed the Assembly Transportation Committee and the Assembly Local Government Committee. It is now pending before the Assembly Appropriations Committee.

The bill is co-sponsored by the Central Valley Rail Working Group and San Joaquin Valley Regional Policy Council. Supporters include: California Partnership for the San Joaquin Valley, City of Fresno, City of Lodi, City of Merced, City of Modesto, County of Fresno, Madera County Transportation Commission, Merced County Association of Governments, Sacramento Councilmember Steve Cohn, Sacramento Regional Transit District, San Joaquin Regional Rail Commission, San Joaquin Regional Transit District, and San Joaquin Valley Air Pollution Control District. Opponents include: Rail Passenger Association of California & Nevada, and Citizens for California High Speed Rail Accountability.

Approved by:

Mike McKeever
Chief Executive Officer

MM:EJ:gg

Key Staff: Kirk Trost, Chief Operating Officer/General Counsel, (916) 340-6210
Matt Carpenter, Director of Transportation Services, (916) 340-6276
Erik Johnson, Government & Media Affairs Coordinator, (916) 340-6247
Ed Coviello, Assistant Planner, (916) 340-6223

AB 1779 Proposed Governance Structure for San Joaquin JPA

The board shall be organized when at least six of the jurisdictions (member agencies) elect to appoint a member to serve on the board, so long as at there is at least:

One member agency from the northern portion of the corridor (Sacramento, San Joaquin, Alameda, and Contra Costa counties), one member agency from the central portion of the corridor (Stanislaus, Merced, and Madera counties), and one member agency from the southern portion of the corridor (Fresno, Kings, Tulare, and Kern counties)

The proposed membership of the JPA is:

- (1) One member of the Board of Directors of the Sacramento Regional Transit District for the County of Sacramento.
- (2) One member of the Board of Directors of the San Joaquin Regional Rail Commission, who is a resident of San Joaquin County.
- (3) One member of the Stanislaus Council of Governments for the County of Stanislaus.
- (4) One member of Merced County Association of Governments for the County of Merced.
- (5) One member of the Madera County Transportation Commission for the County of Madera.
- (6) One member of the Fresno Council of Governments for the County of Fresno.
- (7) One member of the Kings County Association of Governments for the County of Kings.
- (8) One member of the Tulare County Association of Governments for the County of Tulare.
- (9) One member of the Kern Council of Governments for the County of Kern.
- (10) One member of either a Contra Costa County regional transportation planning authority board or of the Board of Directors of a rail service that serves Contra Costa County, that resides in Contra Costa County.
- (11) One member of either Alameda County regional transportation planning authority board or of the Board of Directors of a rail service that serves Alameda County, that resides in Alameda County.